

# **EVANS TRANSPORT LIMITED**

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**REGISTERED NUMBER: 437864**



**DIRECTORS' REPORT**

The Directors' present their Report and the audited financial statements of the company for the year ended 31 March 1997.

**PRINCIPAL ACTIVITY**

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

**RESULTS AND DIVIDENDS**

This Report accompanies the accounts of the company for the financial year ended 31 March 1997. The trading results for the year are as shown by the attached trading and Profit and loss Account. The profit of the company, before provision for Corporation Tax, stands at £214077. The Directors recommend that no further distributions, by way of a dividend or Directors fees, should be paid.

**FIXED ASSETS**

In the opinion of the Directors, the freehold properties now have a value in excess of £912181. The changes in fixed assets are summarised in the Notes to the accounts.

**DIRECTORS' AND THEIR INTERESTS**

The Directors' were as follows:-

Mr W J Evans  
Mrs A D Evans  
Mr N J Evans  
Mr N S Evans  
Mr D W Evans  
Mr I P Ramsay - Appointed 01/5/96 - resigned 27/3/97

No directors had any beneficial interest in the shares of the company. The directors interests in the share capital of E T Holdings Ltd (the ultimate holding company) were as follows:

	5/4/97	31/3/97	1996
Mr W J Evans	12	28	28
Mrs A D Evans	12	28	28
Mr N J Evans	41	22	22
Mr N S Evans	35	22	22
	<hr/> 100	<hr/> 100	<hr/> 100

**EVANS TRANSPORT LIMITED****DIRECTORS' REPORT - (CONTINUED)****DIRECTORS' RESPONSIBILITIES**


Company law requires the directors to prepare accounts 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 period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

**AUDITORS**

A Resolution to re-appoint Messrs. Stevens & Willey as Auditors will be put to the members at the Annual General Meeting.

 ..... N J Evans (Secretary) Date ..... 21/1/98 .....

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
EVANS TRANSPORT LIMITED**

We have audited the accounts on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of leased vehicles and the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

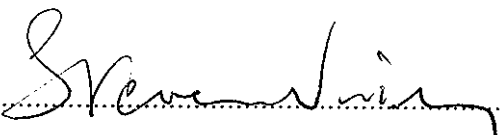
**BASIS OF OPINION**

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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

.....

Date ..... 22/1/98 .....

Stevens & Willey  
Certified Accountants and Registered Auditors  
Grenville House  
9 Boutport Street  
Barnstaple  
EX31 1TZ

**EVANS TRANSPORT LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997**

	Notes	1997	1996
<b>TURNOVER</b>		8428933	7053950
<b>COST OF SALES</b>		<u>(6843256)</u>	<u>(5841827)</u>
<b>GROSS PROFIT</b>		1585677	1212123
<b>OPERATING COSTS</b>		(748127)	(581510)
<b>ADMINISTRATION EXPENSES</b>		<u>(394397)</u>	<u>(329554)</u>
<b>OPERATING PROFIT</b>	2	443153	301059
<b>FRANKED INVESTMENT INCOME</b>	11	-	15826
<b>INTEREST PAYABLE</b>	3	<u>(229076)</u>	<u>(161614)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		214077	155271
<b>TAXATION</b>	10	<u>(18142)</u>	<u>46232</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		195935	201503
<b>DIVIDENDS</b>		-	-
<b>RETAINED PROFIT FOR THE YEAR</b>	9	£ <u>195935</u>	£ <u>201503</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

**EVANS TRANSPORT LIMITED****NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1997**

	<b>1997</b>	<b>1996</b>
Reported profit on ordinary activities before taxation	214077	155271
Difference between historical cost depreciation and actual cost depreciation charge for the year calculated on the revalued amount	<u>20093</u>	<u>31933</u>
Historical cost profit on ordinary activities before taxation	<u>£234170</u>	<u>£187204</u>
Historical cost retained profit for the year after taxation	<u>£216028</u>	<u>£233436</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1997**

	<b>1997</b>	<b>1996</b>
Profit for the financial year after taxation	195935	201503
Depreciation on leased assets	<u>20093</u>	<u>31933</u>
Total recognised gains	<u>£216028</u>	<u>£233436</u>

**EVANS TRANSPORT LIMITED****BALANCE SHEET AS AT 31 MARCH 1997**

	Notes	1997	1996
<b>FIXED ASSETS</b>			
Intangible Assets - Goodwill	1	-	-
Tangible Assets	5	<u>3737742</u>	<u>3340066</u>
		<u>3737742</u>	<u>3340066</u>
<b>CURRENT ASSETS</b>			
Loan - ET Holdings Ltd	12	405928	251530
Stock	6	101326	66451
Trade Debtors		1961623	1478364
Other Debtors		1539	1098
Staff Loans		5191	5153
Prepayments		<u>223786</u>	<u>189242</u>
		<u>2699393</u>	<u>1991838</u>
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(3771617)</u>	<u>(3017476)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1072224)</u>	<u>(1025638)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2665518	2314428
<b>CREDITORS: Amounts falling due after more than one year</b>			
Directors Loans		(52944)	(90950)
Bank Loan	17	(99263)	(181650)
Obligations under Leasing and Hire Purchase Contracts		<u>(1262054)</u>	<u>(980132)</u>
		<u>£ 1251257</u>	<u>£ 1061696</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	8	150000	150000
Tax Equalisation Account		5315	5315
Leasing Revaluation Account	9	70479	96946
Share Premium Account		265295	265295
Profit and Loss Account	9	<u>760168</u>	<u>544140</u>
Includes Non-Equity Interests	9	<u>£ 1251257</u>	<u>£ 1061696</u>

..... W J Evans (Director) Date..... 21/1/98 .....

