



**LAMBERT BROTHERS HAULAGE LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE PERIOD ENDED 27 MAY 2006**

**Company Registration Number 00654382**

**Tenon Limited**  
Accountants & Business Advisers  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

**LAMBERT BROTHERS HAULAGE LIMITED**

**ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

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<b>CONTENTS</b>	<b>PAGES</b>
The directors' report	<b>1 to 2</b>
Independent auditor's report to the company	<b>3</b>
Abbreviated profit and loss account	<b>4</b>
Abbreviated balance sheet	<b>5</b>
Cash flow statement	<b>6</b>
Notes to the abbreviated accounts	<b>7 to 18</b>

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# **LAMBERT BROTHERS HAULAGE LIMITED**

## **THE DIRECTORS' REPORT**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

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The directors present their report and the financial statements of the company for the 52 week period from 29 May 2005 to 27 May 2006.

### **Principal activities and business review**

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

*During the course of the year the company continued to provide haulage services and general warehousing which grew by 2% in terms of turnover and 2% in terms of its profitability. The increase was achieved despite difficult trading conditions caused by significantly increased fuel costs.*

At the year end the company had shareholders funds of £2,423,678 including distributable reserves of £2,419,178. The directors therefore believe the company's position to be satisfactory especially as the company's net current assets exceeds its current liabilities by £1,547,607.

The directors have assessed the main risk to the company as being the increased price and availability of fuel. The directors believe that these risks are mitigated by the warehousing operations, diversifying the risk of the company through operating an alternative trade.

### **Results and dividends**

The profit for the 52 week period, after taxation, amounted to £294,543. Particulars of dividends paid and proposed are detailed in note 8 to the financial statements.

### **Financial instruments**

Details of the company's financial risk management objectives and policies are included in note 18 to the accounts.

### **Directors**

The directors who served the company during the 52 week period were as follows:

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

None of the directors held any interest in the shares of the company. R M Lambert owns shares in the parent company and details are shown in that company's financial statements.

### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the profit or loss of the company for that 52 week period. In preparing those financial statements, the directors are required to:

# LAMBERT BROTHERS HAULAGE LIMITED

## THE DIRECTORS' REPORT *(continued)*

### 52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

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- 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 company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### Donations

During the 52 week period the company made the following contributions:

	<b>Period from 29 May 2005 to 27 May 2006</b>	<i>Period from 30 May 2004 to 28 May 2005</i>
	£	£
Charitable	<u>700</u>	<u>827</u>

#### Auditor

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors

J M Flanders

Director

Approved by the directors on 26/10/2006

**LAMBERT BROTHERS HAULAGE LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO LAMBERT BROTHERS**  
**HAULAGE LIMITED**  
**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 4 to 18, together with the financial statements of Lambert Brothers Haulage Limited for the 52 week period from 29 May 2005 to 27 May 2006 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditor**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

*Tenon Audit Limited*

Tenon Audit Limited  
Registered Auditor  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

Date:- ~~..3..November.~~ 2006

**LAMBERT BROTHERS HAULAGE LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

		Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	Note	£	£
<b>Gross profit</b>		1,827,895	1,817,381
Administrative expenses		(1,389,015)	(1,388,294)
<b>Operating profit</b>	2	<u>438,880</u>	<u>429,087</u>
Income from fixed asset investments	5	295	295
Interest receivable		191	109
Interest payable and similar charges	6	(31,344)	(28,185)
<b>Profit on ordinary activities before taxation</b>		<u>408,022</u>	<u>401,306</u>
Tax on profit on ordinary activities	7	(113,479)	(113,648)
<b>Profit for the financial 52 week period</b>		<u><u>294,543</u></u>	<u><u>287,658</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the 52 week period as set out above.

The notes on pages 7 to 18 form part of these abbreviated accounts.

