

Registration number 794305

**James Irlam and Sons Limited**  
**Directors' report and financial statements**  
**for the year ended 30 April 2007**

**Lacy Watson**  
**Chartered Accountants**  
**Registered Auditor**  
**Stockport**

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COMPANIES HOUSE

## **James Irlam and Sons Limited**

### **Company information**

<b>Directors</b>	J Kenneth Irlam	Died 13th January 2008
	Jean Irlam	
	David J Irlam	
	M Stewart Irlam	
	Michael J Irlam	
	Andrew M Irlam	Resigned 31st May 2007
	Gavin Shannon	
	Michael Robert Smith	
<b>Secretary</b>	M Stewart Irlam	
<b>Company number</b>	794305	
<b>Registered office</b>	Knutsford Road Chelford Cheshire SK11 9AS	
<b>Auditors</b>	Lacy Watson Carlyle House 107 Wellington Road South Stockport Cheshire SK1 3TL	
<b>Bankers</b>	The Royal Bank of Scotland PLC 2 Bradwall Road Sandbach Cheshire CW11 9UB	

# **James Irlam and Sons Limited**

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# **James Irlam and Sons Limited**

## **Charimans' report for the year ended 30 April 2007**

The financial year ended 30 April 2007 has proved to be another good year for James Irlam & Sons Ltd

The Company has been successful in growing both headline turnover by 16.5% to £49.4million and operating profit by 101% to £0.784m. The growth in turnover has been achieved by continuing to develop the long term partnerships forged with the Company's customer base, as well as from new contract wins. The Company is proud to announce it was successful in its tender to Danone Waters UK for the entire UK distribution of bottled water. Danone Waters is one of the worlds' leading bottled water brands and includes Evian and Volvic within its portfolio, the Company looks forward to forging a long and successful partnership with Danone.

Operating profits in 2007 are up at £784,290, after a one off exceptional cost of £1,174,850, representing a margin pre exceptional costs of 4%. The management team have achieved this increase against a background of tightening margins by providing a clear focus on reducing empty running and maximizing truck fill. The management team have worked hard this year to provide this focus on constraining costs and maximizing asset utilization, and are extremely pleased with the results and diligence of all employees. This focus also provides an environmental benefit in reducing carbon emissions by decreasing the number of empty miles run and reducing congestion by decreasing the number of trucks on the road and demonstrates the company's commitment to reducing its environmental impact.

The company continues to develop other service offerings and has seen strong growth in revenues from contract packing and warehousing. The addition of these services together with the continued investment in information technology will provide James Irlam with a platform for stronger growth next year. The company is extremely confident of continued growth for 2008, with significant new contracts tendered and continued organic growth from the company's customer base.

The management team have also invested heavily in staff development and expect to see the benefits from these investments in the future. I would like to thank all employees for their dedication and hard work ensuring the company remains in a strong position to grow profitably in the future.



**David J. Irlam**  
**Chairman**  
26 February 2008

## **James Irlam and Sons Limited**

### **Directors' report for the year ended 30 April 2007**

The directors present their report and the financial statements for the year ended 30 April 2007

#### **Principal activity and review of the business**

The principal activity of the company continues to be that of haulage contractors within the U K

#### **Results and dividends**

The profit for the year, after taxation, amounted to £32,831 The directors do not recommend payment of a final dividend

#### **Share options**

During the year ended 30 April 2007 the company issued discretionary share options in favour of Mike Smith, director The share options are in accordance with the Inland Revenue approved Enterprise Management Incentive (EMI) scheme

#### **Financial risk management objectives and policies**

The company uses various financial instruments which include cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company operations

The main risks arising from the company's financial instruments are market risk, cash flow interest rate risk, credit risk, and liquidity risk The directors review and agree policies for managing each of these risks and they are summarised below These policies have remained unchanged from previous years

#### **Market risk**

Market risk includes two types of risk, being fair value interest rate risk and price risk The company's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled 'interest rate risk' below

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably Short term flexibility is achieved by overdraft facilities

#### **Interest rate risk**

The company finances its operations through a combination of retained profits and finance lease and hire purchase contracts The company manages its exposure to interest rate fluctuations on its finance leases and hire purchase contracts by entering into fixed rate agreements

#### **Credit risk**

The company's principal financial assets are cash and trade debtors The principal credit risk arises therefore from its trade debtors

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history

## James Irlam and Sons Limited

### Directors' report for the year ended 30 April 2007

continued

#### Employment policy

The company accepts, for equal consideration, applications for employment from disabled persons and accordingly the employment of disabled persons is dependent upon their experience, capability and suitability for the particular vacancy

#### Employee involvement

Employees are kept informed about the progress and position of the company by means of regular departmental meetings and newsletters

#### Directors and their interests

The directors who served during the year and their interests in the company are as stated below

		Class of share	30/04/07	01/05/06 or date of appointment
J Kenneth Irlam	Died 13th January 2008	Ordinary shares	-	-
Jean Irlam		Ordinary shares	-	-
David J Irlam		Ordinary shares	250,000	250,000
M Stewart Irlam		Ordinary shares	250,000	250,000
Michael J Irlam		Ordinary shares	250,000	250,000
Andrew M Irlam	Resigned 31st May 2007	Ordinary shares	250,000	250,000
Gavin Shannon		Ordinary shares	-	-
Michael Robert Smith		Ordinary shares	-	-

#### Charitable and Political Contributions

During the year the company contributed £15,417 to charities

#### 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,

## **James Irlam and Sons Limited**

### **Directors' report for the year ended 30 April 2007**

continued

- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

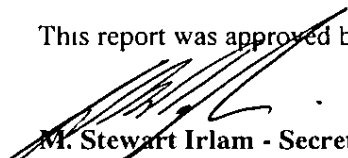
In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Lacy Watson will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 26 February 2008 and signed on its behalf by



