

LAMBERT BROTHERS HAULAGE LIMITED

Company Registration

Number : ~~0065382~~

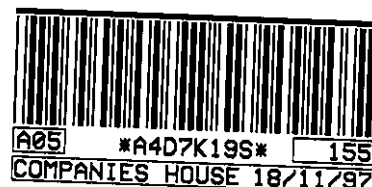
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ANNUAL REPORT

FOR THE YEAR ENDED 31 MAY 1997

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DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 May 1997.

BUSINESS REVIEW

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

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 1997.

RESULTS AND DIVIDEND

The directors recommend that a final dividend of £44.44 per share be paid 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
J M Flanders
R C Trotter
D Haines
H J Baker
C G Watkins

The directors hold no beneficial interest in the shares of the company. Mr R M Lambert owns shares in the parent company and details are 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' 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.

DIRECTORS' REPORT (continued)

FIXED ASSETS

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

POLITICAL AND CHARITABLE DONATIONS

Payments of a charitable nature made during the year amounted to £497.

AUDITORS

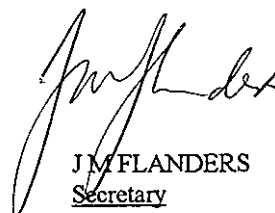
The auditors, Weeks Green, have indicated their willingness to accept reappointment under Section 385(2) of the Companies Act 1985.

Registered Office

Woodside Avenue
Eastleigh
Hampshire
SO50 4ZR

Date: 30 October 1997

By Order of the Board



J M FLANDERS
Secretary

**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 1997 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: 7 November 1997

PROFIT AND LOSS ACCOUNTFor the year ended 31 MAY 1997

	Note	<u>1997</u>	<u>1996</u>
TURNOVER	1	5,289,199	4,479,499
Cost of sales		<u>(4,182,645)</u>	<u>(3,476,861)</u>
GROSS PROFIT		1,106,554	1,002,638
Administrative expenses		<u>(647,500)</u>	<u>(586,938)</u>
		459,054	415,700
Other operating income	54,056	-	-
Interest receivable	125	3,668	3,668
Interest payable	<u>(38,302)</u>	<u>(32,642)</u>	<u>(32,642)</u>
		15,879	(28,974)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	474,933	386,726
Taxation	6	<u>(152,156)</u>	<u>(125,256)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		322,777	261,470
Dividend	7	<u>(200,000)</u>	<u>(225,000)</u>
RETAINED PROFIT FOR THE YEAR		122,777	36,470
Opening balance		<u>586,554</u>	<u>550,084</u>
Closing balance		<u><u>£709,331</u></u>	<u><u>£586,554</u></u>

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

LAMBERT BROTHERS HAULAGE LIMITED

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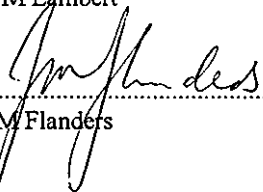
BALANCE SHEET

At 31 MAY 1997

	Note	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible assets	9	937,491	850,901
Investments	10	625	625
		<u>938,116</u>	<u>851,526</u>
CURRENT ASSETS			
Stock - consumables	11	39,921	23,874
Debtors due within one year	12	1,472,151	1,024,997
Debtors due after more than one year	12	2,421	4,122
Cash at bank and in hand		1,441	79,669
		<u>1,515,934</u>	<u>1,132,662</u>
CREDITORS: amounts falling due within one year	13	<u>(1,444,446)</u>	<u>(1,097,069)</u>
NET CURRENT ASSETS		<u>71,489</u>	<u>35,593</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,009,604</u>	<u>887,119</u>
CREDITORS: amounts falling due after more than one year	13	257,452	256,442
Provisions for liabilities and charges	14	<u>38,321</u>	<u>39,623</u>
		<u>(295,773)</u>	<u>(296,065)</u>
NET ASSETS		<u>£713,831</u>	<u>£591,054</u>
CAPITAL AND RESERVES			
Called up share capital	15	4,500	4,500
Profit and loss account		709,331	586,554
SHAREHOLDERS' FUNDS	13	<u>£713,831</u>	<u>£591,054</u>

Date approved by the Board:-

30 October 1997


)
 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

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:-

Fixtures and fittings	- 10-20% Straight line
Computer equipment	- 20% Straight line
Plant and machinery	- 10% Straight line
Motor vehicles:	
Purchased new	- 15% Straight line
Purchased second hand	- 25% Straight line

Leasing and hire purchase

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.

Operating lease costs are charged to the profit and loss account for the period to which they relate.

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 1997.

