

GKR LOGISTICS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2007

TUESDAY



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COMPANIES HOUSE

GKR LOGISTICS LIMITED

COMPANY INFORMATION

DIRECTORS

G Rowswell
L Rowswell
N Rowswell

SECRETARY

C Rowswell

COMPANY NUMBER

4164708

REGISTERED OFFICE

47A London Road
Sevenoaks
Kent
TN13 1AR

AUDITORS

FW Stephens
24 Chiswell Street
London
EC1Y 4YX

ACCOUNTANTS

Thain Osborne & Co
47A London Road
Sevenoaks
Kent
TN13 1AR

GKR LOGISTICS LIMITED

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GKR LOGISTICS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2007

The directors present their report and the financial statements for the year ended 31 October 2007

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be that of vehicle and transport suppliers

DIRECTORS

The directors who served during the year were

G Rowswell
L Rowswell
N Rowswell

AUDITORS

The auditors, FW Stephens, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

GKR LOGISTICS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2007**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

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

This report was approved by the board on 29.05.08

and signed on its behalf

C Rowsell
Secretary



GKR LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GKR LOGISTICS LIMITED

We have audited the financial statements of GKR Logistics Limited for the year ended 31 October 2007, set out on pages 5 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

GKR LOGISTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GKR LOGISTICS LIMITED

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 October 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

FW Stephens

FW STEPHENS

24 Chiswell Street
London
EC1Y 4YX

Date *12 JUNE 2008*

GKR LOGISTICS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2007**

	Note	2007 £	2006 £
TURNOVER	1	427,256	407,263
Cost of sales		<u>(278,161)</u>	<u>(248,730)</u>
GROSS PROFIT		149,095	158,533
Administrative expenses		<u>(52,097)</u>	<u>(82,475)</u>
OPERATING PROFIT	2	96,998	76,058
Interest receivable		<u>23</u>	<u>5</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		97,021	76,063
Tax on profit on ordinary activities	3	<u>(24,711)</u>	<u>(17,475)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	<u>72,310</u>	<u>58,588</u>

The notes on pages 7 to 13 form part of these financial statements

GKR LOGISTICS LIMITED

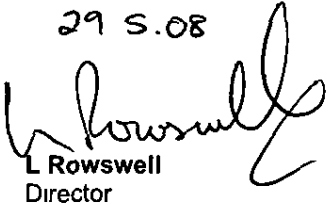
**BALANCE SHEET
AS AT 31 OCTOBER 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	4		52,627		79,963
Fixed asset investments	5		1,800,220		1,800,220
			<u>1,852,847</u>		<u>1,880,183</u>
CURRENT ASSETS					
Stocks		500		3,500	
Debtors	6	63,493		114,256	
Cash at bank		91,202		59,899	
		<u>155,195</u>		<u>177,655</u>	
CREDITORS: amounts falling due within one year	7	(243,590)		(363,598)	
NET CURRENT LIABILITIES			<u>(88,395)</u>		<u>(185,943)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,764,452</u>		<u>1,694,240</u>
CREDITORS amounts falling due after more than one year	8		(1,200,000)		(1,200,000)
PROVISIONS FOR LIABILITIES					
Deferred tax	9		(2,657)		(4,755)
NET ASSETS			<u>561,795</u>		<u>489,485</u>
CAPITAL AND RESERVES					
Called up share capital	10		222		222
Profit and loss account	11		561,573		489,263
SHAREHOLDERS' FUNDS			<u>561,795</u>		<u>489,485</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29.5.08


L. Rowswell
Director

The notes on pages 7 to 13 form part of these financial statements

GKR LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2007

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25%	Reducing balance
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1.4 INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rental payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value.

