

Company Registration No 00496076 (England and Wales)

**P C HOWARD LTD AND ITS SUBSIDIARIES**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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# **P C HOWARD LTD AND ITS SUBSIDIARIES**

## **COMPANY INFORMATION**

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**Directors**

A F Howard  
A P Howard  
B C Howard  
P W Howard  
R G Howard

**Secretary**

P W Howard

**Company number**

00496076

**Registered office**

West Hay  
Stamford Road  
King's Cliffe  
Peterborough  
Cambridgeshire  
PE8 6XX

**Auditors**

Stephenson Smart & Co  
Stephenson House  
15 Church Walk  
Peterborough  
Cambridgeshire  
PE1 2TP

**Business address**

West Hay  
Stamford Road  
King's Cliffe  
Peterborough  
Cambridgeshire  
PE8 6XX

**Bankers**

Lloyds TSB Bank plc  
Manor Grove Centre  
Vicarage Farm Road  
Peterborough  
PE1 5UH

# **P C HOWARD LTD AND ITS SUBSIDIARIES**

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# **P C HOWARD LTD AND ITS SUBSIDIARIES**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011**

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The directors present their report and financial statements for the year ended 31 March 2011

### **Principal activities and review of the business**

The principal activity of the group continued to be that of national haulage and storage operations

The group operates from three sites, its main site at West Hay, Kings Cliffe near Peterborough and its two further sites at Corby and Brixworth, Northampton

The group operates over 100 heavy goods vehicles and manages in excess of 250,000 sq ft of warehousing from these sites. The group is also a member of the Palletways Network, for which it has a contract to deliver palletised goods into part of the PE postcode and the entire NN postcode

The directors are pleased to report, that following the contraction in activity levels that was seen in the previous year, the year ended 31 March 2011 has seen a growth in these activity levels. This increase in activity has arisen from a combination of growth in activity from existing customers and the taking on of new accounts

The directors have continued to review the group's operations and to manage change with a view to improving service and operating efficiency. A fundamental part of this has been the continued development of the group's information technology platform

During the year the group recommenced its asset replacement policy which had been suspended in the previous year. Capital expenditure of over £550,000 was incurred and despite this, the level of debt was reduced and is 36% of the stated net worth

In view of the above, the directors are pleased with the results and the level of debt reduction that they have seen during the year ended 31 March 2011 and are grateful to their customers, staff and suppliers for their support. The directors would add that all employees have been supportive in ensuring that the necessary changes to the business were made

The directors consider the key performance indicators of the group to be those which communicate the activity and performance levels of the business, particularly in relation to service levels and financial performance

These developments have further enhanced the group's ability to service customers in the East Midlands and in East Anglia and the directors believe these should assist the business in achieving its mission of being the region's best supplier of distribution and warehousing services

### **Results and dividends**

The full results of the group can be found on page 5

The turnover of the group by division was as follows

	<b>2011 £'000</b>	<b>2010 £'000</b>
Distribution services	4,812	4,443
Palletways services	5,878	5,461
Contract distribution	2,220	2,123
Warehousing services	958	845
	<hr/>	<hr/>
	13,868	12,872
	<hr/>	<hr/>

### **Market value of land and buildings**

In the opinion of the directors the market value of land and buildings is in excess of the amount shown in the accounts, but as these assets are used in the group's business and no disposals are envisaged, the excess is not quantified

# **P C HOWARD LTD AND ITS SUBSIDIARIES**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011**

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### **Future developments**

Since the year end, the level of demand has improved not only from existing customers but also from new customers. The continued increase in fuel prices in a very competitive environment means that the directors are continuing their programme of reducing costs within the business.

### **Directors**

The following directors have held office since 1 April 2010

A F Howard  
A P Howard  
B C Howard  
P W Howard  
R G Howard

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that

- there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

  
P W Howard  
Secretary

  
Date

## **P C HOWARD LTD AND ITS SUBSIDIARIES**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P C HOWARD LTD**

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We have audited the financial statements of P C Howard Limited for the year ended 31 March 2011 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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**

As explained more fully in the statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our report.

