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**P C HOWARD LIMITED AND ITS SUBSIDIARIES**  
**ANNUAL REPORT**  
**AND STATEMENT OF ACCOUNTS**  
**YEAR ENDED 31 MARCH 2003**



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**P C HOWARD LIMITED AND ITS SUBSIDIARIES**

**REGISTERED IN ENGLAND NO. 496076**

**ANNUAL REPORT AND STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED**

**31 MARCH 2003**

**DIRECTORS**

**A F Howard**

**A P Howard**

**B C Howard**

**P W Howard**

**R G Howard**

**SECRETARY AND REGISTERED OFFICE**

**P W Howard**

**West Hay**

**Stamford Road**

**King's Cliffe**

**Peterborough**

**PE8 6XX**

**BANKERS**

**Lloyds TSB Bank plc**

**65 High Street**

**Stamford**

**Lines**

**PE9 2AW**

**AUDITORS**

**Stephenson Smart & Co.**

**Chartered Accountants**

**Stephenson House**

**15 Church Walk**

**Peterborough**

**PE1 2TP**

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**  
**REPORT OF THE DIRECTORS**

The directors present their Annual Report and Audited Accounts for the year ended 31 March 2003.

**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 and the group and of the profit or loss of the group for that period. In preparing those 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 a going concern basis unless it is inappropriate to presume that the company and group 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 of the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DIRECTORS**

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

	2003	2002
A F Howard	1,438	1,438
A P Howard	1,438	1,438
B C Howard	1,438	1,438
P W Howard	1,438	1,438
R G Howard	1,438	1,438

The consolidated profit and loss account for the year is set out on page 4.

**PRINCIPAL ACTIVITY**

The group's principal activity remains the distribution and warehousing of palletised goods. The group trades from two depots, its principal depot and administrative centre is at West Hay, Stamford Road, Kings Cliffe, Peterborough and its second depot is at Crucible Road, Northamptonshire.

The group has an extensive fleet of vehicles, comprising both articulated and rigid vehicles operating from modern, well equipped depots.

Deliveries are made to all parts of mainland United Kingdom and the customer base, whilst focused on the East Midlands and East Anglia, is extensive and includes a number of Blue Chip accounts.

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

## **REPORT OF THE DIRECTORS (Contd.)**

### **PRINCIPAL ACTIVITY (Contd.)**

The group has four operating companies whose service and role within the group can be summarised as follows:

P C Howard Limited	Distribution using our own fleet of vehicles
Howard's Logistics Limited	Contract distribution
Howard's Transport Limited	Palletised distribution using the Palletways network
Howard Warehousing Limited	Warehousing services

Further details on our business can be obtained from our website which is at [www.pchoward.com](http://www.pchoward.com)

### **BUSINESS REVIEW**

The group continues to expand its activities and during the year, the directors are pleased to report that sales increased by 18% to £8.6m. However, the Gross Profit percentage declined and consequently the increased sales did not generate increased operating profits.

During the coming year, the directors will be focusing on improving our margins and hence profitability.


### **FIXED ASSETS**

In the opinion of the directors, the land and buildings have a market value, which is in excess of the amount shown in the financial statements.

### **AUDITORS**

The auditors, Stephenson Smart & Co, have indicated their willingness to accept re-appointment under Section 385 (2) of the Companies Act 1985.

By order of the board of directors



P W Howard  
Secretary

Approved by the board on 2 January 2008

## **P C HOWARD LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF P C HOWARD LIMITED**

We have audited the financial statements of P C Howard Limited for the year ended 31 March 2003 which comprises the company Balance Sheet and the group Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 group's circumstances, consistently applied and adequately disclosed.

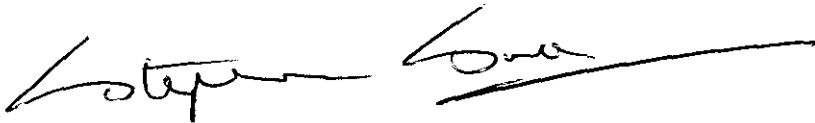
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**P C HOWARD LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF P C HOWARD  
LIMITED**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**STEPHENSON SMART & CO**

