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J Medler Haulage Co Limited

Report and Financial Statements

Year Ended

31 March 2003



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J Medler Haulage Co Limited

Annual report and financial statements for the year ended 31 March 2003

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Directors

D Medler
CA Medler

Secretary and registered office

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

Company number

2994521

Independent auditors

Baker Tilly, 7 The Close, Norwich, Norfolk, NR1 4DP

J Medler Haulage Co Limited

Report of the directors for the year ended 31 March 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Results

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

Principal activities

The company's principal activity is that of haulage contractors.

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	31 March
	2003	2002
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 2003 (*Continued*)

Auditors

With the consent of the company, Baker Tilly took office as auditors on 1 January 2003. Consequently a resolution to re-appoint Baker Tilly will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



D Medler

Director

29 January 2004

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 2003 on pages 6 to 15 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the accounting policies set out on page 8 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

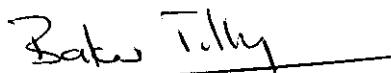
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2003 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 dark ink, appearing to read "Baker Tilly", is written over a horizontal line.

BAKER TILLY
Chartered Accountants
and Registered Auditors
Norwich

29 January 2004

J Medler Haulage Co Limited**Profit and loss account for the year ended 31 March 2003**

	Note	2003 £	2002 £
Turnover	2	1,898,045	1,884,924
Cost of sales		1,618,866	1,579,464
Gross profit		279,179	305,460
Administrative expenses		186,452	169,662
		92,727	135,798
Other operating income		22,380	21,996
Operating profit	3	115,107	157,794
Other interest receivable and similar income		826	1,158
Interest payable and similar charges		(20,523)	(18,023)
Profit on ordinary activities before taxation		95,410	140,929
Taxation on profit on ordinary activities	5	16,873	28,367
Profit on ordinary activities after taxation		78,537	112,562
Retained profit brought forward		473,430	360,868
Retained profit carried forward		551,967	473,430

The notes on pages 8 to 15 form part of these financial statements.

J Medler Haulage Co Limited

Balance sheet at 31 March 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	7		639,744		750,576
Fixed asset investments	8		100		100
			<u>639,844</u>		<u>750,676</u>
Current assets					
Stocks		36,176		13,080	
Debtors	9	347,396		414,328	
Cash at bank and in hand		160,720		26,089	
		<u>544,292</u>		<u>453,497</u>	
Creditors: amounts falling due within one year	10	427,121		515,116	
Net current assets/(liabilities)			<u>117,171</u>		<u>(61,619)</u>
Total assets less current liabilities			<u>757,015</u>		<u>689,057</u>
Creditors: amounts falling due after more than one year	11	173,352		179,289	
Provision for liabilities and charges	12	31,596		36,238	
		<u>204,948</u>		<u>215,527</u>	
			<u>552,067</u>		<u>473,530</u>
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss account		551,967		473,430	
Shareholders' funds			<u>552,067</u>		<u>473,530</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 29 January 2004.


D Medler
Director

The notes on pages 8 to 15 form part of these financial statements.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003

1 Accounting policies

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and under the historical cost convention. The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by the Financial Reporting Standard for Smaller Entities (effective June 2002) not to prepare a cash flow statement.

Goodwill

Goodwill arising on an acquisition of a trade undertaking 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 or valuation, 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% to 20% 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 additional costs to completion and disposal.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

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 fair value of the asset. 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

None of the company's turnover in the current and prior year is attributable to markets outside the United Kingdom.

3 Operating profit

	2003 £	2002 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	197,630	200,529
Loss/(profit) on disposal of tangible fixed assets	5,293	(21,719)
Auditors' remuneration -audit services	4,800	4,600

Depreciation includes £91,063 (2002 - £68,028) charged on assets held under finance leases and hire purchase contracts.