#### **Basis for qualified opinion on financial statements**

Included in Called up share capital shown on the balance sheet is an amount of £2,370,244 arising from the issue of 2,370,244 preference shares of £1 each during the year ended 31 March 2008. The holders of these shares are entitled to receive a fixed cumulative preferential dividend of £0.025 per preference share per annum. The company is entitled, on giving one month's notice, to redeem the preference shares at any time at a value being the greater of the par value or the value of the preference share land (being the land acquired in exchange for the preference shares). Unless redeemed earlier by the company, the preference shares will be redeemed in full either on the sale of the preference share land or on the sale of the entire issued ordinary share capital of the company.

Although the company does not envisage redeeming the preference shares, does not intend to sell the preference share land and the shareholders do not intend to sell the entire issued ordinary share capital of the company, it is our opinion that, in accordance with Financial Reporting Standard 25 *Financial Instruments Presentation*, the preference shares are a compound financial instrument. The liability element of the instrument should be calculated as the net present value of the future stream of cash flows and disclosed as a long-term liability within Creditors' amounts falling due after more than one year, rather than as part of Called up share capital. Applying a discount rate of 5% means that the liability element would be £1,185,120. Accordingly, Creditors' amounts falling due after more than one year should be increased by £1,185,120 and Called up share capital should be reduced by the same amount. The effect of this would be to restate shareholders' funds in the group to £4,099,844.

## **P C HOWARD LTD AND ITS SUBSIDIARIES**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P C HOWARD LTD**

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#### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Paul Evans (Senior Statutory Auditor)**  
**For and on behalf of Stephenson Smart & Co**

20/12/2011

**Chartered Accountants**  
**Statutory Auditor**

Stephenson House  
15 Church Walk  
Peterborough  
PE1 2TP

## **P C HOWARD LTD AND ITS SUBSIDIARIES**

### **CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011**

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	<b>Notes</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Turnover</b>	<b>2</b>	<b>13,867,832</b>	<b>12,872,003</b>
<b>Cost of sales</b>		<b>(12,103,433)</b>	<b>(10,986,727)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>1,764,399</b>	<b>1,885,276</b>
<b>Net operating expenses</b>		<b>(1,534,003)</b>	<b>(1,563,665)</b>
		<hr/>	<hr/>
<b>Group operating profit</b>	<b>3</b>	<b>230,396</b>	<b>321,611</b>
<b>Interest receivable and similar income</b>	<b>4</b>	<b>8</b>	<b>-</b>
<b>Interest payable and similar charges</b>	<b>5</b>	<b>(78,478)</b>	<b>(80,659)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<b>151,926</b>	<b>240,952</b>
<b>Tax on profit on ordinary activities</b>	<b>6</b>	<b>(37,241)</b>	<b>(110,846)</b>
		<hr/>	<hr/>
<b>Profit for the year</b>	<b>17</b>	<b>114,685</b>	<b>130,106</b>
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There were no recognised gains and losses in the year other than the profit for the period



# P C HOWARD LTD AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Tangible assets	7		6,515,559		6,611,856
<b>Current assets</b>					
Stocks	9	62,502		124,926	
Debtors	10	3,593,296		3,475,431	
Cash at bank and in hand		28,256		13,505	
		3,684,054		3,613,862	
<b>Creditors: amounts falling due within one year</b>	11	(3,238,025)		(3,239,749)	
<b>Net current assets</b>			446,029		374,113
<b>Total assets less current liabilities</b>			6,961,588		6,985,969
<b>Creditors: amounts falling due after more than one year</b>	12	(1,545,262)		(1,581,989)	
<b>Provisions for liabilities</b>	13	(131,362)		(174,445)	
			5,284,964		5,229,535
<b>Capital and reserves</b>					
Called up share capital	15	2,377,434		2,377,434	
Share premium account	16	3,000		3,000	
Revaluation reserve	16	67,500		67,500	
Profit and loss account	16	2,837,030		2,781,601	
<b>Shareholders' funds</b>	17	5,284,964		5,229,535	

Approved by the Board and authorised for issue on

19 December 2011

A P Howard  
Director

Company Registration No 00496076 (England and Wales)

