COMPANY REGISTRATION NUMBER 83965

HAULAGE SHETLAND LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR

31ST JULY 2000



IAM

WILLIAMSON & DUNN
Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen

AB11 6YW

HAULAGE SHETLAND LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 2000

CONTENTS	PAGES
Auditors' report to the company	1
The directors' report	2 to 3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Notes to the abbreviated financial statements	6 to 11

HAULAGE SHETLAND LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 11, together with the financial statements of the company for the year ended 31st July 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 11

William Dunn CA

WILLIAMSON & DUNN
Chartered Accountants
& Registered Auditors
3 West Craibstone Street
Aberdeen

AB11 6YW

Date: 9 April 2001

HAULAGE SHETLAND LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st July 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of road haulage and warehousing.

The directors are satisfied with the results for the year with the company maintaining its position in the local haulage market.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

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 July 2000	At 1 August 1999 or later date of appointment
H Balfour		10,000	10,000
Mrs K Balfour	(Appointed 31 July 2000)	-	-
G Chapman	(Retired 31 March 2000)		

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 6, 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 Williamson & Dunn as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
2-4 Pitt Lane
Lerwick

Signed by order of the directors

KATHLEEN BALFOUR
Company Secretary

Approved by the directors on 9 April 2001

HAULAGE SHETLAND LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JULY 2000

	Note	2000 £	1999 £
GROSS PROFIT		3,152,550	2,786,456
OPERATING COSTS:			
Staff costs	2	(628,431)	(435,175)
Depreciation written off fixed assets		(213,163)	(182,199)
Other operating charges		(2,040,492)	(1,850,731)
OPERATING PROFIT	3	270,464	318,351
Interest receivable		24,752	13,608
Interest payable and similar charges	5	(16,327)	(15,871)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		278,889	316,088
Tax on profit on ordinary activities	6	(61,062)	(65,977)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		217,827	250,111
Dividends	7	-	(90,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		217,827	160,111

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 6 to 11 form part of these financial statements.

HAULAGE SHETLAND LIMITED

ABBREVIATED BALANCE SHEET

31ST JULY 2000

	Note	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		844,117		915,836
CURRENT ASSETS					
Stocks	9	9,890		4,215	
Debtors	10	678,949		708,093	
Cash at bank and in hand		136,443		231,000	
		825,282		943,308	
CREDITORS: Amounts falling due within one year	11	(848,983)		(823,039)	
NET CURRENT (LIABILITIES)/ASSETS			(23,701)		120,269
TOTAL ASSETS LESS CURRENT LIABILITIES			820,416		1,036,105
CREDITORS: Amounts falling due after more than one year	12		(99,776)		(139,092)
			720,640		897,013
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	13		(48,925)		(43,125)
			671,715		853,888
CAPITAL AND RESERVES					
Called-up equity share capital	15		10,000		20,000
Other reserves	16		10,000		-
Profit and loss account	17		651,715		833,888
SHAREHOLDERS' FUNDS	18		671,715		853,888

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 9 April 2001, and are signed on their behalf by:

H BALFOUR

The notes on pages 6 to 11 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

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:

Heritable property	- over 50 years
Plant and equipment	- over 5 years
Motor vehicles and trailers	- over 4 - 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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.

2. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	409,257	346,311
Social security costs	40,660	35,350
Other pension costs	178,514	53,514
	628,431	435,175

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	213,163	182,199
Profit on disposal of fixed assets	(2,615)	(24,795)
Auditors' remuneration		
- as auditors	4,725	4,500

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	2000	1999
	£	£
Emoluments receivable	59,745	58,000
Value of company pension contributions to money purchase schemes	178,514	25,012
	238,259	83,012

The number of directors who are accruing benefits under company pension schemes were as follows:

	2000	1999
	No.	No.
Money purchase schemes	2	2

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Finance charges	16,280	15,873
Other similar charges payable	47	(2)
	16,327	15,871

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
In respect of the year:		
Corporation tax based on the results for the year at 20% (1999 - 21%)	55,387	58,529
Increase in deferred tax provision **(Note 13)**:		
Capital allowances	5,800	-
	61,187	58,529
Adjustment in respect of previous years:		
Corporation tax	(125)	7,448
	61,062	65,977

7. DIVIDENDS

No dividend has been recommended for the year ended 31st July 2000.

	2000 £	1999 £
Dividends paid on equity shares	-	90,000

8. TANGIBLE FIXED ASSETS

	Heritable property £	Plant and equipment £	Vehicles and trailers £	Total £
COST				
At 1st August 1999	247,245	33,450	1,287,206	1,567,901
Additions	-	7,938	268,900	276,838
Disposals	(130,772)	-	(31,350)	(162,122)
At 31st July 2000	116,473	41,388	1,524,756	1,682,617
DEPRECIATION				
At 1st August 1999	13,262	19,231	619,572	652,065
Charge for the year	2,329	4,732	206,102	213,163
On disposals	(2,615)	-	(24,113)	(26,728)
At 31st July 2000	12,976	23,963	801,561	838,500
NET BOOK VALUE				
At 31st July 2000	103,497	17,425	723,195	844,117
At 31st July 1999	233,983	14,219	667,634	915,836

8. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements
Included within the net book value of £844,117 is £507,268 (1999 - £552,605) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £96,349 (1999 - £103,322).

9. STOCKS

	2000	1999
	£	£
Raw materials	9,890	4,215

10. DEBTORS

	2000	1999
	£	£
Trade debtors	660,924	697,200
Other debtors	18,025	10,893
	678,949	708,093

11. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	-	34,494
Trade creditors	576,402	466,702
Corporation tax	55,675	58,529
Other taxation and social security	34,601	36,351
Other creditors	182,305	226,963
	848,983	823,039

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000	1999
	£	£
Bank loans and overdrafts	-	34,494

The bank holds a bond and floating charge over all the heritable and moveable assets of the company.

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

	2000 £	1999 £
Other creditors:		
Hire purchase agreements	99,776	139,092

13. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2000 £	1999 £
Provision brought forward	43,125	43,125
Increase in provision	5,800	-
Provision carried forward	48,925	43,125

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

	2000 £	1999 £
Excess of taxation allowances over depreciation on fixed assets	48,925	43,125

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	130,143	141,217
Amounts payable between 2 to 5 years	99,776	139,092
	229,919	280,309

15. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
20,000 Ordinary shares of £1 each	20,000	20,000

15. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital brought forward	20,000	20,000
Purchase of own equity shares	(10,000)	-
	10,000	20,000

16. OTHER RESERVES

	2000	1999
	£	£
Capital redemption reserve:		
Purchase of own shares	10,000	-

17. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Balance brought forward	833,888	673,777
Retained profit for the financial year	217,827	160,111
Purchase of own shares	(400,000)	-
Balance carried forward	651,715	833,888

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	217,827	250,111
Dividends	-	(90,000)
	217,827	160,111
Purchase of own shares	400,000	-
Net (reduction)/addition to funds	(182,173)	160,111
Opening shareholders' equity funds	853,888	693,777
Closing shareholders' equity funds	671,715	853,888