

LAMBERT BROTHERS (HAULAGE) LIMITED

*Reg*  
COMPANY REGISTRATION  
NUMBER: 0065382

ANNUAL REPORT

FOR THE YEAR ENDED 31 MAY 1996

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DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 May 1996.

BUSINESS REVIEW

The company's principal activity continued to be that of general haulage contractor.

The development of the business during the year and the position at the end of the year are adequately shown by the profit and loss account and balance sheet.

There are no plans to alter significantly the principal activity in the future.

POST BALANCE SHEET EVENTS

No significant events affecting the company have occurred since 31 May 1996.

RESULTS AND DIVIDEND

The directors recommend that a dividend be paid of £50 per share (1995 £98.66) and that the remaining profit for the year is transferred to reserves.

DIRECTORS

The directors of the company throughout the year were:-

R M Lambert  
H J Baker  
R C Trotter  
D Haines  
J M Flanders  
C G Watkins

None of the directors hold any shares in the company. Mr R M Lambert owns shares in the parent company. Details of his shareholding is shown in that company's financial statements.

Under the company's articles of association all the directors retire and being eligible seek re-election.

DIRECTORS' REPORT (continued)

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 and of the profit or loss 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 enable them to ensure that the financial statements 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.

FIXED ASSETS

Movements in fixed assets are shown in the notes to the financial statements.

AUDITORS

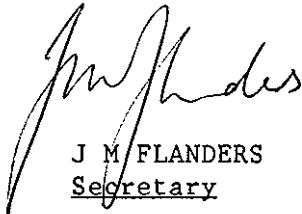
Weeks Green have notified their willingness to continue as auditors of the company and a resolution for their re-appointment will be proposed.

Registered Office

Woodside Avenue  
Eastleigh  
Hampshire  
SO50 4ZR

Date: 31 October 1996

By Order of the Board

  
J M FLANDERS  
Secretary

## LAMBERT BROTHERS (HAULAGE) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
LAMBERT BROTHERS (HAULAGE) LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

## RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

## OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WEEKS GREEN  
Chartered Accountants  
Registered Auditor  
College Keep  
4-12 Terminus Terrace  
SOUTHAMPTON  
SO14 3QJ

Date: 31 October 1996

LAMBERT BROTHERS (HAULAGE) LIMITED

4.

PROFIT AND LOSS ACCOUNT

For the year ended 31 MAY 1996

	Note	<u>1996</u>	<u>1995</u>
TURNOVER	1	4,479,499	3,959,949
Cost of sales		(3,476,861)	(3,001,123)
GROSS PROFIT		1,002,638	958,826
Administrative expenses		(586,938)	(577,634)
OPERATING PROFIT		415,700	381,192
Interest receivable		3,668	-
Interest payable		(32,642)	(26,692)
		(28,974)	(26,692)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	386,726	354,500
Taxation	5	(125,256)	(110,493)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		261,470	244,007
Dividend	6	(225,000)	(444,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		36,470	(199,993)
Opening balance		550,084	750,077
Closing balance		£ 586,554	£ 550,084

The company has no recognised gains or losses other than those shown above.

BALANCE SHEET  
At 31 MAY 1996

	Note	1996	1995
<b>FIXED ASSETS</b>			
Tangible assets	7	850,901	659,049
Investments	8	625	625
		<u>851,526</u>	<u>659,674</u>
<b>CURRENT ASSETS</b>			
Stock - Consumables		23,874	35,157
Debtors due within one year	9	1,024,997	1,243,404
Debtors due after one year	9	4,122	6,039
Cash at bank and in hand		79,669	1,467
		<u>1,132,662</u>	<u>1,286,067</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(1,097,069)</u>	<u>(1,183,354)</u>
<b>NET CURRENT ASSETS</b>		<u>35,593</u>	<u>102,713</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>887,119</u>	<u>762,387</u>
<b>CREDITORS: amounts falling due after more than one year</b>	10	256,442	176,919
<b>Provisions for liabilities and charges</b>	11	<u>39,623</u>	<u>30,884</u>
		<u>(296,065)</u>	<u>(207,803)</u>
<b>NET ASSETS</b>		<u>£ 591,054</u>	<u>£ 554,584</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	4,500	4,500
Profit and loss account		586,554	550,084
<b>SHAREHOLDERS' FUNDS</b>	13	<u>£ 591,054</u>	<u>£ 554,584</u>