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

4 Directors' remuneration

	2003 £	2002 £
Aggregate emoluments	46,075	61,886

5 Taxation on profit on ordinary activities

	2003 £	2002 £
<i>Current tax</i>		
UK corporation tax on profits of the year	17,067	13,663
Adjustment in respect of previous periods	4,448	-
Total current tax	21,515	13,663
<i>Deferred tax</i>		
Origination and reversal of timing differences	(194)	14,704
Adjustment in respect of previous periods	(4,448)	-
Movement in deferred tax provision	(4,642)	14,704
Taxation on profit on ordinary activities	16,873	28,367

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

Taxation (continued)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	95,410	140,929
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 20%)	18,128	28,186
Effect of:		
Expenses not deductible for tax purposes	335	1,161
Capital allowances for period in excess of depreciation	(1,390)	(15,684)
Movement in provisions	(6)	-
Current tax charge for period	17,067	13,663

6 Intangible assets

	Purchased goodwill £
<i>Cost or valuation</i>	
At 1 April 2002 and 31 March 2003	50,000
<i>Amortisation</i>	
At 1 April 2002 and 31 March 2003	50,000
<i>Net book value</i>	
At 31 March 2002 and 31 March 2003	-

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

7 Tangible fixed assets

	Plant and machinery etc £
<i>Cost</i>	
At 1 April 2002	1,610,579
Opening balance adjustment	126,050
At 1 April 2002	1,736,629
Additions	191,533
Disposals	(144,764)
At 31 March 2003	1,783,398
<i>Depreciation</i>	
At 1 April 2002	860,003
Opening balance adjustment	126,050
At 1 April 2002	986,053
Provided for the year	197,630
Disposals	(40,029)
At 31 March 2003	1,143,654
<i>Net book value</i>	
At 31 March 2003	639,744
At 31 March 2002	750,576

The net book value of tangible fixed assets includes an amount of £307,375 (2002 - £272,190) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £91,063 (2002 - £68,028).

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

8 Fixed asset investments

	Other £
<i>Cost or valuation</i>	
At 1 April 2002 and 31 March 2003	100
<i>Net book value</i>	—
At 31 March 2002 and 31 March 2003	100

9 Debtors

	2003 £	2002 £
Trade debtors	325,005	392,285
Other debtors	22,391	22,043
	—	—
	347,396	414,328

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

Included within other debtors is £207 (2002: £178) in respect of pension contributions.

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts (secured)	—	23,347
Other loans (secured)	18,000	27,000
Trade creditors	117,299	158,478
Corporation tax	21,515	13,663
Other taxation and social security	73,886	48,672
Obligations under finance lease and hire purchase contracts	89,183	80,978
Other creditors	107,238	162,978
	—	—
	427,121	515,116

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

11 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Other loans (secured)	-	18,000
Obligations under finance lease and hire purchase contracts	173,352	161,289
	<u>173,352</u>	<u>179,289</u>

12 Provision for liabilities and charges

	Deferred taxation £
At 1 April 2002	36,238
Charged to profit and loss account	(4,642)
	<u>31,596</u>
At 31 March 2003	<u>31,596</u>

Deferred taxation

	2003 £	Provided 2002 £
The amount of deferred tax provided for is as follows:		
Accelerated capital allowances	31,556	36,238
Sundry timing differences	40	-
	<u>31,596</u>	<u>36,238</u>

13 Share capital

	2003 £	2002 £	Authorised 2003 £	Allotted, called up and fully paid 2002 £
100 ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

J Medler Haulage Co Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

14 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 £4,171 (2002 - £3,364).

15 Related party disclosures

Controlling parties

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

Related party transactions and balances

During the year the company entered into sales transactions amounting to £688,131 (2002: £685,020) with J Medler Limited, a company in which D Medler is a director. The net amount owed by J Medler Limited as at 31 March 2003 is £58,709 (2002: £65,157).

J Medler Haulage Co Limited charged J Medler Limited £22,380 (2002: £21,996) for services provided and paid £7,200 (2002: £7,200) for services received. At the year end the company was owed £3,500 (2002: £2,500) for services provided.

Loans and transactions concerning directors and officers of the company

The directors operate loan accounts with the company which are always in credit. At the year end the balances owed to the directors were; D Medler £53,965 (2002: £115,705), C Medler £3,949 (2002: £2,648).

During the year D Medler purchased a car and number plate from the company for a market value of £41,842.

The directors have also given unlimited personal guarantees in respect of the company's bank overdraft.

The company owes £18,000 (2002: £45,000) to JWW Medler, the Company Secretary. Interest is paid at a rate of 7% and amounted to £2,129 (2002: £4,019). The loan is secured by a fixed charge over two of the company's motor vehicles.