# P C HOWARD LTD

## BALANCE SHEET AS AT 31 MARCH 2011

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Tangible assets	7		4,974,618		5,090,462
Investments	8		3,000		3,000
			<u>4,977,618</u>		<u>5,093,462</u>
<b>Current assets</b>					
Stocks	9	62,502		124,926	
Debtors	10	1,517,380		1,657,563	
Cash at bank and in hand		7,148		13,505	
			<u>1,587,030</u>	<u>1,795,994</u>	
<b>Creditors: amounts falling due within one year</b>	11	(1,929,227)		(2,132,764)	
			<u>(342,197)</u>	<u>(336,770)</u>	
<b>Net current liabilities</b>					
			<u>4,635,421</u>	<u>4,756,692</u>	
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	12	(1,545,262)		(1,581,989)	
<b>Provisions for liabilities</b>	13	(90,247)		(110,008)	
			<u>2,999,912</u>	<u>3,064,695</u>	
<b>Capital and reserves</b>					
Called up share capital	15		2,377,434		2,377,434
Share premium account	16		3,000		3,000
Revaluation reserve	16		67,500		67,500
Profit and loss account	16		551,978		616,761
			<u>2,999,912</u>	<u>3,064,695</u>	
<b>Shareholders' funds</b>					
			<u>2,999,912</u>	<u>3,064,695</u>	

Approved by the Board and authorised for issue on

  
A P Howard  
Director

Company Registration No 00496076 (England and Wales)

# P C HOWARD LTD AND ITS SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	£	2011 £	£	2010 £
<b>Net cash inflow from operating activities</b>	1		990,157		947,606
<b>Returns on investments and servicing of finance</b>					
Interest received	8		-		
Interest paid		(31,128)	(21,831)		
Interest element of finance lease rental payments		(47,350)	(58,828)		
Non equity dividends paid		(59,256)	(59,256)		
<b>Net cash outflow from returns on investments and servicing of finance</b>			(137,726)		(139,915)
<b>Taxation</b>					
Corporation tax paid			(125,680)		(184,209)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible assets		(113,267)	(22,530)		
Receipts from sales of tangible assets		2,750	10,495		
<b>Net cash outflow for capital expenditure</b>			(110,517)		(12,035)
<b>Equity dividends paid</b>			-		(14,814)
<b>Net cash inflow before financing</b>			616,234		596,633
<b>Financing</b>					
Capital element of finance lease and hire purchase repayments		(458,606)	(495,901)		
Bank loan repaid		-	(206,581)		
New long term bank loan		16,388	-		
<b>Net cash outflow from financing</b>			(442,218)		(702,482)
<b>Increase/(decrease) in cash in the year</b>			174,016		(105,849)

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011 £	2010 £
	Operating profit	230,396	321,611
	Depreciation of tangible assets	629,160	673,431
	Loss/(profit) on disposal of tangible assets	16,600	(628)
	Decrease/(increase) in stocks	62,424	(40,554)
	Increase in debtors	(117,865)	(91,503)
	Increase in creditors	169,442	85,249
	<b>Net cash inflow from operating activities</b>	<b>990,157</b>	<b>947,606</b>

2	Analysis of net debt	At 1 April 2010 £	Cash Flow £	At 31 March 2011 £
	<b>Net Cash:</b>			
	Cash at bank and in hand	13,505	14,751	28,256
	Bank overdrafts	(930,290)	159,265	(771,025)
	<b>Debt:</b>			
	Debt due after one year	(1,283,612)	33,612	(1,250,000)
	Debt due within one year	-	(50,000)	(50,000)
	Finance leases	(681,333)	19,662	(661,671)
		<b>(2,881,730)</b>	<b>177,290</b>	<b>(2,704,440)</b>

Included in the analysis of debt due after one year at 31 March 2011 is a loan of £750,000 from four of the five directors. There is no fixed repayment date for this loan.

3	Reconciliation of net cash flow to movement in net debt	2011 £	2010 £
	Increase/(decrease) in cash in the year	174,016	(105,849)
	Cash outflow from decrease in debt	3,274	588,089
	<b>Movement in net debt in the year</b>	<b>177,290</b>	<b>482,240</b>
	Opening net debt	(2,881,730)	(3,363,970)
	Closing net debt	(2,704,440)	(2,881,730)

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

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### 1 ACCOUNTING POLICIES

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment property

#### 1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2011

#### 1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### 1.4 Turnover

Turnover represents amounts receivable for services net of VAT

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Freehold land	nil
Freehold buildings	written off over 30 years
Plant and machinery	25% per annum of WDV
Motor vehicles and trailers	15%/25% per annum of WDV
Fixtures and fittings	15%/25% per annum of WDV

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19 Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified

#### 1.6 Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors

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

#### 1.7 Investments

Fixed asset investments are stated at cost

#### 1.8 Stock

Stock is valued at the lower of cost or net realisable value

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 1 ACCOUNTING POLICIES (continued)

#### 1.9 Pensions

The company operates a stakeholder pension scheme for the benefit of all its employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are payable.