Registered Auditors

Date: *22 January 2004*

STEPHENSON HOUSE  
15 CHURCH WALK  
PETERBOROUGH  
PE1 2TP

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2003**

Note	2003 Total £	2002 Total £
2 <b>TURNOVER</b>	8,626,965	7,278,737
Cost of Sales	<u>7,462,762</u>	<u>6,148,448</u>
<b>GROSS PROFIT</b>	1,164,203	1,130,289
Net operating expenses	<u>774,449</u>	<u>746,841</u>
5 <b>OPERATING PROFIT</b>	389,754	383,448
6    Interest payable and similar charges	<u>(152,267)</u>	<u>(125,368)</u>
2 <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	237,487	258,080
7    Tax on profit on ordinary activities	<u>(51,470)</u>	<u>(47,617)</u>
8    Retained profit for the financial year	186,017	210,463
Retained profit brought forward	<u>931,554</u>	<u>721,091</u>
Retained profit carried forward	£ <u>1,117,571</u>	£ <u>931,554</u>

There were no recognised gains or losses other than those included in the Profit and Loss Account.

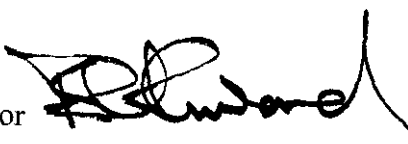
The accompanying notes form part of these accounts.

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2003**

Note	£	2003 £	£	2002 £
	<b>FIXED ASSETS</b>			
9	Tangible assets	3,081,240		2,415,705
	<b>CURRENT ASSETS</b>			
10	Stocks	52,996	48,644	
11	Debtors	2,075,238	1,848,219	
	Cash in hand	<u>3,216</u>	<u>1,996</u>	
		2,131,450	1,898,859	
12	<b>CREDITORS:</b> Amounts falling due within one year	(2,541,043)	(2,065,879)	
	<b>NET CURRENT (LIABILITIES)/ASSETS</b>	<u>(409,593)</u>	<u>(167,020)</u>	
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	2,671,647	2,248,685	
13	<b>CREDITORS:</b> Amounts falling due after more than one year	(1,367,954)	(1,173,380)	
14	<b>PROVISION FOR LIABILITIES AND CHARGES</b>	<u>(175,932)</u>	<u>(133,561)</u>	
	<b>NET ASSETS</b>	£ <u>1,127,761</u>	£ <u>941,744</u>	
	<b>CAPITAL AND RESERVES</b>			
	Called up share capital	7,190	7,190	
	Share premium account	3,000	3,000	
	Profit and loss account	<u>1,117,571</u>	<u>931,554</u>	
		£ <u>1,127,761</u>	£ <u>941,744</u>	

Signed on behalf of the board of directors

  
Director

  
Director

Approved by the board on 14 January 2004

The accompanying notes form part of these accounts.



**P C HOWARD LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2003**

Note		2003		2002
	£	£	£	£
	<b>FIXED ASSETS</b>			
9	Tangible assets	1,876,935		1,614,227
15	Investments	<u>3,000</u>		<u>2,000</u>
		1,879,935		1,616,227
	<b>CURRENT ASSETS</b>			
10	Stocks	52,996	48,644	
11	Debtors	1,666,872	1,540,377	
	Cash in hand	<u>2,216</u>	<u>1,996</u>	
		1,722,084	1,591,017	
12	<b>CREDITORS:</b> Amounts falling due within one year	<u>(2,138,817)</u>	<u>(1,826,333)</u>	
	<b>NET CURRENT LIABILITIES</b>	<u>(416,733)</u>		<u>(235,316)</u>
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	1,463,202		1,380,911
13	<b>CREDITORS:</b> Amounts falling due after more than one year	(968,817)		(928,454)
14	<b>PROVISION FOR LIABILITIES AND CHARGES</b>	<u>(124,454)</u>		<u>(93,675)</u>
	<b>NET ASSETS</b>	£ <u>369,931</u>		£ <u>358,782</u>
	<b>CAPITAL AND RESERVES</b>			
16	Called up share capital	7,190		7,190
	Share premium account	3,000		3,000
	Profit and loss account	<u>359,741</u>		<u>348,592</u>
		£ <u>369,931</u>		£ <u>358,782</u>