GKR LOGISTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2007

1. ACCOUNTING POLICIES (continued)

1.7 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

2. OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	17,542	27,129
Auditors' remuneration	6,273	4,000
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2006 - £NIL)

GKR LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

3 TAXATION

	2007 £	2006 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	26,809	14,291
DEFERRED TAX (see note 9)		
Origination and reversal of timing differences	(2,098)	3,184
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>24,711</u>	<u>17,475</u>

4 TANGIBLE FIXED ASSETS

	Motor vehicles £
COST	
At 1 November 2006	179,104
Disposals	(38,687)
At 31 October 2007	<u>140,417</u>
DEPRECIATION	
At 1 November 2006	99,141
Charge for the year	17,542
On disposals	(28,893)
At 31 October 2007	<u>87,790</u>
NET BOOK VALUE	
At 31 October 2007	<u>52,627</u>
At 31 October 2006	<u>79,963</u>

5 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST OR VALUATION	
At 1 November 2006 and 31 October 2007	<u>1,800,220</u>

GKR LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

5. FIXED ASSET INVESTMENTS (continued)**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company

GKR Scaffolding Limited	100%
Frindsbury Properties Limited	100%

The aggregate of the share capital and reserves as at 31 October 2007 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
GKR Scaffolding Limited	1,909,032	(178,143)
Frindsbury Properties Limited	947,079	50,474

The principal activity of GKR Scaffolding Limited during the year was that of scaffolding suppliers. The principal activity of Frindsbury Properties Limited during the year was that of owning a property.

6. DEBTORS

	2007 £	2006 £
Trade debtors	55,556	78,177
Prepayments and accrued income	7,937	17,489
Other debtors	-	18,590
	<u>63,493</u>	<u>114,256</u>

**7. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Trade creditors	16,870	28,544
Amounts owed to group undertakings	170,000	100,000
Corporation tax	26,809	14,291
Social security and other taxes	21,161	15,263
Other creditors	8,750	205,500
	<u>243,590</u>	<u>363,598</u>

GKR LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

**8. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007 £	2006 £
Amounts owed to group undertakings	<u>1,200,000</u>	<u>1,200,000</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2007 £	2006 £
Repayable other than by instalments	<u>1,200,000</u>	<u>1,200,000</u>

9. DEFERRED TAXATION

	2007 £	2006 £
At 1 November 2006	4,755	1,571
(Released during)/charge for the year	(2,098)	3,184
At 31 October 2007	<u>2,657</u>	<u>4,755</u>

The provision for deferred taxation is made up as follows

	2007 £	2006 £
Accelerated capital allowances	<u>2,657</u>	<u>4,755</u>

10. SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
1,000 Ordinary shares shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
222 Ordinary shares shares of £1 each	<u>222</u>	<u>222</u>

GKR LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

11 RESERVES

	Profit and loss account £
At 1 November 2006	489,263
Profit for the year	72,310
At 31 October 2007	561,573

12 OPERATING LEASE COMMITMENTS

At 31 October 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
EXPIRY DATE:		
Within 1 year	40,773	1,094
Between 2 and 5 years	33,417	84,204

13. RELATED PARTY TRANSACTIONS

During the year, the company made £427,256 (2006 £407,263) of sales to GKR Scaffolding Limited, a subsidiary of the company. At the year end, £55,557 (2006 £78,177) was due from GKR Scaffolding Limited in respect of these sales.

During the year, the company was invoiced £Nil (2006 £47,296) by GKR Scaffolding Limited, a subsidiary of the company, in respect of expenses incurred by GKR Scaffolding Limited on the company's behalf.

During the year, the company borrowed an additional £150,000 (2006 £500,000) from and repaid £80,000 (2006 £Nil) to GKR Scaffolding Limited. At the year end, £1,370,000 (2006 £1,300,000) was owed to GKR Scaffolding Limited in respect of this loan.

During the year the company charged a total of £4,786 (2006 £4,690) to the GK&Y Rowswell Partnership, of which Mr G Rowswell (a director of the company), Mr L Rowswell (a director of the company), and Mr N Rowswell (a director of the company) are members. At the year end, £Nil (2006 £16,090) was due from the GK&Y Rowswell Partnership in respect of this and previous transactions.

During the year, the company repaid a total of £200,000 (2006 £500,000) to the GK&Y Rowswell Partnership. At the year end, £Nil (2006 £200,000) remained outstanding in respect of this loan.

During the year, the company was invoiced a total of £1,423 (2006 £Nil) by the GK&Y Rowswell Partnership in respect of management charges for the year.

During the year, the company invoiced £Nil (2006 £288) to GKR Construction Southern Limited, a company under common control, in respect of motor vehicle insurance.

GKR LOGISTICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2007**

14 CONTROLLING PARTY

The company is under the ultimate control of the directors