The company also operates a self-administered pension fund for the benefit of all directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### 1.10 Deferred taxation

Deferred taxation is provided using 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.

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### 2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover, which excludes VAT and sales between group companies, has been derived from the principal activities wholly undertaken in the United Kingdom.

The analysis by class of business of the group's turnover and profit before taxation is set out below.

	Haulage £	Warehousing £	Contract distribution £	Total £
<b>2011</b>				
Turnover	10,690,077	958,180	2,219,576	13,867,833
Profit before taxation	156,226	(71,212)	66,912	151,926
<b>2010</b>				
Turnover	9,904,563	844,646	2,122,794	12,872,003
Profit before taxation	224,584	(145,486)	161,854	240,952

### 3 GROUP OPERATING PROFIT

The operating profit is stated after charging the following

	2011 £	2010 £
Directors' emoluments	224,088	200,651
Auditors' remuneration	9,835	9,185
Auditors' remuneration for the audit of the company's subsidiaries	10,667	11,904
Depreciation - owned assets	502,345	479,362
Depreciation - assets held under hire purchase agreements	126,815	194,069
Loss on disposal of tangible fixed assets	16,600	-
Loss on foreign exchange transactions	139	-
And after crediting		
Profit on disposal of tangible fixed assets	-	628
Profit on foreign exchange transactions	-	139

# **P C HOWARD LTD AND ITS SUBSIDIARIES**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011**

	<b>2011 £</b>	<b>2010 £</b>
<b>4 INVESTMENT INCOME</b>		
Bank interest	8	-
	<hr/>	<hr/>
<b>5 INTEREST PAYABLE</b>		
On bank overdrafts	17,138	8,242
Hire purchase interest	47,350	58,828
On other loans wholly repayable within five years	13,544	13,492
On overdue tax	446	97
	<hr/>	<hr/>
	78,478	80,659
	<hr/>	<hr/>
<b>6 TAXATION</b>		
<b>Domestic current year tax</b>		
UK corporation tax	80,324	125,677
Adjustment for prior years	-	21
	<hr/>	<hr/>
Current tax charge	80,324	125,698
<b>Deferred tax</b>		
Origination and reversal of timing differences	(43,083)	(14,852)
	<hr/>	<hr/>
	37,241	110,846
	<hr/>	<hr/>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	151,926	240,952
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.87% (2010 – 25.72%)	37,784	61,973
<b>Effects of</b>		
Non-deductible expenses	1,192	1,304
Depreciation add back	160,601	173,045
Capital allowances	(119,253)	(110,645)
	<hr/>	<hr/>
Current tax charge	80,324	125,677
	<hr/>	<hr/>

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 7 TANGIBLE FIXED ASSETS

Group	Land and buildings £	Plant and machinery £	Motor vehicles & trailers £	Fixtures & fittings £	Total £
<b>Cost</b>					
At 1 April 2010	5,066,999	554,591	5,833,199	515,408	11,970,195
Additions	6,571	-	518,130	27,510	552,211
Disposals	-	(24,168)	(706,680)	(37,556)	(768,402)
<b>At 31 March 2011</b>	<b>5,073,570</b>	<b>530,423</b>	<b>5,644,649</b>	<b>505,362</b>	<b>11,754,004</b>
<b>Depreciation</b>					
At 1 April 2010	614,170	404,484	4,094,373	355,312	5,468,339
Charge for year	93,507	42,810	456,742	36,101	629,160
Disposals	-	(22,168)	(689,330)	(37,556)	(749,054)
<b>At 31 March 2011</b>	<b>707,677</b>	<b>425,126</b>	<b>3,861,785</b>	<b>353,857</b>	<b>5,348,445</b>
<b>Net book value</b>					
At 31 March 2011	4,365,893	105,297	1,782,864	151,505	6,405,559
At 31 March 2010	4,452,829	150,107	1,738,826	160,096	6,501,858

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Motor vehicles & trailers £	Total £
<b>Net book value</b>			
At 31 March 2011	101,226	464,520	565,746
At 31 March 2010	134,969	545,276	680,245
<b>Depreciation charge for the year</b>			
At 31 March 2011	33,743	93,072	126,815
At 31 March 2010	24,532	169,666	194,198