Signed on behalf of the board of directors

Director

Director

Approved by the board on 17 January 2004

The accompanying notes form part of these accounts

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2003**

Note		2003		2002
	£	£	£	£
18	Net cash inflow from operating activities	833,454		812,087
	<b>Returns on investments &amp; servicing of finance</b>			
	Interest paid	(68,919)	(59,756)	
	Interest element of finance lease rental payments	(83,348)	(65,612)	
	Net cash outflow from returns on investments and servicing of finance	(152,267)		(125,368)
	<b>Taxation</b>			
	Corporation tax paid	(20,354)	(21,419)	
		(20,354)		(21,419)
	<b>Capital expenditure and financial investment</b>			
	Payments to acquire tangible fixed assets	(1,199,960)	(1,157,227)	
	Receipts from sales of tangible fixed asset	<u>24,097</u>	<u>20,504</u>	
	<b>Net cash outflow from capital expenditure and financial investment</b>	(1,175,863)		(1,136,723)
	<b>Net cash outflow before financing</b>	(515,030)		(471,423)
	<b>Financing</b>			
	New finance leases and hire purchase agreements	931,398	735,830	
	Capital element of finance lease and hire purchase repayments	(568,845)	(501,094)	
	New bank loan	130,000	250,000	
	Bank loan repaid	(116,888)	(73,765)	
	Net cash inflow from financing	<u>375,665</u>		<u>410,971</u>
	<b>Decrease in cash in the period</b>	£ <u>(139,365)</u>		£ <u>(60,452)</u>

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

## **NOTES TO THE ACCOUNTS**

### **YEAR ENDED 31 MARCH 2003**

#### **1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the group's accounts:

##### **(a) Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 March 2003 which occurred before the date of approval of the Financial Statements by the Board of Directors, have been included in the Statements to the extent required to show a true and fair view of the state of affairs at 31 March 2003 and of the results for the year ended on that date.

##### **(b) 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 2003.

##### **(c) Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets over their expected useful lives. In general the rates of depreciation are as follows:

Freehold land	-	Nil
Freehold buildings	-	Nil/written off over 30 years
Plant and machinery	-	25% on written down value
Motor vehicles	-	25% on written down value
Fixtures and fittings	-	15%/25% on written down value

##### **(d) Stocks**

Stocks are valued at cost or net realisable value, where lower. Cost is determined on the basis of 'first in, first out'.

##### **(e) 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 to the extent that it is considered that a net liability may crystallise.

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE ACCOUNTS (Contd.)**

**YEAR ENDED 31 MARCH 2003**

**1. ACCOUNTING POLICIES (Contd.)**

**(f) Leasing**

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 to the profit and loss account on a straight line basis over the period of the lease.

**(g) Pension costs**

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 paid.

The company also operates a self-administered pension fund for the benefit of all directors. Contributions are charged against profits as they are paid.

**2. TURNOVER**

Turnover, which excludes value added tax and sales between group companies, represents amounts invoiced in respect of sales and work done during the year.

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

	<b>Haulage</b>	<b>Warehousing</b>	<b>Contract</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>Distribution</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2003</b>				
Turnover	£ <u>6,206,368</u>	<u>1,179,510</u>	<u>1,241,087</u>	<u>8,626,965</u>
Profit before taxation	£ <u>24,290</u>	<u>58,260</u>	<u>154,937</u>	<u>237,487</u>
<b>2002</b>				
Turnover	£ <u>6,129,363</u>	<u>1,009,613</u>	<u>139,761</u>	<u>7,278,737</u>
Profit before taxation	£ <u>123,207</u>	<u>70,893</u>	<u>63,980</u>	<u>258,080</u>

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE ACCOUNTS (Contd.)**

**YEAR ENDED 31 MARCH 2003**

**3. STAFF NUMBERS AND COSTS**

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

	<b>2003</b>	<b>2002</b>
Management	5	5
Administration	26	22
Drivers	84	73
Maintenance	8	9
Other	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were:

	<b>£</b>	<b>£</b>
Wages and salaries	2,301,128	1,872,145
Social Security costs	202,591	170,769
Other pension costs	<u>61,793</u>	<u>53,061</u>
	<b>£ 2,565,512</b>	<b>£ 2,095,975</b>

**4. DIRECTORS' EMOLUMENTS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Emoluments for services as directors	<b>£ 132,299</b>	<b>£ 126,110</b>

**5. OPERATING PROFIT**

The operating profit is stated after charging the following:

	<b>£</b>	<b>£</b>
Directors' emoluments	132,299	126,110
Directors' pension contributions in respect of money purchase benefits	58,000	50,000
Auditors' remuneration	9,565	8,920
Depreciation - owned assets	196,817	164,019
Depreciation - assets held under hire purchase agreements	294,203	206,878
Loss on disposals of fixed assets	19,308	11,234
Plant hire	<u>41,161</u>	<u>157,976</u>