# LAMBERT BROTHERS HAULAGE LIMITED

## ABBREVIATED BALANCE SHEET

27 MAY 2006

		27 May 06		28 May 05 (restated)	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		1,215,436		1,159,674
Investments	11		54,694		54,694
			<u>1,270,130</u>		<u>1,214,368</u>
<b>Current assets</b>					
Stocks	12	62,133		71,693	
Debtors	13	2,827,083		2,883,024	
Cash at bank and in hand		106,327		3,000	
		<u>2,995,543</u>		<u>2,957,717</u>	
<b>Creditors: Amounts falling due within one year</b>	14	<u>(1,447,936)</u>		<u>(1,527,711)</u>	
<b>Net current assets</b>			1,547,607		1,430,006
<b>Total assets less current liabilities</b>			<u>2,817,737</u>		<u>2,644,374</u>
<b>Creditors: Amounts falling due after more than one year</b>	15		(338,938)		(357,011)
			<u>2,478,799</u>		<u>2,287,363</u>
<b>Provisions for liabilities</b>					
Deferred taxation	17		(55,121)		(58,228)
			<u>2,423,678</u>		<u>2,229,135</u>
<b>Capital and reserves</b>					
Called-up share capital	21		4,500		4,500
Profit and loss account	22		2,419,178		2,224,635
<b>Shareholders' funds</b>	23		<u>2,423,678</u>		<u>2,229,135</u>

These abbreviated accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 26.10.06 and are signed on their behalf by:

  
R M Lambert  
Director

  
J M Flanders  
Director

The notes on pages 7 to 18 form part of these abbreviated accounts.

# LAMBERT BROTHERS HAULAGE LIMITED

## CASH FLOW STATEMENT

52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

		Period from 29 May 05 to 27 May 06		Period from 30 May 04 to 28 May 05	
	Note	£	£	£	£
<b>Net cash inflow from operating activities</b>	24		924,545		241,336
<b>Returns on investments and Servicing of finance</b>					
Income from other fixed asset investments		295		295	
Interest received		191		109	
Interest paid		(534)		—	
Interest element of hire purchase		(30,810)		(28,185)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(30,858)		(27,781)
<b>Taxation</b>			(115,511)		(161,728)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(522,639)		(106,075)	
Receipts from sale of fixed assets		17,438		6,100	
<b>Net cash outflow for capital expenditure and financial investment</b>			(505,201)		(99,975)
<b>Equity dividends paid</b>			(100,000)		100,000
<b>Cash inflow before financing</b>			172,975		51,852
<b>Financing</b>					
Capital element of hire purchase		(2,289)		(75,707)	
<b>Net cash outflow from financing</b>			(2,289)		(75,707)
<b>Increase/(decrease) in cash</b>	24		170,686		(23,855)



# **LAMBERT BROTHERS HAULAGE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

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### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments and in accordance with applicable accounting standards.

#### **Changes in accounting policies**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

FRS 21 'Events after the Balance Sheet date (IAS 10)'

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 30 May 2004 have been increased by £100,000. For year ended 28 May 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £100,000. The balance sheet at 28 May 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £100,000. For year ended 27 May 2006, the change in accounting policy has resulted in a net increase in retained profit for the year of £100,000.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts receivable during the period, exclusive of Value Added Tax and trade discounts.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost being purchase price, less depreciation.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures, Fittings & Equipment	- 10% to 20% on cost, 100% on cost of computers
Motor Vehicles	- 15% to 25% on cost

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, cost being purchase price.

# **LAMBERT BROTHERS HAULAGE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

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### **1. Accounting policies *(continued)***

#### **Hire purchase agreements**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Investments***

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

#### ***Trade and other debtors***

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

# LAMBERT BROTHERS HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

### 1. Accounting policies *(continued)*

#### *Cash and cash equivalents*

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

### 2. Operating profit

Operating profit is stated after charging/(crediting):

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	£	£
Depreciation of owned fixed assets	250,055	226,464
Depreciation of assets held under hire purchase agreements	213,577	206,523
(Profit)/loss on disposal of fixed assets	(14,193)	(6,097)
Auditor's remuneration	4,800	4,000

### 3. Particulars of employees

The average number of staff employed by the company during the financial 52 week period amounted to:

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	No	No
Number of production staff	93	87
Number of administrative staff	29	29
Number of management staff	6	6
	<u>128</u>	<u>122</u>

The aggregate payroll costs of the above were:

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	£	£
Wages and salaries	3,023,306	2,852,173
Social security costs	281,155	259,290
Other pension costs	75,490	69,191
	<u>3,379,951</u>	<u>3,180,654</u>

# LAMBERT BROTHERS HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

### 3. Particulars of employees *(continued)*

#### Defined contribution pension costs

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. There are no pension creditors at the period end date (2005: £Nil).

