

HAULAGE EXPRESS LIMITED
FINANCIAL STATEMENTS
31ST MARCH 2001

Company Registration Number 31221

ARMSTRONG WATSON

Chartered Accountants & Registered Auditors

Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP



HAULAGE EXPRESS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

CONTENTS	PAGES
Officers and Professional Advisers	1
The Directors' Report	2 to 3
Auditors' Report to the Shareholders	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 11
<i>The following pages do not form part of the financial statements</i>	
Detailed Profit and Loss Account	13
Notes to the Detailed Profit and Loss Account	14

HAULAGE EXPRESS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	W.J. Proudfoot B.C. Proudfoot
Company secretary	W.J. Proudfoot
Registered office	Rosefield Mills Troqueer Street Dumfries
Auditors	Armstrong Watson Chartered Accountants & Registered Auditors Fairview House Victoria Place Carlisle Cumbria CA1 1HP
Bankers	National Westminster Bank plc 92 English Street Carlisle CA3 8DH
Solicitors	Burnetts Solicitors 6 Victoria Place Carlisle Cumbria

HAULAGE EXPRESS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of haulage contractors.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2001	At 1 April 2000
W.J. Proudfoot	10,000	10,000
B.C. Proudfoot	10,000	10,000

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint Armstrong Watson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

HAULAGE EXPRESS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2001

SMALL COMPANY PROVISIONS

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

Registered office:
Rosefield Mills
Troqueer Street
Dumfries

Signed by order of the directors



W.J. PROUDFOOT
Company Secretary

Approved by the directors on 20th June 2001

HAULAGE EXPRESS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST MARCH 2001

We have audited the financial statements on pages 6 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 8 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practice Board, and by our profession's ethical guidance.

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. 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 other information contained in the Annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF OPINION

We conducted our audit in accordance with 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.

HAULAGE EXPRESS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS *(CONTINUED)*

YEAR ENDED 31ST MARCH 2001

OPINION

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

Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

21st June 2001


ARMSTRONG WATSON
Chartered Accountants
& Registered Auditors

HAULAGE EXPRESS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2001

	Note	2001 £	2000 £
TURNOVER		2,468,049	2,374,580
Cost of sales		<u>2,333,756</u>	<u>2,214,912</u>
GROSS PROFIT		134,293	159,668
Administrative expenses		90,971	82,576
Other operating income		-	310
OPERATING PROFIT	2	<u>43,322</u>	<u>77,402</u>
Interest payable		18,503	19,578
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>24,819</u>	<u>57,824</u>
Tax on profit on ordinary activities	3	4,964	11,404
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>19,855</u>	<u>46,420</u>
Balance brought forward		168,268	121,848
Balance carried forward		<u>188,123</u>	<u>168,268</u>

The notes on pages 8 to 11 form part of these financial statements.

HAULAGE EXPRESS LIMITED

BALANCE SHEET

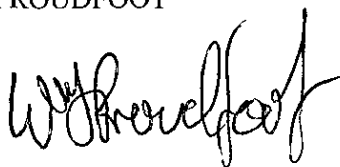
31ST MARCH 2001

	Note	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	4	530,489	623,854
CURRENT ASSETS			
Stocks		28,644	21,116
Debtors	5	371,300	420,403
Cash at bank		102,594	36,590
		<u>502,538</u>	<u>478,109</u>
CREDITORS: Amounts falling due within one year	6	<u>(332,553)</u>	<u>(318,520)</u>
NET CURRENT ASSETS		<u>169,985</u>	<u>159,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>700,474</u>	<u>783,443</u>
CREDITORS: Amounts falling due after more than one year	7	<u>(95,983)</u>	<u>(203,771)</u>
		<u>604,491</u>	<u>579,672</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	<u>(16,368)</u>	<u>(11,404)</u>
		<u>588,123</u>	<u>568,268</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	400,000	400,000
Profit and Loss Account		188,123	168,268
SHAREHOLDERS' FUNDS		<u>588,123</u>	<u>568,268</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities 2000.