NOTES TO THE FINANCIAL STATEMENTS1. **TURNOVER**

	<u>1997</u>	<u>1996</u>
United Kingdom	5,289,199	4,471,597
Other EU countries	-	7,902
	<u>£5,289,199</u>	<u>£4,479,499</u>

2. **PROFIT before TAXATION**

is after charging:

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation	246,580	242,237
Finance lease and hire		
purchase charges	38,302	32,642
Auditors' remuneration	5,700	5,500
	<u></u>	<u></u>

and after crediting:

Profit on assets sold	<u>27,466</u>	<u>26,072</u>
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3. **EMPLOYEES**The average number of employees
during the period was:

	<u>1997</u>	<u>1996</u>
Direct	17	52
Directors	6	6
Office	2	11
	<u>25</u>	<u>69</u>

Their aggregate remuneration amounted to:

Wages, salaries and fees	414,594	1,254,152
Social security costs	29,455	107,882
Pension contributions	44,114	29,507
	<u>£488,163</u>	<u>£1,391,541</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>1997</u>	<u>1996</u>
Emoluments	<u>£19,888</u>	<u>£92,852</u>

Three directors salaries are now paid by Lambert Brothers Services Limited. The emoluments of the Chairman and remaining directors are paid by the ultimate parent company.

5. TAXATION

	<u>1997</u>	<u>1996</u>
The charge in the profit and loss account comprises:		
Corporation tax on the taxable profits for the period at 32% (1996 33%)	153,458	116,425
Corporation tax prior periods	-	92
Deferred tax	(1,302)	8,739
	<u>£152,156</u>	<u>£125,256</u>

The deferred tax charge includes adjustments relating to prior periods of Nil (1996 £34) and adjustments resulting from a change in the rate of taxation of £3,112 (1996 Nil).

6. DIVIDEND

	<u>1997</u>	<u>1996</u>
Proposed dividend £44.44 per share (1996 £50)	<u>£200,000</u>	<u>£225,000</u>

NOTES TO THE FINANCIAL STATEMENTS**7. TANGIBLE FIXED ASSETS**

	Plant, machinery and vehicles	Fixtures, fittings, tools and equipment	Total
Cost			
At beginning of period	2,278,045	99,032	2,377,077
Additions	322,643	13,541	336,184
Disposals	(177,677)	-	(177,677)
At end of period	<u>£2,423,011</u>	<u>£112,573</u>	<u>£2,535,584</u>
Depreciation			
At beginning of period	1,440,961	85,215	1,526,176
Charge for period	244,274	2,306	246,580
Disposals	(174,663)	-	(174,663)
At end of period	<u>£1,510,572</u>	<u>£87,521</u>	<u>£1,598,093</u>
Net book value			
At beginning of period	<u>£837,084</u>	<u>£13,817</u>	<u>£850,901</u>
At end of period	<u>£912,439</u>	<u>£25,052</u>	<u>£937,491</u>

Fixed assets include items held on finance lease and hire purchase agreements with a net book value of £658,148 (1996 £630,281). These are included under the heading plant, machinery and vehicles.

The depreciation charge for the period in respect of these assets is £150,290 (1996 £148,167).

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.

9. DEBTORS

	<u>1997</u>	<u>1996</u>
DUE WITHIN ONE YEAR		
Trade debtors	1,106,552	936,762
Amounts owed by group undertakings	197,968	-
Other debtors	-	5,375
Prepayments and accrued income	167,631	82,860
	<u>£1,472,151</u>	<u>£1,024,997</u>
DUE IN MORE THAN ONE YEAR		
Prepayments and accrued income	<u>£2,421</u>	<u>£4,122</u>

NOTES TO THE FINANCIAL STATEMENTS

10. CREDITORS

AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1997</u>	<u>1996</u>
Bank overdrafts	45,896	-
Trade creditors	415,135	257,950
Amounts owed to group undertakings	221,969	137,963
Hire purchase and finance leases	175,504	191,921
Corporation tax	153,458	116,425
Other taxation and social security	137,055	59,065
Other creditors	19,170	54,364
Proposed dividends	200,000	225,000
Accruals and deferred income	76,259	54,381
	<u>£1,444,446</u>	<u>£1,097,069</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Hire purchase and finance leases	<u>£257,452</u>	<u>£256,442</u>

All of the amount falling due after more than one year in respect of hire purchase contracts and finance leases is due in the second to fifth years.

The bank overdraft is secured.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1997</u>	<u>1996</u>
Deferred taxation:		
Capital allowances in advance		
of depreciation	48,241	39,623
Other timing differences	(9,920)	-
	<u>£38,321</u>	<u>£39,623</u>

Deferred taxation has been calculated at 31% (1996 33%) and represents the full potential liability.

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

12. SHARE CAPITAL

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Ordinary shares of £1	<u>5,000</u>	<u>5,000</u>	<u>4,500</u>	<u>4,500</u>

NOTES TO THE FINANCIAL STATEMENTS

13. SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
Opening shareholders' funds	591,054	554,584
Profit for the period	322,777	261,470
Dividends	(200,000)	(225,000)
Closing shareholders' funds	<u>£713,831</u>	<u>£591,054</u>

14. CONTINGENT LIABILITIES

The company has given a guarantee to the groups banker's in respect of borrowings of the Holding company. At 31 May 1997 the bank borrowings of Lambert Brothers Holdings Limited amounted to Nil (1996 £280,820).

15. PENSION ARRANGEMENTS

The charge for the period in respect of contributions to the defined contribution pension scheme amounted to £44,114 (1996 £29,507). At the year end £32,000 (1996 Nil) contributions payable were included in creditors.

16. 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.