### 4. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	£	£
Emoluments receivable	192,398	187,001
Value of company pension contributions to money purchase schemes	26,986	25,926
	<u>219,384</u>	<u>212,927</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

The highest paid director in the year was paid total emoluments of £92,021 (2005: £89,077).

### 5. Income from fixed asset investments

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	£	£
Income from fixed asset investments	<u>295</u>	<u>295</u>

### 6. Interest payable and similar charges

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	£	£
Interest payable on bank borrowing	534	—
Finance charges	30,810	28,185
	<u>31,344</u>	<u>28,185</u>

**LAMBERT BROTHERS HAULAGE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

**7. Taxation on ordinary activities**

**(a) Analysis of charge in the 52 week period**

	<b>Period from 29 May 05 to 27 May 06</b>	<i>Period from 30 May 04 to 28 May 05</i>
	<b>£</b>	<b>£</b>
In respect of the 52 week period:		
UK Corporation tax	116,683	115,608
Under provision in prior year	(97)	26,751
	<u>116,586</u>	<u>142,359</u>
Deferred tax:		
Origination and reversal of timing differences	(3,107)	(28,711)
Tax on profit on ordinary activities	<u>113,479</u>	<u>113,648</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the 52 week period is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	<b>Period from 29 May 05 to 27 May 06</b>	<i>Period from 30 May 04 to 28 May 05</i>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>408,022</u>	<u>401,306</u>
Profit on ordinary activities by rate of tax	122,407	120,392
Effects of:		
Expenses not deductible for tax purposes	353	195
Capital allowances for period in excess of depreciation	3,107	4,207
Tax chargeable at lower rates	(9,095)	(9,186)
Adjustments to tax charge in respect of previous periods	(97)	26,751
Sundry tax adjusting items	(89)	-
Total current tax (note 7(a))	<u>116,586</u>	<u>142,359</u>

# LAMBERT BROTHERS HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

### 52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

#### 8. Dividends

##### Dividends on equity shares

	Period from 29 May 05 to 27 May 06 £	Period from 30 May 04 to 28 May 05 (restated) £
Paid during the year		
Equity dividends on ordinary shares	<u>100,000</u>	<u>—</u>
Proposed after the year-end		
Equity dividends on ordinary shares	<u>—</u>	<u>100,000</u>

#### 9. Prior year adjustment

The dividends proposed in the accounts for the 52 week period ended 28 May 2005 of £100,000 were approved and paid in October 2005. This has resulted in a prior year adjustment to record the dividends in the 52 week period ended 27 May 2006.

#### 10. Tangible fixed assets

	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
<b>Cost</b>			
At 29 May 2005	226,040	3,411,529	3,637,569
Additions	2,144	520,495	522,639
Disposals	<u>(14,248)</u>	<u>(103,195)</u>	<u>(117,443)</u>
At 27 May 2006	<u>213,936</u>	<u>3,828,829</u>	<u>4,042,765</u>
<b>Depreciation</b>			
At 29 May 2005	197,020	2,280,875	2,477,895
Charge for the 52 week period	11,593	452,039	463,632
On disposals	<u>(11,007)</u>	<u>(103,191)</u>	<u>(114,198)</u>
At 27 May 2006	<u>197,606</u>	<u>2,629,723</u>	<u>2,827,329</u>
<b>Net book value</b>			
At 27 May 2006	<u>16,330</u>	<u>1,199,106</u>	<u>1,215,436</u>
At 28 May 2005	<u>29,020</u>	<u>1,130,654</u>	<u>1,159,674</u>

##### Hire purchase agreements

Included within the net book value of £1,215,436 is £792,151 (2005 - £790,345) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the 52 week period in respect of such assets amounted to £213,577 (2005 - £206,523).

**LAMBERT BROTHERS HAULAGE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

**11. Investments**

	<b>Unlisted Investments £</b>
<b>Cost</b>	
At 29 May 2005 and 27 May 2006	54,694
<b>Net book value</b>	
At 27 May 2006	54,694
At 28 May 2005	54,694

The aggregate market value of the investments is £185,080 (2005 - £169,400).