Date approved by the Board:- 31 October 1996

.....  
R M Lambert

.....  
J M Flanders

Directors

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting	The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.										
Turnover	Turnover is the value of goods supplied or services rendered in the normal course of business, exclusive of Value Added Tax.										
Depreciation	<p>Depreciation has been provided on all fixed assets to spread the cost over the estimated useful lives of the relevant assets at the following rates:-</p> <table><tr><td>Fixtures and fittings</td><td>- 10-20% Straight line</td></tr><tr><td>Computer equipment</td><td>- 20% Straight line</td></tr><tr><td>Plant and machinery</td><td>- 10% Straight line</td></tr></table> <p>Motor vehicles:-</p> <table><tr><td>Purchased new</td><td>- 15% Straight line</td></tr><tr><td>Purchased secondhand</td><td>- 25% Straight line</td></tr></table>	Fixtures and fittings	- 10-20% Straight line	Computer equipment	- 20% Straight line	Plant and machinery	- 10% Straight line	Purchased new	- 15% Straight line	Purchased secondhand	- 25% Straight line
Fixtures and fittings	- 10-20% Straight line										
Computer equipment	- 20% Straight line										
Plant and machinery	- 10% Straight line										
Purchased new	- 15% Straight line										
Purchased secondhand	- 25% Straight line										
Leasing and hire purchase	<p>Assets acquired under finance leases and hire purchase agreements are treated as if they had been purchased. The asset is capitalised and depreciated accordingly. The deemed capital element of future payments is included under creditors. The finance element is charged to the profit and loss account on a straight line basis.</p> <p>Operating lease costs are charged to the profit and loss account for the period to which they relate.</p>										
Stock	Stock is valued consistently at the lower of cost and net realisable value.										
Deferred taxation	Deferred taxation is provided for by the liability method on all timing differences expected to crystallise in the foreseeable future.										
Pension scheme	The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.										
Cash flow statement	The company is taking advantage of the exemption offered by FRS1 from preparing a cash flow statement on the grounds that its ultimate parent undertaking will produce a consolidated cash flow statement as part of its financial statements for the year ended 31 May 1996.										

NOTES TO THE FINANCIAL STATEMENTS

1. TURNOVER	<u>1996</u>	<u>1995</u>
United Kingdom	4,471,597	3,959,949
Other EU Countries	7,902	-
	<u>£ 4,479,499</u>	<u>£ 3,959,949</u>

2. PROFIT before TAXATION is after charging:	<u>1996</u> £	<u>1995</u> £
Depreciation	242,237	239,055
Bank and short term loan interest payable	-	6,126
Finance lease and hire purchase charges	32,642	20,566
Auditors' remuneration	5,500	5,300
	<u>26,072</u>	<u>3,178</u>
and after crediting:		
Profit on assets sold	<u>26,072</u>	<u>3,178</u>

## 3. EMPLOYEES

The average number of employees  
during the period was:

	<u>1996</u>	<u>1995</u>
Direct	52	59
Directors	6	6
Office	11	11
	<u>69</u>	<u>76</u>

Their aggregate remuneration amounted to:

Wages, salaries and fees	1,254,152	1,276,082
Social security costs	107,882	112,924
Pension contributions	29,507	33,913
	<u>£ 1,391,541</u>	<u>£ 1,422,919</u>

From 6 April 1996, Lambert Brothers Services Limited, a provider of labour Company was established. The majority of Lambert Brothers (Haulage) Limited's employees were transferred to that company from that date.



NOTES TO THE FINANCIAL STATEMENTS

## 4. EMOLUMENTS OF DIRECTORS

	<u>1996</u>	<u>1995</u>
Salary	75,543	82,638
Benefits	7,981	7,396
Pension scheme contributions	9,328	14,498
	<u>£ 92,852</u>	<u>£ 104,532</u>

Emoluments (excluding pension scheme contributions) were:

Chairman	-	-
Highest paid director	<u>£ 32,195</u>	<u>£ 31,721</u>

Ranges of other directors:

£0 - £5,000	2	2
£20,001 - £25,000	1	-
£25,001 - £30,000	1	2

The emoluments of the Chairman and certain other directors are paid by the parent company.

## 5. TAXATION

	<u>1996</u>	<u>1995</u>
The charge in the profit and loss account comprises:		
Corporation tax on the taxable profits for the period at 33% (1995 33%)	116,425	133,253
Corporation tax prior periods	92	746
Deferred tax	8,739	(23,506)
	<u>£ 125,256</u>	<u>£ 110,493</u>

The deferred tax charge includes adjustments relating to prior periods of £34 (1995 £1,111).