**EVANS TRANSPORT LIMITED****NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997****1. ACCOUNTING POLICIES****a) Basis of Preparation**

The accounts are prepared under the historical cost convention as modified by the revaluation of leased vehicles and in accordance with applicable accounting standards.

**b) Depreciation**

Freehold buildings have been depreciated at 2% straight line basis. Depreciation of other fixed assets has been calculated as follows:

	<b>Written Down Value</b>
Lorries	25% on written down value
Trailers	20% on written down value
Fixtures, Fittings and Equipment	15% on written down value
Motor Vehicles	25% on written down value

**c) Stocks**

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

**d) Goodwill**

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. Goodwill which was previously included as an Intangible asset has been written off against reserves (Note 9) in order to comply with SSAP 22.

**e) Deferred Taxation**

Provision has not been made for taxation deferred in respect of timing differences. In the opinion of the Directors, there is reasonable probability that the liability will not crystallise in the foreseeable future.

**f) Leasing and Hire Purchase Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives. The interest element of the rental obligations 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.

Rental paid under leases is charged to income on a straight line basis over the term of the lease.

**g) Turnover**

Turnover comprises the net invoiced value of goods and services supplied in the ordinary course of business, excluding Value Added Tax in the United Kingdom.

**h) Cashflow Statement**

The accounts do not include a cashflow statement because it is a wholly owned subsidiary.



**EVANS TRANSPORT LIMITED****NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997 - (CONTINUED)****2. OPERATING PROFIT**

	1997 £	1996 £
This is stated after charging or crediting:		
Lease rentals	12478	9072
Profit on disposal of fixed assets	(56844)	(69665)
Auditors remuneration	9600	11100
Depreciation on owned assets	127685	129963
Depreciation on assets held on hire purchase / finance leases	488123	296343
Depreciation on leased assets	<u>20093</u>	<u>31933</u>

**3. INTEREST PAYABLE**

	1997	1996
Finance Lease Interest	12395	-
Property Loan Interest	18813	29169
Bank Overdraft (including Bank Charges)	79272	56366
Hire Purchase Interest	118596	76079
	£ <u>229076</u>	£ <u>161614</u>

**4. STAFF COSTS**

	1997	1996
Wages and Salaries	2151914	1876804
Social Security Costs	176034	158768
	£ <u>2327948</u>	£ <u>2035572</u>

The average weekly number of employees during the year was as follows:

	1997	1996
Drivers	117	103
Administration	9	7
Garage	14	11
	<u>140</u>	<u>121</u>

**EVANS TRANSPORT LIMITED****NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997 - (CONTINUED)****5. TANGIBLE FIXED ASSETS**

	As at 31.3.96	Additions	Disposals	As at 31.3.97
<b>COST</b>				
Freehold Land and Buildings	904624	24226		928850
Motor Vehicles and Lorries	3034387	1085016	232245	3887158
Plant and Machinery, Office Equipment and Fork Lift	237796	7311		245107
Leased Vehicles	233069	-	88745	144324
	<u>£ 4409876</u>	<u>1116553</u>	<u>320990</u>	<u>5205439</u>
<b>DEPRECIATION</b>				
Freehold Land and Buildings	8092	8577		16669
Motor Vehicles and Lorries	880482	579363	166189	1293656
Plant and Machinery, Office Equipment and Fork Lift	55664	27868		83532
Leased Vehicles	125572	20093	71825	73840
	<u>£ 1069810</u>	<u>635901</u>	<u>238014</u>	<u>1467697</u>
<b>NET BOOK VALUE</b>	<u>£ 3340066</u>			<u>£ 3737742</u>

Included in Motor Vehicles and Lorries is £2128645 (1996 - £1689805) net book value of assets held on hire purchase / finance leases.

The leased vehicles are vehicles previously financed on leases, but have now entered into their secondary period and have been valued as an asset with the credit to the Leasing Revaluation Account.

**EVANS TRANSPORT LIMITED****NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997 - (CONTINUED)****6. STOCKS**

	1997	1996
Stock	£ <u>101326</u>	£ <u>66451</u>

The difference between purchase price of stocks and their replacement cost is not material.