**12. Stocks**

	<b>27 May 06</b>	<b>28 May 05</b>
	<b>£</b>	<b>£</b>
Finished goods	62,133	71,693

**13. Debtors**

	<b>27 May 06</b>	<b>28 May 05 (restated)</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,631,587	1,586,792
Amounts owed by group undertakings	922,578	1,015,997
Other debtors	71,659	50,727
Prepayments and accrued income	201,259	229,508
	<u>2,827,083</u>	<u>2,883,024</u>

The debtors above include the following amounts falling due after more than one year:

	<b>27 May 06</b>	<b>28 May 05</b>
	<b>£</b>	<b>£</b>
Other debtors	5,670	8,238

**LAMBERT BROTHERS HAULAGE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

**14. Creditors: Amounts falling due within one year**

	<b>27 May 06</b>	<b>28 May 05</b>
	<b>£</b>	<b>£</b>
Overdrafts	—	67,359
Trade creditors	603,918	639,382
Corporation tax	116,683	115,608
PAYE and social security	88,198	79,509
VAT	198,036	208,788
Hire purchase agreements	266,314	250,530
Other creditors	137,725	136,957
Accruals and deferred income	37,062	29,578
	<u>1,447,936</u>	<u>1,527,711</u>

**15. Creditors: Amounts falling due after more than one year**

	<b>27 May 06</b>	<b>28 May 05</b>
	<b>£</b>	<b>£</b>
Hire purchase agreements	<u>338,938</u>	<u>357,011</u>

The bank overdraft is secured by a floating and fixed charge over the assets of the company.

The total amount of creditors secured is £605,252 (2005 £674,900).

Amounts due under hire purchase contracts and finance leases are secured over the individual assets acquired.

**16. Commitments under hire purchase agreements**

Future commitments under hire purchase agreements are as follows:

	<b>27 May 06</b>	<b>28 May 05</b>
	<b>£</b>	<b>£</b>
Amounts payable within 1 year	266,314	250,530
Amounts payable between 1 and 2 years	231,881	194,850
Amounts payable between 2 to 5 years	107,057	162,161
	<u>605,252</u>	<u>607,541</u>



**LAMBERT BROTHERS HAULAGE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

**17. Deferred taxation**

The movement in the deferred taxation provision during the 52 week period was:

	<b>Period from 29 May 05 to 27 May 06</b>	<i>Period from 30 May 04 to 28 May 05</i>
	<b>£</b>	<b>£</b>
At 29 May 2005	58,228	86,939
Profit and loss account movement arising during the 52 week period	<u>(3,107)</u>	<u>(28,711)</u>
At 27 May 2006	<u>55,121</u>	<u>58,228</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<b>27 May 06</b>	<i>28 May 05</i>
	<b>£</b>	<b>£</b>
Excess of taxation allowances over depreciation on fixed assets	55,121	58,228
	<u>55,121</u>	<u>58,228</u>

**18. Financial risk management objectives and policies**

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

***Interest rate risk***

The company currently has no borrowings subject to interest, and so is not subject to interest rate risk.

***Credit risk***

The company monitors credit risk closely and considers that its current policy of credit checking meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

***Liquidity risk***

The company does not have any borrowings. Its creditors are trading creditors. There is no interest due on these balances.

**LAMBERT BROTHERS HAULAGE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006**

**18. Financial risk management objectives and policies** *(continued)*

**Currency risk**

The company does not trade using foreign currencies.

**19. Contingencies**

The assets of the company are used as security against the bank loan of £900,000 (2005: £900,000), included in the financial statements of Lambert Brothers Holdings Limited, the parent company.

**20. Related party transactions**

During the period the company made the following transactions with its parent company Lambert Brothers Holdings Limited:

Purchases and sales of £490,027 (2005: £571,020) and £306,828 (2005: £322,655) respectively. Also included within the financial statements is rent payable of £52,000 (2005: £52,000) and management charges of £223,996 (2005: £223,996) paid to Lambert Brothers Holdings Limited.

A balance of £922,578 (2005: £1,015,997) is included in debtors at the year end.