## 6. DIVIDEND

	<u>1996</u>	<u>1995</u>
Proposed dividend £50 per share (1995 £98.66)	<u>£ 225,000</u>	<u>£ 444,000</u>

NOTES TO THE FINANCIAL STATEMENTS

## 7. TANGIBLE FIXED ASSETS

	Plant, machinery and <u>vehicles</u>	Fixtures, fittings, tools and <u>equipment</u>	<u>Total</u>
Cost			
At beginning of period	1,989,236	94,594	2,083,830
Additions	435,456	4,438	439,894
Disposals	(146,647)	-	(146,647)
At end of period	<u>£ 2,278,045</u>	<u>£ 99,032</u>	<u>£ 2,377,077</u>
Depreciation			
At beginning of period	1,346,326	78,455	1,424,781
Charge for period	235,477	6,760	242,237
Disposals	(140,842)	-	(140,842)
At end of period	<u>£ 1,440,961</u>	<u>£ 85,215</u>	<u>£ 1,526,176</u>
Net book value			
At beginning of period	<u>£ 642,910</u>	<u>£ 16,139</u>	<u>£ 659,049</u>
At end of period	<u>£ 837,084</u>	<u>£ 13,817</u>	<u>£ 850,901</u>

Fixed assets include items held on finance lease and hire purchase agreements with a net book value of £630,281 (1995 £409,001). These are included under the heading plant, machinery and vehicles.

The depreciation charge for the period in respect of these assets is £148,167 (1995 £79,135).

## 8. INVESTMENTS

The company holds 500 'B' shares in Palletline Plc, an unquoted company. The shares were acquired at a cost of £625, on 16 February 1995 and have a nominal value of £1 each. The directors do not consider it prudent to attribute a market value to these shares.

NOTES TO THE FINANCIAL STATEMENTS

9. DEBTORS

	<u>1996</u>	<u>1995</u>
DUE WITHIN ONE YEAR		
Trade debtors	936,762	738,857
Amounts owed by group undertakings	-	417,802
Other debtors	5,375	-
Prepayments and accrued income	82,860	86,745
	<u>£ 1,024,997</u>	<u>£ 1,243,404</u>
DUE IN MORE THAN ONE YEAR		
Prepayments and accrued income	<u>£ 4,122</u>	<u>£ 6,039</u>

10. CREDITORS

	<u>1996</u>	<u>1995</u>
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank overdrafts	-	28,859
Trade creditors	257,950	210,851
Amounts owed to group undertakings	137,963	-
Hire purchase and finance leases	191,921	123,438
Corporation tax	116,425	133,253
Other taxation and social security	59,065	138,556
Other creditors	54,364	50,208
Proposed dividends	225,000	444,000
Accruals and deferred income	54,381	54,189
	<u>£ 1,097,069</u>	<u>£ 1,183,354</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Hire purchase and finance leases	<u>£ 256,442</u>	<u>£ 176,919</u>

All of the amount falling due after more than one year is due in the second to fifth years.

The bank overdraft is secured.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1996</u>	<u>1995</u>
Deferred taxation:		
Capital allowances in advance of depreciation	39,623	32,884
Other timing differences	-	(2,000)
	<u>£ 39,623</u>	<u>£ 30,884</u>

Deferred taxation has been calculated at 33% and represents the full potential liability.

The movement in the deferred tax provision is reflected in note 5.

NOTES TO THE FINANCIAL STATEMENTS

## 12. SHARE CAPITAL

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Ordinary shares of £1	<u>5,000</u>	<u>5,000</u>	<u>4,500</u>	<u>4,500</u>

## 13. SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
Profit for the financial year	261,470	244,007
Dividends	(225,000)	(444,000)
	<u>36,470</u>	<u>(199,993)</u>
Opening shareholders' funds	<u>554,584</u>	<u>754,577</u>
Closing shareholders' funds	<u>£ 591,054</u>	<u>£ 554,584</u>

## 14. CAPITAL COMMITMENTS

	<u>1996</u>	<u>1995</u>
Contracts authorised but not placed	<u>-</u>	<u>£ 88,000</u>

## 15. CONTINGENT LIABILITIES

The company has given a guarantee to the groups banker's in respect of borrowings of the Holding company. At 31 May 1996 the bank borrowings of Lambert Brothers Holdings Limited amounted to £280,820 (1995 Nil).

## 16. PENSION ARRANGEMENTS

The charge for the period in respect of contributions to the defined contribution pension scheme amounted to £29,507 (1995 £33,913). At the year end £Nil (1995 £5,958) of contributions payable were included in creditors.

## 17. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking, Lambert Brothers Holdings Limited, is registered in England. Copies of the parent company's consolidated financial statements may be obtained from the Company Secretary, Lambert Brothers Holdings Limited, Woodside Avenue, Eastleigh, Hampshire, SO50 4ZR.