



BDO Stoy Hayward
Chartered Accountants

J Medler Haulage Co Limited

Report and Financial Statements

Year Ended

31 March 2001



J Medler Haulage Co Limited

Annual report and financial statements for the year ended 31 March 2001

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Directors

D Medler
CA Medler

Secretary and registered office

JWW Medler, Fircovert Road, Felthorpe, Norwich, NR10 4DT

Company number

2994521

Auditors

BDO Stoy Hayward, 7 The Close, Norwich, Norfolk, NR1 4DP

J Medler Haulage Co Limited

Report of the directors for the year ended 31 March 2001

The directors present their report together with the audited financial statements for the year ended 31 March 2001.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year.

The directors do not recommend a dividend.

Principal activities, review of business and future developments

The company's principal activity is that of haulage contractors. The directors consider the results for the year to be satisfactory and expect future trends to be similar.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	£1 ordinary shares fully paid	
	31 March 2001	31 March 2000
D Medler	60	60
CA Medler	40	40

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

J Medler Haulage Co Limited

Report of the directors for the year ended 31 March 2001 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



D Medler

Director

19 December 2001

J Medler Haulage Co Limited**Report of the independent auditors**

To the shareholders of J Medler Haulage Co Limited

We have audited the financial statements of J Medler Haulage Co Limited for the year ended 31 March 2001 on pages 6 to 18 which have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



J Medler Haulage Co Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink that reads 'BDO Stoy Hayward'.

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
Norwich

21 January 2002

J Medler Haulage Co Limited

Profit and loss account for the year ended 31 March 2001

	Note	2001 £	2000 £
Turnover	2	2,009,199	1,944,379
Cost of sales		1,723,428	1,720,849
Gross profit		285,771	223,530
Administrative expenses - including exceptional costs, see note 5		155,920	202,418
		129,851	21,112
Other operating income		18,500	15,000
Operating profit	3	148,351	36,112
Other interest receivable and similar income		1,359	45
Interest payable and similar charges	7	(20,320)	(23,831)
Profit on ordinary activities before taxation		129,390	12,326
Taxation on profit on ordinary activities	8	26,012	12,684
Profit/(loss) on ordinary activities after taxation retained for the year		103,378	(358)
Retained profit brought forward		257,490	257,848
Retained profit carried forward		360,868	257,490

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit/loss for the year.

The notes on pages 8 to 18 form part of these financial statements.

J Medler Haulage Co Limited

Balance sheet at 31 March 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	10		569,075		613,314
Investments	11		100		100
			569,175		613,414
Current assets					
Stocks	12	7,846		37,347	
Debtors	13	378,379		408,355	
Cash at bank and in hand		83,681		11	
		469,906		445,713	
Creditors: amounts falling due within one year	14	506,263		613,486	
Net current liabilities			(36,357)		(167,773)
Total assets less current liabilities			532,818		445,641
Creditors: amounts falling due after more than one year	15	150,316		164,529	
Provision for liabilities and charges	16	21,534		23,522	
			171,850		188,051
			360,968		257,590
Capital and reserves					
Called up share capital	17		100		100
Profit and loss account			360,868		257,490
Equity shareholders' funds			360,968		257,590

The financial statements were approved by the Board on 19 December 2001.

D Medler
Director



The notes on pages 8 to 18 form part of these financial statements.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention. The following principal accounting policies have been applied:

Goodwill

Goodwill arising on an acquisition of a trade is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life which ranges from 0 to 20 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Lorries	- 12.5% to 25% per annum
Trailers	- 10% per annum
Plant & machinery	- 10% to 20% per annum
Motor vehicles	- 25% per annum
Office Equipment	- 20% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less costs of disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

This is arrived at after charging/(crediting):

	2001 £	2000 £
Depreciation of tangible fixed assets	197,075	199,723
Amortisation of goodwill	-	50,000
Auditors remuneration	4,425	4,425
Profit/(loss) on sale of fixed assets	1,200	(13,828)
	<u> </u>	<u> </u>

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

4 Employees

Staff costs (including directors) consist of:

	2001 £	2000 £
Wages and salaries	463,868	454,921
Social security costs	48,759	43,684
Other pension costs	2,630	4,450
	<u>515,257</u>	<u>503,055</u>

The average number of employees (including directors) during the year was as follows:

	2001 Number	2000 Number
Drivers	17	17
Mechanics	2	2
Administration	4	3
	<u>23</u>	<u>22</u>

5 Exceptional item

On 19 April 1999 the company purchased certain assets and the steel haulage business of TR Transport (East Anglia) Limited, a haulage contractor, for a consideration of £150,000 including goodwill amounting to £50,000. The goodwill was fully written off in the year ended 31 March 2000.

