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**LAMBERT BROTHERS HAULAGE LIMITED**

**FINANCIAL STATEMENTS**

**31 MAY 1999**

**Registered number: 654382**

**BKL WEEKS GREEN**

**CHARTERED ACCOUNTANTS**

**Eastleigh**



**LAMBERT BROTHERS HAULAGE LIMITED**

**FINANCIAL STATEMENTS**

**for the year ended 31 May 1999**

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**LAMBERT BROTHERS HAULAGE LIMITED****COMPANY INFORMATION****31 May 1999**

INCORPORATED	in England on 29 March 1960
NUMBER	654382
CHAIRMAN	R M Lambert
OTHER DIRECTORS	J M Flanders R C Trotter D Haines H J Baker C G Watkins
SECRETARY	J M Flanders
REGISTERED OFFICE	Woodside Avenue Eastleigh Hampshire SO50 4ZR
BANKERS	National Westminster Bank Plc P O Box 315 High Street Southampton Hampshire
AUDITORS	BKL Weeks Green Chartered Accountants Highfield Court Tollgate Chandlers Ford Eastleigh SO53 3TY

**LAMBERT BROTHERS HAULAGE LIMITED****DIRECTORS' REPORT****31 May 1999**

The directors present their report and the audited financial statements for the year ended 31 May 1999.

**Principal activity**

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

**Business review**

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £632,744.

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £100,000 is proposed.

**Directors**

None of the directors held any 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.

In accordance with the Articles of Association, all the directors retire by rotation and offers themselves for re-election.

**Post Balance Sheet Events**

No significant events affecting the company have occurred since 31 May 1999.

**Fixed assets**

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

**Charitable and political donations**

Payments of a charitable nature made during the year amounted to £794.

**Auditors**

Since 1 November 1998 Weeks Green have practised under the name BKL Weeks Green and they have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



J M Flanders  
Secretary

Woodside Avenue  
Eastleigh  
Hampshire  
SO50 4ZR

Date: 25 November 1999

**LAMBERT BROTHERS HAULAGE LIMITED**  
**STATEMENT OF 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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 which 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. 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.

On behalf of the board



R M Lambert  
Chairman

Date: 25 November 1999

**LAMBERT BROTHERS HAULAGE LIMITED****AUDITORS' REPORT****Auditors' report to the members of****Lambert Brothers Haulage Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, 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.

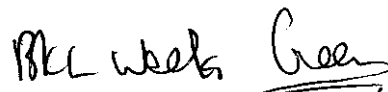
**Basis of opinion**

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 error or other irregularity. 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 as at 31 May 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Eastleigh  
Date: 14 December 1999

BKL Weeks Green  
Registered Auditors  
Chartered Accountants

## LAMBERT BROTHERS HAULAGE LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 May 1999

	Note	1999 £	1998 £
<b>Turnover</b>	2	5,536,083	5,338,811
Cost of sales		(4,583,493)	(4,496,515)
<b>Gross profit</b>		952,590	842,296
<b>Net operating expenses</b>			
Administrative expenses		(818,817)	(669,756)
Other operating income		4,295	32,495
<b>Operating profit</b>	3	138,068	205,035
Investment income	5	-	2,592
Interest payable	6	(22,975)	(29,170)
<b>Profit on ordinary activities before taxation</b>		115,093	178,457
Taxation	7	(15,437)	(59,200)
<b>Profit on ordinary activities after taxation</b>		99,656	119,257
Dividends	8	(100,000)	(200,000)
<b>Retained loss for the year</b>	20	(344)	(80,743)

Movements in reserves are shown in note 20.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1999 or 1998 other than the loss for the year.