**6. INTEREST PAYABLE**

On bank overdraft	31,763	32,414
On hire purchase agreements	83,348	65,612
On long term loan	<u>37,156</u>	<u>27,342</u>
	<b>£ 152,267</b>	<b>£ 125,368</b>

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE ACCOUNTS (Contd.)**

**YEAR ENDED 31 MARCH 2003**

<b>7. TAXATION</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
The charge for taxation based on profit for the year:		
<b>Current year</b>		
UK corporation tax at 19% (2002: 20%)	9,099	20,363
Deferred taxation	<u>42,371</u>	<u>27,432</u>
	51,470	47,795
<b>Prior year</b>		
Corporation tax over-provided	—	<u>(178)</u>
	<b>£ 51,470</b>	<b>£ 47,617</b>

**8. PROFIT FOR THE FINANCIAL YEAR**

As permitted by section 230 of the Companies Act 1985, the parent company's Profit and Loss Account has not been included in these financial statements. The parent company's profit for the financial year was £11,149 (2002: £103,150).

**9. TANGIBLE FIXED ASSETS**

**THE GROUP**

	<b>Land and Buildings £</b>	<b>Plant and Machinery £</b>	<b>Motor Vehicles £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2002	934,738	221,911	2,941,766	194,657	4,293,072
Additions	173,086	31,918	955,956	39,000	1,199,960
Disposals	<u>(8,035)</u>	<u>(3,795)</u>	<u>(201,362)</u>	<u>(26,834)</u>	<u>(240,026)</u>
At 31 March 2003	<u>1,099,789</u>	<u>250,034</u>	<u>3,696,360</u>	<u>206,823</u>	<u>5,253,006</u>
<b>Depreciation</b>					
At 1 April 2002	154,440	114,968	1,481,766	126,193	1,877,367
Charge for the year	31,080	31,567	412,491	15,882	491,020
Disposals	<u>(3,035)</u>	<u>(3,626)</u>	<u>(166,998)</u>	<u>(22,962)</u>	<u>(196,621)</u>
At 31 March 2003	<u>£ 182,485</u>	<u>142,909</u>	<u>1,727,259</u>	<u>119,113</u>	<u>2,171,766</u>
<b>Net book value</b>					
At 31 March 2003	<u>£ 917,304</u>	<u>107,125</u>	<u>1,969,101</u>	<u>87,710</u>	<u>3,081,240</u>
At 31 March 2002	<u>£ 780,298</u>	<u>106,943</u>	<u>1,460,000</u>	<u>68,464</u>	<u>2,415,705</u>

The cost of depreciable assets included in land and buildings at 31 March 2003 was £930,298.

Included in the total net book value of tangible fixed assets held at 31 March 2003 was £1,601,496 (2002: £1,083,963) in respect of assets held under finance leases and hire purchase contracts.

# P C HOWARD LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS (Contd.)

**YEAR ENDED 31 MARCH 2003**

9. (Contd.)

### **TANGIBLE FIXED ASSETS**

#### **THE COMPANY**

	<b>Land and Buildings £</b>	<b>Plant and Machinery £</b>	<b>Motor Vehicles £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2002	133,856	59,336	2,911,575	95,109	3,199,876
Additions	19,488	17,310	700,518	29,468	766,784
Disposals	(8,035)	(3,795)	(162,513)	(26,834)	(201,177)
Intra-group transfers	-	-	(255,898)	-	(255,898)
At 31 March 2003	£ 145,309	72,851	3,193,682	97,743	3,509,585
<b>Depreciation</b>					
At 1 April 2002	5,686	50,868	1,457,382	71,713	1,585,649
Charge for the year	3,264	2,926	371,108	8,050	385,348
Disposals	(3,035)	(3,627)	(137,500)	(22,962)	(167,124)
Intra-group transfers	-	-	(171,223)	-	(171,223)
At 31 March 2003	£ 5,915	50,167	1,519,767	56,801	1,632,650
<b>Net book value</b>					
At 31 March 2003	£ 139,394	22,684	1,673,915	40,942	1,876,935
At 31 March 2002	£ 128,170	8,468	1,454,193	23,396	1,614,227

The cost of depreciable assets included in land and buildings at 31 March 2003 was £95,820.

Included in the total net book value of tangible fixed assets held at 31 March 2003 was £1,374,529 (2002: £1,069,339) in respect of assets held under finance leases and hire purchase contracts.