The gross amount of depreciable assets included in land and buildings at 31 March 2011 was £3,214,891 (2010 £4,078,994)



# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 7 TANGIBLE FIXED ASSETS (continued)

#### The Company

	Land and buildings	Plant and machinery	Motor vehicles & trailers	Fixtures & fittings	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2010	4,080,645	71,365	3,659,743	153,717	7,965,470
Additions	2,250	-	213,730	19,510	235,490
Disposals	-	-	(399,332)	-	(399,332)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	4,082,895	71,365	3,474,141	173,227	7,801,628
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 April 2010	237,425	61,555	2,564,510	121,518	2,985,008
Charge for year	64,485	6,817	259,578	11,854	342,734
Disposals	-	-	(390,732)	-	(390,732)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	301,910	68,372	2,433,356	133,372	2,937,010
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 March 2011	3,780,985	2,993	1,040,785	39,855	4,864,618
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	3,843,220	9,810	1,095,233	32,199	4,980,462
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles & trailers £
<b>Net book value</b>	
At 31 March 2011	464,520
	<hr/>
At 31 March 2010	545,276
	<hr/>
<b>Depreciation charge for the year</b>	
At 31 March 2011	93,072
	<hr/>
At 31 March 2010	169,666
	<hr/>

The gross amount of depreciable assets included in land and buildings at 31 March 2011 was £3,214,891 (2010 £3,212,641)

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 7 TANGIBLE FIXED ASSETS (continued)

#### Investment properties

#### Valuation

At 1 April 2010 and 31 March 2011	110,000
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The valuations of investment properties were made at 31 March 2006 by Charles Richardson, Chartered Surveyor on an open market basis. No depreciation is provided in respect of these properties. In the opinion of the directors the market value at 31 March 2011 remains at £110,000.

On a historical cost basis, these would have been included at an original cost of £42,500 (2010 £42,500) and aggregate depreciation of £Nil (2010 £Nil).

### 8 FIXED ASSET INVESTMENTS

#### The Company

Shares in  
group  
undertakings  
£

#### Cost

At 1 April 2010 and 31 March 2011	3,000
-----------------------------------	-------

#### Net book value

At 1 April 2010 and 31 March 2011	3,000
-----------------------------------	-------

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Howard Warehousing Limited	UK	Ordinary	100
Howard's Logistics Limited	UK	Ordinary	100
Howard's Transport Limited	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves	Profit/ (Loss) for the year
	Principal activity	2011 £	2011 £
Howard Warehousing Limited	Warehousing	555,154	(51,151)
Howard's Logistics Limited	Contract distribution	875,895	50,231
Howard's Transport Limited	Distribution service	857,003	121,132

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

<b>9</b>	<b>STOCK</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>The Group and the Company</b>		
	Spares, tyres and fuel	62,502	124,926
		<hr/>	<hr/>
<b>10</b>	<b>DEBTORS</b>	<b>£</b>	<b>£</b>
	<b>The Group</b>		
	Trade debtors	3,437,382	3,287,579
	Other debtors	4,533	54,381
	Prepayments and accrued income	151,381	133,471
		<hr/>	<hr/>
		3,593,296	3,475,431
		<hr/>	<hr/>
	<b>The Company</b>		
	Trade debtors	1,145,799	983,440
	Amount owed by subsidiary undertakings	244,115	511,784
	Other debtors	4,533	54,381
	Prepayments and accrued income	122,933	107,958
		<hr/>	<hr/>
		1,517,380	1,657,563
		<hr/>	<hr/>
<b>11</b>	<b>CREDITORS: amounts falling due within one year</b>	<b>£</b>	<b>£</b>
	<b>The Group</b>		
	Bank loans and overdraft	821,025	930,290
	Trade creditors	1,384,981	1,338,150
	Other creditors	85,263	76,370
	Corporation tax	80,323	125,677
	Taxation and social security	454,275	306,270
	Accruals	45,749	80,036
	Obligations under hire purchase agreements	366,409	382,956
		<hr/>	<hr/>
		3,238,025	3,239,749
		<hr/>	<hr/>
	<b>The Company</b>		
	Bank loan and overdraft	485,663	465,274
	Trade creditors	689,685	617,326
	Other creditors	70,636	76,370
	Corporation tax	13,080	61,588
	Taxation and social security	167,396	98,740
	Accruals	19,201	20,141
	Obligations under hire purchase agreements	366,409	382,956
	Amounts owed to subsidiary undertakings	117,157	410,369
		<hr/>	<hr/>
		1,929,227	2,132,764
		<hr/>	<hr/>