## LAMBERT BROTHERS HAULAGE LIMITED

## BALANCE SHEET

at 31 May 1999

	Note	£	1999 £	£	1998 £
<b>Fixed assets</b>					
Tangible assets	9		806,357		822,172
Investments	10		54,625		22,625
			<u>860,982</u>		<u>844,797</u>
<b>Current assets</b>					
Stocks	11	59,989		31,788	
Debtors	12	1,261,649		1,145,137	
Cash at bank and in hand		414,852		79,382	
			<u>1,736,490</u>	<u>1,256,307</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,771,008)		(1,251,097)	
<b>Net current (liabilities)/assets</b>			<u>(34,518)</u>		<u>5,210</u>
<b>Total assets less current liabilities</b>			826,464		850,007
<b>Creditors: amounts falling due after more than one year</b>	14		(143,434)		(159,489)
<b>Provision for liabilities and charges</b>	15		(50,286)		(57,430)
			<u>632,744</u>		<u>633,088</u>
<b>Capital and reserves</b>					
Called up share capital	18		4,500		4,500
Profit and loss account	19		628,244		628,588
<b>Total shareholders' funds</b>	18		<u>632,744</u>		<u>633,088</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 25 November 1999 and signed on its behalf by:



R M Lambert  
Chairman



J M Flanders  
Director



# LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996).

#### Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

#### Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

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

#### Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

#### Stocks

Stocks are valued at the lower of cost and net realisable value.

#### Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

#### Pensions

#### Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

**3 Operating profit**

	1999 £	1998 £
Operating profit is stated after crediting		
Profit on sale of assets	19,358	24,924
and after charging		
Staff costs (note 4)	551,695	471,019
Auditors' remuneration	6,000	5,900
Depreciation of tangible fixed assets (note 10)		
Owned assets	172,897	170,447
Leased assets	117,716	110,361
	290,613	280,808

**4 Directors and employees**

	1999 £	1998 £
<b>Staff costs including directors' emoluments</b>		
Wages and salaries	488,967	434,613
Social security costs	46,456	27,810
Pension costs	16,272	8,596
	551,695	471,019
<b>Average monthly number employed including executive directors:</b>	<b>Number</b>	<b>Number</b>
Production staff	15	16
Administration staff	2	2
Other	6	6
	23	24
<b>Directors</b>	<b>£</b>	<b>£</b>
Emoluments	22,083	-

**Defined contribution pension scheme**

The company operates a defined contribution 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 and amounted to £16,272 (1998 £8,596). Contributions totalling £3,075 (1998 Nil) were payable to the fund at 31 May 1999 and are included in creditors.

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

<b>5</b>	<b>Investment income</b>	<b>1999</b>	<b>1998</b>
		£	£
	Interest receivable	-	2,592
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Interest payable</b>	<b>1999</b>	<b>1998</b>
		£	£
	Hire purchase interest	22,975	29,170
		<u>          </u>	<u>          </u>
<b>7</b>	<b>Taxation</b>	<b>1999</b>	<b>1998</b>
		£	£
	Corporation tax on profit on ordinary activities at 31% (1998 31%)	28,451	39,921
	Deferred taxation	(7,144)	19,109
		<u>          </u>	<u>          </u>
		21,307	59,030
	(Over)/under provision in earlier years	(5,870)	170
		<u>          </u>	<u>          </u>
		15,437	59,200
		<u>          </u>	<u>          </u>
<b>8</b>	<b>Dividends</b>	<b>1999</b>	<b>1998</b>
		£	£
	Proposed dividend £22.22 per share (1998 £44.44)	100,000	200,000
		<u>          </u>	<u>          </u>

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

## 9 Tangible fixed assets

<b>Cost</b>	<b>Motor Vehicles £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
1 June 1998	2,406,721	127,955	2,534,676
Additions	256,335	19,555	275,890
Disposals	(306,303)	-	(306,303)
31 May 1999	<u>2,356,753</u>	<u>147,510</u>	<u>2,504,263</u>
<b>Depreciation</b>			
1 June 1998	1,618,119	94,382	1,712,501
Charge for year	281,399	9,214	290,613
Disposals	(305,208)	-	(305,208)
31 May 1999	<u>1,594,310</u>	<u>103,596</u>	<u>1,697,906</u>
<b>Net book amount</b>			
31 May 1999	<u>762,443</u>	<u>43,914</u>	<u>806,357</u>
1 June 1998	<u>788,602</u>	<u>33,573</u>	<u>822,175</u>