10. **STOCK**

	<b>2003 £</b>	<b>2002 £</b>
<b><u>The Group</u></b>		
Spares, tyres and fuel	£ 52,996	48,644
<b><u>The Company</u></b>		
Spares, tyres and fuel	£ 52,996	48,644

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE ACCOUNTS (Contd.)**

**YEAR ENDED 31 MARCH 2003**

<b>11. DEBTORS</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>The Group</b>		
Trade debtors	1,990,865	1,784,643
Other debtors	16,750	5,494
Prepayments	<u>67,623</u>	<u>58,082</u>
	<b>£ 2,075,238</b>	<b>£ 1,848,219</b>
<b>The Company</b>		
Trade debtors	1,453,540	1,464,551
Amount due from group undertakings	132,073	16,316
Other debtors	13,636	1,428
Prepayments	<u>67,623</u>	<u>58,082</u>
	<b>£ 1,666,872</b>	<b>£ 1,540,377</b>
<b>12. CREDITORS: Amounts falling due within one year</b>		
<b>The Group</b>		
Bank loans and overdraft	827,809	659,747
Trade creditors	885,165	683,699
Other creditors	66,001	50,268
Corporation tax	9,098	20,354
Taxation and Social Security	195,910	249,314
Accruals	11,992	11,044
Obligations under hire purchase agreements	<u>545,068</u>	<u>391,453</u>
	<b>£ 2,541,043</b>	<b>£ 2,065,879</b>
<b>The Company</b>		
Bank loan and overdraft	666,221	587,893
Trade creditors	758,461	597,708
Other creditors	53,551	39,608
Taxation and social security	159,595	205,294
Accruals	11,992	11,044
Hire purchase agreements	<u>488,997</u>	<u>384,786</u>
	<b>£ 2,138,817</b>	<b>£ 1,826,333</b>



# P C HOWARD LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS (Contd.)

YEAR ENDED 31 MARCH 2003

	2003 £	2002 £
<b>13. CREDITORS: Amounts falling due after more than one year</b>		
<b>The Group</b>		
Bank loans	294,960	309,325
Other creditors	350,000	350,000
Hire purchase agreements	<u>722,994</u>	<u>514,055</u>
	£ <u>1,367,954</u>	£ <u>1,173,380</u>
<b>The Company</b>		
Bank loan	34,286	68,572
Other creditors - Howard Farms	350,000	350,000
Hire purchase agreements	<u>584,531</u>	<u>509,882</u>
	£ <u>968,817</u>	£ <u>928,454</u>

There are no specified repayment terms for the interest free loan from Howard Farms and repayments will be made when funds permit. Howard Farms is a partnership comprising four of the five directors of P C Howard Limited.

### Obligations under finance leases and hire purchase contracts

Within two to five years	722,994	514,055
After five years	<u>-</u>	<u>-</u>
	£ <u>722,994</u>	£ <u>514,055</u>

Obligations under finance leases and hire purchase contracts are secured.

### Analysis of debt maturity

Within one year or on demand	827,809	659,747
Between one and two years	175,580	102,277
Between two and five years	<u>119,380</u>	<u>149,078</u>
	£ <u>1,122,769</u>	£ <u>911,102</u>

### Repayable by instalments

Amounts falling due after five years	£ <u>-</u>	£ <u>57,970</u>
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The bank loan and overdraft with Lloyds TSB Bank plc is secured by standard debentures dated 1 January 1993 in favour of the bank together with unlimited all monies guarantees from Howard Warehousing Limited and Howard's Logistics Limited (formerly Howard's Transport Limited) dated 13 May 1988 and 29 March 1993 respectively.

The bank loan with National Westminster Bank plc is secured on the land at Corby.

The bank loans bear interest at 9.50% and 9.00%.

**P C HOWARD LIMITED AND ITS SUBSIDIARIES**

**NOTES TO THE ACCOUNTS (Contd.)**

**YEAR ENDED 31 MARCH 2003**

<b>14. PROVISION FOR LIABILITIES AND CHARGES</b>	<b>2003</b>	<b>2002</b>
<b>The Group</b>	<b>£</b>	<b>£</b>
<b>Deferred taxation</b>		
a) Balance at 1 April 2002	133,561	106,129
Charge for the year in the Profit and Loss Account	<u>42,371</u>	<u>27,432</u>
Balance at 31 March 2003	£ <u>175,932</u>	£ <u>133,561</u>
b) Full provision has been made for deferred tax calculated on the liability method as follows:		
Accelerated capital allowances	£ <u>175,932</u>	£ <u>133,561</u>
 <b>The Company</b>		
<b>Deferred taxation</b>		
a) Balance as at 1 April 2002	93,675	68,241
Charge for the year in the Profit and Loss Account	<u>30,779</u>	<u>25,434</u>
Balance at 31 March 2003	£ <u>124,454</u>	£ <u>93,675</u>
b) Full provision has been made for deferred tax calculated on the liability method as follows:		
Accelerated capital allowances	£ <u>124,454</u>	£ <u>93,675</u>