Lambert Brothers Holdings Limited is party to a joint venture company under the name of Lambert Kirk Limited. The following transactions occurred in the period:

Sales to Lambert Kirk Limited during the period of £625,799 (2005: £414,438), Commission received from Lambert Kirk Limited of £41,715 (2005: £33,958), management charges paid of £16,500 (2005: £15,000) and other costs reimbursed of £5,200 (2005: £1,906).

A balance of £118,153 (2005: £110,945) is included in trade debtors at the period end.

**21. Share capital**

**Authorised share capital:**

	27 May 06	28 May 05
	£	£
4,500 Ordinary shares of £1 each	<u>4,500</u>	<u>4,500</u>

**Allotted, called up and fully paid:**

	27 May 06		28 May 05	
	No	£	No	£
Ordinary shares of £1 each	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>
<b>Equity shares</b>				
Ordinary shares of £1 each	4,500	4,500	4,500	4,500

# LAMBERT BROTHERS HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

### 22. Profit and loss account

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05 (restated)
	£	£
Balance brought forward as previously reported	2,124,635	1,936,977
Prior year adjustment (note 9)	100,000	—
Balance brought forward restated	2,224,635	1,936,977
Profit for the financial 52 week period	294,543	287,658
Equity dividends paid	(100,000)	—
Balance carried forward	2,419,178	2,224,635

### 23. Reconciliation of movements in shareholders' funds

	27 May 06	28 May 05 (restated)
	£	£
Profit for the financial 52 week period	294,543	287,658
Equity dividends paid	(100,000)	—
Net addition to shareholders' funds	194,543	287,658
Opening shareholders' funds	2,129,135	1,941,477
Prior year adjustment (see note 9)	100,000	—
Closing shareholders' funds	2,423,678	2,229,135

### 24. Notes to the statement of cash flows

#### Reconciliation of operating profit to net cash inflow from operating activities

	Period from 29 May 05 to 27 May 06	Period from 30 May 04 to 28 May 05
	£	£
Operating profit	438,880	429,087
Depreciation	463,632	432,987
Profit on disposal of fixed assets	(14,193)	(6,097)
Decrease/(increase) in stocks	9,560	(6,441)
Decrease/(increase) in debtors	55,941	(296,298)
Decrease in creditors	(29,275)	(311,902)
Net cash inflow from operating activities	924,545	241,336

# LAMBERT BROTHERS HAULAGE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

52 WEEK PERIOD FROM 29 MAY 2005 TO 27 MAY 2006

### 24. Notes to the statement of cash flows *(continued)*

#### Reconciliation of net cash flow to movement in net debt

	27 May 06		28 May 05	
	£	£	£	£
Increase/(decrease) in cash in the period	170,686		(23,855)	
Cash outflow in respect of hire purchase	<u>2,289</u>		<u>75,707</u>	
<b>Change in net debt resulting from cash flows</b>		172,975		51,852
New finance leases		<u>—</u>		<u>(191,500)</u>
Movement in net debt in the period		<u>172,975</u>		<u>(139,648)</u>
Net debt at 29 May 2005		<u>(671,900)</u>		<u>(532,252)</u>
Net debt at 27 May 2006		<u>(498,925)</u>		<u>(671,900)</u>

#### Analysis of changes in net debt

	At 29 May 2005 £	Cash flows £	At 27 May 2006 £
Net cash:			
Cash in hand and at bank	3,000	103,327	106,327
Overdrafts	<u>(67,359)</u>	<u>67,359</u>	<u>—</u>
	<u>(64,359)</u>	<u>170,686</u>	<u>106,327</u>
Debt:			
Hire purchase agreements	<u>(607,541)</u>	<u>2,289</u>	<u>(605,252)</u>
Net debt	<u>(671,900)</u>	<u>172,975</u>	<u>(498,925)</u>

### 25. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £230,430 (2005 - £Nil).

### 26. Parent company

The ultimate parent company is Lambert Brothers Holdings Limited, a company registered in England and Wales. A copy of its financial statements can be obtained from the Company Secretary, Woodside Avenue, Eastleigh, Hampshire, SO50 4ZR.

The ultimate controlling party is the director R M Lambert, by virtue of his controlling interest in the parent company.