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 CREDITORS: amounts falling due after more than one year	2011 £	2010 £
<b>The Group and the Company</b>		
Bank loans	500,000	533,612
Other creditors	750,000	750,000
Obligations under hire purchase agreements	295,262	298,377
	<u>1,545,262</u>	<u>1,581,989</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments		
Bank loan	550,000	533,612
Not wholly repayable within five years other than by instalments		
Other creditor	750,000	750,000
	<u>1,300,000</u>	<u>1,283,612</u>
Included in current liabilities	(50,000)	-
	<u>1,250,000</u>	<u>1,283,612</u>
Instalments not due within five years	<u>300,000</u>	<u>333,612</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	50,000	50,000
In more than two years but not more than five years	150,000	150,000
In more than five years	1,050,000	1,083,612
	<u></u>	<u></u>

The bank loan and overdraft are secured by standard debentures dated 1 January 1993 and unlimited monies guarantees. The bank holds an omnibus guarantee and set off agreement, dated 16 August 2003, between all the group companies.

The bank loans of P C Howard Limited with National Westminster Bank plc are secured by a first legal charge over land and buildings at West Hay, Kings Cliffe and its associated assets. The bank loans bear interest at 1.75% per annum over the bank base rate.

The other loan of £750,000 is a loan from four of the directors. There is no fixed repayment date for this loan and it will only be repaid when the company's cashflow is sufficient to allow repayment.

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 12 CREDITORS: amounts falling due after more than one year (continued)

Analysis of debt maturity (continued)	2011 £	2010 £
<b>Net obligations under hire purchase agreements</b>		
Repayable within one year	366,409	382,956
Repayable between one and five years	295,262	298,377
	<hr/>	<hr/>
Included in liabilities falling due within one year	661,671 (366,409)	681,333 (382,956)
	<hr/>	<hr/>
Included in liabilities falling due after more than one year	295,262	298,377
	<hr/>	<hr/>

Obligations under finance leases and hire purchase contracts are secured by related assets

### 13 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation	£	£
<b>The Group</b>		
Balance at 1 April 2010	174,445	189,297
Profit and loss account	(43,083)	(14,852)
	<hr/>	<hr/>
Balance at 31 March 2011	131,362	174,445
	<hr/>	<hr/>
<b>The deferred liability is made up as follows:</b>		
Accelerated capital allowances	131,362	174,445
	<hr/>	<hr/>
<b>The Company</b>		
Balance at 1 April 2010	110,008	123,982
Profit and loss account	(19,761)	(13,974)
	<hr/>	<hr/>
Balance at 31 March 2011	90,247	110,008
	<hr/>	<hr/>
<b>The deferred liability is made up as follows:</b>		
Accelerated capital allowances	90,247	110,008
	<hr/>	<hr/>

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

<b>14</b>	<b>PENSION COSTS</b>	<b>2011</b>	<b>2010</b>
		<b>£</b>	<b>£</b>
	<b>Defined Contribution</b>		
	Contributions payable by the company and the group for the year	57,859	53,119
		<hr/>	<hr/>
<b>15</b>	<b>SHARE CAPITAL</b>	<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	7,190 Ordinary shares of £1 each	7,190	7,190
	2,370,244 Preference shares of £1 each	2,370,244	2,370,244
		<hr/>	<hr/>
		2,377,434	2,377,434
		<hr/>	<hr/>

The company issued 2,370,244 preference shares of £1 each on 12 March 2008. The holders of these shares are entitled to receive a fixed cumulative preferential dividend of £0.025 per preference share per annum (a coupon of 2.5%). The shares were issued as consideration for the cost of land acquired from Howard Farms, a partnership between four of the five directors of P C Howard Ltd.

The company is entitled, on giving one month's notice, to redeem the preference shares at any time at a value being the greater of the par value or the value of the preference share land (being the land acquired in exchange for the preference shares). Unless redeemed earlier by the company, the preference shares will be redeemed in full either on the sale of the preference share land or on the sale of the entire issued ordinary share capital of the company.

The preference shares do not carry any rights to vote or receive notice of or attend general meetings. Also the preference shares are not capable of being converted into any other class of shares.