The net book amount of fixed assets includes £439,244 (1998 £441,819) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

## 10 Fixed asset investments

	Investments other than loans £
<b>Cost</b>	
1 June 1998	22,625
Additions	32,000
31 May 1999	<u>54,625</u>
<b>Net book amount</b>	
31 May 1999	<u>54,625</u>
1 June 1998	<u>22,625</u>

During the year the company acquired a further 8,000 Ordinary shares in Palletline Plc, an unquoted company, making their total shareholding 14,000 shares. The shares were acquired at a cost of £32,000 on 29 September 1998, and have a nominal value of £1 each. The directors do not consider it prudent to attribute a market value to these shares.

## 11 Stocks

	1999 £	1998 £
Consumable stock	<u>59,989</u>	<u>31,788</u>

## 12 Debtors

	1999 £	1998 £
<b>Amounts falling due within one year</b>		
Trade debtors	1,137,656	947,787
Amounts owed by group undertakings	-	101,545
Prepayments and accrued income	123,993	95,085
	<u>1,261,649</u>	<u>1,144,417</u>
<b>Amounts falling due after more than one year</b>		
Prepayments due over more than one year	-	720
	<u>1,261,649</u>	<u>1,145,137</u>

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

**13 Creditors:** amounts falling due within one year

	1999 £	1998 £
Trade creditors	427,943	360,226
Amounts owed to group undertakings	766,392	335,744
Corporation tax	28,450	39,403
Other taxation and social security	159,487	127,699
Dividend	100,000	200,000
Other creditors	96,053	10,677
Accruals and deferred income	50,197	26,848
Obligations under finance leases and hire purchase contracts - note 15	142,486	150,500
	<u>1,771,008</u>	<u>1,251,097</u>

**14 Creditors:** amounts falling due after more than one year

	1999 £	1998 £
<b>Other liabilities</b>		
Obligations under finance leases and hire purchase contracts	<u>143,434</u>	<u>159,489</u>

**Obligations under finance leases  
and hire purchase contracts**

These are repayable over varying periods  
by monthly instalments as follows:

In the next year - see note 13	142,486	150,500
In the second to fifth years	143,434	159,489
	<u>285,920</u>	<u>309,989</u>

**15 Provision for liabilities and charges**

	1998 £	Profit and loss account £	1999 £
Deferred taxation (notes 7 and 16)	<u>57,430</u>	<u>(7,144)</u>	<u>50,286</u>

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

## 16 Deferred taxation

	1999 Amount provided £	1998 Amount provided £
Corporation tax deferred by		
Capital allowances in excess of depreciation	50,286	57,430

Deferred taxation is based on a corporation tax rate of 30% (1998 31%).

## 17 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	99,656	119,257
Dividends	(100,000)	(200,000)
Net subtraction from shareholders' funds	(344)	(80,743)
Opening shareholders' funds	633,088	713,831
Closing shareholders' funds	632,744	633,088

## 18 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1	5,000	5,000	5,000	5,000
Allotted called up and fully paid				
Ordinary shares of £1	4,500	4,500	4,500	4,500

## LAMBERT BROTHERS HAULAGE LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 May 1999

**19 Profit and loss account**

	<b>1999</b>
	<b>£</b>
1 June 1998	628,588
Retained loss for the year	(344)
	<hr/>
31 May 1999	<u>628,244</u>

**20 Contingent liabilities**

The company has given a guarantee to the group's banker's in respect of the borrowings of the Holding company. At 31 May 1999 the bank borrowings of Lambert Brothers Holdings Limited amounted to £900,000 (1998 £1,400,000).

**21 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.