6 Directors' remuneration

	2001 £	2000 £
Directors' emoluments	<u>53,221</u>	<u>52,246</u>

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

7 Interest payable and similar charges

	2001 £	2000 £
On bank overdrafts	2,009	5,533
On loans	2,931	2,016
On finance leases	15,380	16,282
	<u>20,320</u>	<u>23,831</u>

8 Taxation on profit on ordinary activities

	2001 £	2000 £
<i>UK Corporation tax</i>		
<i>Current year</i>		
Current tax on income for the year	28,000	12,809
Transfer from deferred taxation account	(1,988)	(159)
	<u>26,012</u>	<u>12,650</u>
<i>Prior years</i>		
UK Corporation tax	-	34
	<u>26,012</u>	<u>12,684</u>

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

9 Intangible assets

	Purchased goodwill £
<i>Cost</i>	
At 1 April 2000 and 31 March 2001	50,000
<i>Amortisation</i>	
At 1 April 2000 and 31 March 2001	50,000
<i>Net book value</i>	
At 1 April 2000 and 31 March 2001	-

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

10 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>			
At 1 April 2000	69,505	1,171,571	1,241,076
Additions	18,650	134,186	152,836
Disposals	-	(4,775)	(4,775)
At 31 March 2001	88,155	1,300,982	1,389,137
<i>Depreciation</i>			
At 1 April 2000	38,062	589,700	627,762
Provided for the year	18,195	178,880	197,075
Disposals	-	(4,775)	(4,775)
At 31 March 2001	56,257	763,805	820,062
<i>Net book value</i>			
At 31 March 2001	31,898	537,177	569,075
At 31 March 2000	31,443	581,871	613,314

The net book value of tangible fixed assets includes an amount of £174,653 (2000 - £242,260) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £67,607 (2000 - £75,699).

11 Fixed asset investments

	Other £
<i>Cost</i>	
At 1 April 2000 and 31 March 2001	100
<i>Net book value</i>	
At 31 March 2000 and 31 March 2001	100

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

12 Stocks

	2001	2000
	£	£
Consumables	7,846	37,264
Goods held for resale	-	83
	7,846	37,347

There is no material difference between the replacement cost of stocks and the amounts stated above.

13 Debtors

	2001	2000
	£	£
Trade debtors	344,562	374,396
Other debtors	6,848	145
Prepayments and accrued income	26,969	33,814
	378,379	408,355

All amounts shown under debtors fall due for payment within one year.

Included within prepayments is £5,080 (2000: £5,744) in respect of pension contributions.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

14 Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loans and overdrafts (secured)	20,575	58,688
Trade creditors	113,760	185,709
Taxation and social security	78,802	70,722
Corporation tax	28,000	12,809
Obligations under finance lease and hire purchase contracts	59,213	63,519
Other creditors	136,946	150,394
Other loans (secured)	27,000	22,500
Accruals and deferred income	41,967	49,145
	506,263	613,486

The bank overdraft facility is secured by a guarantee from J Medler Limited of £100,000 and unlimited personal guarantees from the directors.

Other loans are secured by a fixed charge over two of the company's motor vehicles.

Included in other creditors above are directors loans payable to:

	2001	2000
	£	£
D Medler	125,374	129,913
CA Medler	11,324	19,983
	136,698	149,896

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

15 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Other loans (secured)	45,000	-
Obligations under finance lease and hire purchase contracts	105,316	164,529
	<u>150,316</u>	<u>164,529</u>

Maturity of debt:

	Finance Leases		Other debt		Total	
	2001 £	2000 £	2001 £	2000 £	2001 £	2000 £
In one year or less, or on demand	59,213	63,519	47,575	81,188	106,788	144,707
In more than one year but not more than two years	51,494	59,213	27,000	-	78,494	59,213
In more than two years but not more than five years	53,822	105,316	18,000	-	71,822	105,316
	<u>164,529</u>	<u>228,048</u>	<u>92,575</u>	<u>81,188</u>	<u>257,104</u>	<u>309,236</u>

Other loans are secured by a fixed charge over two of the company's motor vehicles.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)

16 Provision for liabilities and charges

	Deferred taxation
	£
At 31 March 2000	23,522
(Credited) to profit and loss account	(1,988)
At 31 March 2001	21,534
Deferred taxation	
	Provided
	2001
	2000
	£
The amount of deferred tax provided for is as follows:	
Accelerated capital allowances	21,534
	23,522

There is no unprovided deferred tax.

17 Share capital

	Authorised	Allotted, called up and fully paid
	2001	2000
	£	£
<i>Equity share capital</i>		
Ordinary shares of £1 each	100	100

18 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £2,630 (2000 - £4,450).

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

19 Related party disclosures

Controlling parties

The company is controlled by Mr D Medler, the majority shareholder.

Related party transactions and balances

During the year the company entered into sales transactions amounting to £677,609 (2000: £626,407) with J Medler Limited, a company in which Mr D Medler is a director and owns 15% of the issued share capital. The net amount owed by J Medler Limited as at 31 March 2001 is £63,165 (2000: £76,928).

The company also owed an amount of £22,500 being a loan received from J Medler Limited which was repaid during the year. Interest was paid at the bank base rate and amounted to £404 (2000: £2,016).

J Medler Haulage Co Limited charged J Medler Limited £18,500 (2000: £15,000) for services provided and paid £7,200 (2000: £7,200) for services received. At the year end the company was owed £5,000 (2000: £Nil) for services provided.

On 1 February 1996 J Medler Limited entered into a bank guarantee for the sum of £100,000 in favour of J Medler Haulage Co Limited supported by an unlimited guarantee from D Medler and C Medler as directors of the company.

During the year the company borrowed £81,000 from Mr JWW Medler, the Company Secretary. At the year end £72,000 was outstanding. Interest is paid at a rate of 7% and amounted to £2,527. The loan is secured by a fixed charge over two of the company's motor vehicles.

20 Capital commitments

	2001 £	2000 £
Contracted but not provided for	52,970	-

21 Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.