The directors understand that, in accordance with Financial Reporting Standard 25 *Financial Instruments Presentation*, the preference shares should be presented as a liability in the financial statements and not as share capital. However it is not envisaged that the company will redeem the preference shares, that the preference share land will be sold or that the shareholders will sell the entire issued ordinary share capital of the company. Therefore the directors are of the opinion that the preference shares represent long-term funding for the business and should be shown as part of Capital and Reserves rather than as a long-term liability.

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 16 STATEMENT OF MOVEMENTS ON RESERVES

The Group	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2010	3,000	67,500	2,781,601
Profit for the year	-	-	114,685
Dividends paid	-	-	(59,256)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2011	3,000	67,500	2,837,030
	<hr/>	<hr/>	<hr/>
 The Company			
	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2010	3,000	67,500	616,761
(Loss)/profit for the year	-	-	(5,527)
Dividends paid	-	-	(59,256)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2011	3,000	67,500	551,978
	<hr/>	<hr/>	<hr/>

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	2011 £	2010 £
Profit for the financial year	114,685	130,106
Dividends paid	(59,256)	(74,070)
	<hr/>	<hr/>
Net additions to shareholders' funds	55,429	56,036
Opening shareholders' funds	5,229,535	5,173,499
	<hr/>	<hr/>
Closing shareholders' funds	5,284,964	5,229,535
	<hr/>	<hr/>

### 18 PROFIT FOR THE FINANCIAL YEAR

As permitted by section 408 of the Companies Act 2006, the parent company's Profit and Loss Account has not been included in these financial statements. The parent company's (loss)/profit for the financial year was £(5,527) (2010 £39,286).

# P C HOWARD LTD AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

### 19 FINANCIAL COMMITMENTS

At 31 March 2011 the group was committed to make the following payments under non-cancellable operating leases in the year to 31 March 2011

	2011 £	2010 £
Operating leases which expire		
Within one year	-	6,547
Between two and five years	32,100	75,839
Over five years	107,100	-
	<hr/>	<hr/>

### 20 DIRECTORS' EMOLUMENTS

	£	£
Emoluments for qualifying services	224,088	200,651
Company pension contributions to money purchase scheme	54,764	50,000
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 5 (2010 5)

Emoluments disclosed above include the following amounts in respect of the highest paid director

	£	£
Emoluments for qualifying services	129,520	106,116
Company pension contributions to money purchase scheme	44,364	14,800
	<hr/>	<hr/>

### 21 EMPLOYEES

#### Number of Employees

The average number of persons employed by the group (including directors) during the year was

	2011	2010
Management	5	5
Administration	31	36
Drivers	100	93
Maintenance	11	13
Other	19	18
	<hr/>	<hr/>

Employment costs	£	£
Wages and salaries	3,753,887	3,625,357
Social Security costs	358,283	345,066
Other pension costs	57,859	53,119
	<hr/>	<hr/>
	4,170,029	4,023,542
	<hr/>	<hr/>



## **P C HOWARD LTD AND ITS SUBSIDIARIES**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011**

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#### **22 CONTROLLING PARTY**

No one individual has ultimate control

#### **23 RELATED PARTY RELATIONSHIPS AND TRANSACTIONS**

##### **Dividends to directors**

The following directors were paid dividends during the year as outlined in the table below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
A P Howard	-	14,814
A F Howard	14,814	14,814
B C Howard	14,814	14,814
P W Howard	14,814	14,814
R G Howard	14,814	14,814

##### **Transactions with directors**

A F Howard, B C Howard, P W Howard and R G Howard were partners in the partnership of Howard Farms up to 30 November 2010 when the partnership was incorporated to become Howard Farms Limited. The four original partners of Howard Farms own equal shares in the new company Howard Farms Limited.

During the year, recharges to Howard Farms Limited (formerly Howard Farms) totalling £13,699 were made (2010 £ 14,700). Rents totalling £4,144 (2010 Nil) were received by P C Howard Limited on behalf of Howard Farms Limited in the year. The balance owing by Howard Farms Limited to P C Howard Limited at 31 March 2011 was £367 (2010 £20,660).

Included in creditors falling due after more than one year are loans from A F Howard, B C Howard, P W Howard and R G Howard of £187,500 each. These loans are interest free and there is no fixed repayment date for them. They will be repaid when the parent company, P C Howard Limited has sufficient cashflow to make repayment.