**7. CREDITORS:** Amounts falling due within one year

	1997	1996
Bank Loan	112000	106000
Bank Overdraft	1325636	854946
Trade Creditors	441151	554114
Accruals	89489	69351
Other Taxes and Social Security Costs	269616	104759
Other Creditors	37138	29066
Corporation Tax	18142	-
Loan - Lamey's Distribution Ltd	147817	123792
Loan - Frank Tucker (Rental) Ltd	157023	88292
Loan - Frank Tucker (Haulage) Ltd - see note 12	566171	565285
Obligations under Leasing and Hire Purchase Contracts	607434	521871
	£ <u>3771617</u>	£ <u>3017476</u>

The directors (Mr W J, N J and N S Evans) of this company are also the directors of Lamey's Distribution Limited.

**8. CALLED UP SHARE CAPITAL**

	Authorised	Allotted, Called Up and Fully Paid
Ordinary Shares of £1 each	144000	144000
3% Non Cumulative Preference Shares	6000	6000
		£ <u>150000</u>

## NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997 - (CONTINUED)

## 9. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	Called Up Share Capital	Tax Equalisation Account	Leasing Revaluation Account	Share Premium Account	Profit and Loss Account	Total
At 1 April 1995	150000	5315	135072	265295	411204	966886
Profit for the year					201503	201503
Goodwill written off					(100500)	(100500)
Transfer of depreciation on revalued assets			(31933)		31933	-
Decrease in Leasing Revaluation Account			(6193)			(6193)
At 31 March 1996	150000	5315	96946	265295	544140	1061696
Profit for the year					195935	195935
Transfer of depreciation on revalued assets			(20093)		20093	-
Decrease in Leasing Revaluation Account			(6374)			(6374)
At 31 March 1997	£ 150000	5315	70479	265295	760168	1251257

The amount attributable to non-equity interests is £6000.

## 10. TAXATION

	1997	1996
Deferred tax	-	(50000)
Relating to Franked Investment Income	-	3165
Interest paid	-	603
Tax on results for the year at 25.7% (1996 - 0%)	18142	-
	£ 18142	£ (46232)

The £50000 deferred tax credit has arisen due to the release of a £50000 deferred tax provision included in Frank Tucker (Haulage) Limited when its business was merged with this company's business.

## NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997 - (CONTINUED)

## 11. FRANKED INVESTMENT INCOME

This is dividends received from Devon Transport Training Ltd, the Shares of which have minimal capital value.

## 12. GROUP REORGANISATION AND POST BALANCE SHEET EVENT

On 31 March 1995 the directors of Evans Transport Limited sold their shareholdings in this company to E T Holding Limited (incorporated in the UK and the ultimate parent company). Fellow subsidiaries are Frank Tucker (Haulage) Limited (now dormant), Frank Tucker (Rental) Limited and Frank Tucker (Commercials) Limited (all incorporated in the UK).

On 1 April 1995 the business and certain assets of Frank Tucker (Haulage) Limited was transferred to this company at a cost of £565285. It is proposed that in due course a restructuring will take place so that this liability will be due to the parent company.

On 1 April 1997 the business of Frank Tucker (Rental) Limited was transferred to this company.

Included in trade debtors is £49603 (1996 - £25310) owed by fellow subsidiaries and included in trade creditors is £64098 (1996 - £91891) owing to fellow subsidiaries. During the year the company traded on normal commercial basis with its fellow subsidiaries with £174295 (1996 - £164196) of sales and £833564 (1996 - £810542) of purchases.

## 13. DIRECTORS REMUNERATION

	1997	1996
Fees	50437	41566
Other emoluments (including pension contributions)	<u>6984</u>	<u>6079</u>
	£ <u>57421</u>	£ <u>47645</u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1997	1996
£ Nil - £5000	2	2
£10001 - £15000	2	3
£15001 - £20000	1	-

The emoluments, excluding pension contributions, of the chairman were £2910 (1996 - £2910)

The emoluments, excluding pension contributions, of the highest paid director were £17297 (1996 - £13660)

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1997 - (CONTINUED)

14. TRANSACTIONS WITH DIRECTORS

During the year the company traded on a normal commercial basis with Evans Sand and Aggregates, the partners of which are Mr W J Evans and Mrs A D Evans. Total sales in the year amounted to £101820 (1996 - £94063) with £30129 (1996 - £26984) owing to the company at the year end.

15. CONTINGENT LIABILITY

On 9 September 1994 the company provided its bankers with an unlimited multilateral guarantee to secure the amounts due to the bank in respect of the other group companies. The group bank borrowings amounted to £3262745 (1996 - £2724535). The parent company has a £45518 (1996 - £212182) loan which is partly secured on certain lorries owned by this company.

16. LEASE COMMITMENTS

The company had annual commitments of £nil (1996- £6035) under non - cancellable leases which expire within one to two years.

17. BANK LOAN AND OVERDRAFT

	1997	1996
Within one year	1437636	960946
Between one and two years	99263	120000
Between two and five years	-	61650
	<u>£ 1536899</u>	<u>£ 1142596</u>

The bank loan and overdraft are secured by a fixed and floating charge on the company's assets.