These financial statements were approved by the directors on the 20th June 2001 and are signed on their behalf by:

W.J. PROUDFOOT



The notes on pages 8 to 11 form part of these financial statements.

HAULAGE EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities 2000.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	- 25% reducing balance
Equipment	- 25% straight line
Plant & Machinery	- 15% reducing balance

Trailers (included in motor vehicles) are depreciated at a rate of 10% straight line, based upon the book value as at 1st April 1999. New trailers are written off over 10 years.

Stocks

Stock of fuel is valued at cost.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

HAULAGE EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2001 £	2000 £
Directors' emoluments	-	-
Depreciation	111,245	132,038
Loss on disposal of fixed assets	2,914	-
Profit on disposal of fixed assets	-	(310)
Auditors' fees	1,750	1,550
	<u>1,750</u>	<u>1,550</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Increase in deferred tax provision (Note 8):		
Capital allowances	4,964	11,404
	<u>4,964</u>	<u>11,404</u>

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Equipment £	Total £
COST			
At 1st April 2000	1,340,709	27,790	1,368,499
Additions	18,000	7,795	25,795
Disposals	(88,974)	-	(88,974)
At 31st March 2001	<u>1,269,735</u>	<u>35,585</u>	<u>1,305,320</u>
DEPRECIATION			
At 1st April 2000	735,308	9,337	744,645
Charge for the year	104,849	6,396	111,245
On disposals	(81,059)	-	(81,059)
At 31st March 2001	<u>759,098</u>	<u>15,733</u>	<u>774,831</u>
NET BOOK VALUE			
At 31st March 2001	<u>510,637</u>	<u>19,852</u>	<u>530,489</u>
At 31st March 2000	<u>605,401</u>	<u>18,453</u>	<u>623,854</u>

Hire purchase agreements

Included within the net book value of £530,489 is £274,380 (2000 - £325,707) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £51,127 (2000 - £60,084).

HAULAGE EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

5. DEBTORS

	2001 £	2000 £
Trade debtors	271,772	337,010
Amounts owed by group undertakings	58,175	53,975
Prepayments and accrued income	41,353	29,418
	<u>371,300</u>	<u>420,403</u>

6. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Trade creditors	183,975	162,485
Other taxation and social security	35,244	25,218
Hire purchase agreements	87,801	105,985
Other creditors	25,533	24,832
	<u>332,553</u>	<u>318,520</u>

7. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Hire purchase agreements	92,627	180,423
Other creditors	3,356	23,348
	<u>95,983</u>	<u>203,771</u>

8. DEFERRED TAXATION

	2001 £	2000 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	11,404	-
Increase in provision	4,964	11,404
Provision carried forward	<u>16,368</u>	<u>11,404</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2001 £	2000 £
Excess of taxation allowances over depreciation on fixed assets	<u>16,368</u>	<u>11,404</u>

HAULAGE EXPRESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

9. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2001 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2001 £	2000 £
Operating leases which expire:		
Within 1 year	3,012	-
Within 2 to 5 years	70,824	53,807
	<u>73,836</u>	<u>53,807</u>

10. CONTINGENCIES

The company is party to an unlimited composite guarantee in respect of the bank borrowings of all companies in the group.

11. RELATED PARTY TRANSACTIONS

Fred Proudfoot Limited paid £30,000 (2000 £30,000) to the company during the year in respect of haulage charges.

The amount due from Fred Proudfoot Limited as at 31st March 2001 was £58,175 (2000 £53,975).

During the year the company repaid £19,920 (2000 £14,994) to Fred Proudfoot Directors Pension Scheme. The balance owing at the year end was £23,348 (2000 £43,340). Interest is charged on the loan at commercial rates.

12. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
400,000 Ordinary shares of £1.00 each	400,000	400,000

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	400,000	400,000

13. ULTIMATE PARENT COMPANY

The directors consider Fred Proudfoot Limited, a company registered in England and Wales, to be the ultimate parent undertaking.