# P C HOWARD LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS (Contd.)

### YEAR ENDED 31 MARCH 2003

15.	<b>INVESTMENTS</b> <b>The Company</b>	<b>2003</b> <b>£</b>	<b>2002</b> <b>£</b>
	Howard Warehousing Limited 1,000 Ordinary £1 shares	1,000	1,000
	Howard's Logistics Limited (formerly Howard's Transport Limited) 1,000 Ordinary £1 shares	1,000	1,000
	Howard's Transport Limited 1,000 Ordinary £1 shares	<u>1,000</u> <u>3,000</u>	<u>-</u> <u>2,000</u>

Howard Warehousing Limited, Howard's Logistics Limited and Howard's Transport Limited are all wholly owned subsidiaries of P C Howard Limited. The principal activity of Howard Warehousing Limited is that of storage and providing warehousing services. The principal activity of Howard's Logistics Limited (formerly Howard's Transport Limited) is that of contract distribution. The principal activity of Howard's Transport Limited is that of palletised distribution using the palletways network.

Howard's Transport Limited was incorporated on 25 March 2003. On that date P C Howard Limited acquired 100% of the issued share capital of Howard's Transport Limited, which did not trade before 31 March 2003.

16.	<b>CALLED UP SHARE CAPITAL</b>	<b>2003</b> <b>£</b>	<b>2002</b> <b>£</b>
	Authorised 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	Allotted, called up and fully paid:		
	7,190 Ordinary shares of £1 each (2002: 7,190 shares)	<u>7,190</u>	<u>7,190</u>
17.	<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
	Opening shareholders' funds	941,744	731,281
	Profit for the financial year	<u>186,017</u>	<u>210,463</u>
	Closing shareholders' funds	£ <u>1,127,761</u>	£ <u>941,744</u>

### NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

18.	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
	Operating profit	389,754	383,448
	Depreciation on tangible fixed assets	491,020	370,989
	Loss on sale of tangible fixed assets	19,308	11,234
	(Increase)/Decrease in stock	(4,352)	389
	(Increase) in debtors	(227,019)	(206,055)
	Increase in creditors	<u>164,743</u>	<u>252,082</u>
	Net cash inflow from operating activities	£ <u>833,454</u>	£ <u>812,087</u>

# P C HOWARD LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE ACCOUNTS (Contd.)

### YEAR ENDED 31 MARCH 2003

19.	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2003</b>	<b>2002</b>
		£	£
	(Decrease) in cash in the period	(139,365)	(60,452)
	Cash inflow from increase in debt	(375,686)	(410,969)
	Movement in net debt in the period	(515,051)	(471,421)
	Net debt at 1 April 2002	(2,222,584)	(1,751,163)
	Net debt at 31 March 2003	£ (2,737,635)	£ (2,222,584)

20.	<b>Analysis of net debt</b>	<b>At 1 April 2002</b>	<b>Cash Flow</b>	<b>At 31 March 2003</b>
	Cash in hand	1,996	1,220	3,216
	Bank overdrafts	(557,173)	(140,585)	(697,758)
	Debt due after one year	(659,325)	14,364	(644,961)
	Debt due within one year	(102,574)	(27,477)	(130,051)
	Finance leases	(905,508)	(362,573)	(1,268,081)
		£ (2,222,584)	£ (515,051)	£ (2,737,635)

## 21. RELATED PARTY TRANSACTIONS

During the year management charges of £21,000 were receivable by P C Howard Limited from Howard Farms, a partnership between four of the five directors of P C Howard Limited.

An all monies joint and several guarantee dated 4 June 1976 was given by A F Howard, B C Howard, P W Howard and R G Howard together with a first legal charge dated 17 July 1981 over 51A Park Street, King's Cliffe, to Lloyds Bank plc as additional security for the overdraft facility.

Howard Farms, a partnership of four of the five directors, have lent P C Howard Limited £350,000. There is no fixed repayment date for this loan.

Howard Warehousing Limited paid rent of £51,200 to Howard Farms in the year.

## 22. CONTROLLING PARTY

No one individual has overall control.