M. Stewart Irlam - Secretary

## **James Irlam and Sons Limited**

### **Independent auditors' report to the shareholders of James Irlam and Sons Limited**

We have audited the financial statements of James Irlam and Sons Limited for the year ended 30 April 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and the auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

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

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

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

**James Irlam and Sons Limited**

**Independent auditors' report to the shareholders of James Irlam and Sons Limited continued**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and

- the information given in the Directors' Report is consistent with the financial statements



Lacy Watson  
Chartered Accountants and  
Registered Auditor  
Carlyle House  
107 Wellington Road South  
Stockport  
Cheshire  
SK1 3TL

26 February 2008

# James Irlam and Sons Limited

## Profit and loss account for the year ended 30 April 2007

		Continuing operations	
		2007	2006
	Notes	£	£
<b>Turnover</b>	<b>2</b>	49,452,489	42,440,555
Cost of sales		(39,643,712)	(34,035,257)
<b>Gross profit</b>		<u>9,808,777</u>	<u>8,405,298</u>
Administrative expenses		(7,816,689)	(8,071,251)
Exceptional administrative expenses		(1,174,850)	-
Other operating income		(32,948)	55,699
<b>Operating profit</b>	<b>3</b>	<u>784,290</u>	<u>389,746</u>
Investment income	<b>4</b>	344	-
Other interest receivable and similar income	<b>6</b>	9,198	14,749
Amount written off investments	<b>5</b>	(181,200)	-
Interest payable and similar charges	<b>7</b>	(347,579)	(196,193)
<b>Profit on ordinary activities before taxation</b>		<u>265,053</u>	<u>208,302</u>
Tax on profit on ordinary activities	<b>10</b>	(232,222)	(50,990)
<b>Retained profit for the year</b>	<b>21</b>	<u><u>32,831</u></u>	<u><u>157,312</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years

There were no acquisitions or discontinued operations during the current or preceeding year

The notes on pages 11 to 23 form an integral part of these financial statements.

# James Irlam and Sons Limited

## Balance sheet as at 30 April 2007

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		17,341,289		12,944,713
Investments	12		18,875		200,075
			<u>17,360,164</u>		<u>13,144,788</u>
<b>Current assets</b>					
Stocks	13	286,280		169,551	
Debtors	14	9,465,701		6,015,068	
Investments	15	-		5,159	
Cash at bank and in hand		328,559		1,183	
		<u>10,080,540</u>		<u>6,190,961</u>	
<b>Creditors: amounts falling due within one year</b>	16	(10,683,071)		(6,408,029)	
<b>Net current liabilities</b>			<u>(602,531)</u>		<u>(217,068)</u>
<b>Total assets less current liabilities</b>			16,757,633		12,927,720
<b>Creditors: amounts falling due after more than one year</b>	17		(4,811,741)		(1,248,028)
<b>Provisions for liabilities</b>	18		<u>(1,573,449)</u>		<u>(1,340,080)</u>
<b>Net assets</b>			<u>10,372,443</u>		<u>10,339,612</u>
<b>Capital and reserves</b>					
Called up share capital	20		250,000		250,000
Revaluation reserve	21		986,670		989,493
Profit and loss account	21		9,135,773		9,100,119
<b>Equity shareholders' funds</b>	22		<u>10,372,443</u>		<u>10,339,612</u>

The financial statements were approved by the Board on 26 February 2008 and signed on its behalf by

  
M. Stewart Irlam  
Director

The notes on pages 11 to 23 form an integral part of these financial statements.

# James Irlam and Sons Limited

## Cash flow statement for the year ended 30 April 2007

	Notes	2007 £	2006 £
<b>Reconciliation of operating profit to net cash outflow from operating activities</b>			
Operating profit		784,290	389,746
Depreciation		2,627,730	2,492,846
(Increase) in stocks		(116,729)	93,331
(Increase) in debtors		(3,450,188)	41,219
Increase in creditors		2,189,721	(227,132)
<b>Net cash inflow from operating activities</b>		<u>2,034,824</u>	<u>2,790,010</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		2,034,824	2,790,010
Returns on investments and servicing of finance	26	(333,695)	(181,444)
Taxation	26	165,282	(139,911)
Capital expenditure	26	2,578,429	1,190,747
Acquisitions and disposals	26	817	-
		<u>4,445,657</u>	<u>3,659,402</u>
Financing	26	(4,221,400)	(4,198,779)
<b>Increase in cash in the year</b>		<u>224,257</u>	<u>(539,377)</u>
<b>Reconciliation of net cash flow to movement in net debt (Note 27)</b>			
<b>Increase in cash in the year</b>		224,257	(539,377)
Cash outflow from increase in debts and lease financing		4,221,400	4,198,779
Change in net funds resulting from cash flows		<u>4,445,657</u>	<u>3,659,402</u>
New finance leases and hire purchase contracts		(9,602,735)	(2,591,016)
<b>Movement in net debt in the year</b>		<u>(5,157,078)</u>	<u>1,068,386</u>
<b>Net debt at 1 May 2006</b>		<u>(3,581,089)</u>	<u>(4,649,475)</u>
<b>Net debt at 30 April 2007</b>		<u>(8,738,167)</u>	<u>(3,581,089)</u>

## **James Irlam and Sons Limited**

### **Notes to the financial statements for the year ended 30 April 2007**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The company has consistently applied all relevant accounting standards

##### **1.2. Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows

Land	-	None
Buildings	-	over 50 years
Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	over 5 to 10 years
Fixtures, fittings and equipment	-	over 5 to 10 years
Motor vehicles	-	over 5 to 10 years

##### **1.4. Leasing and hire purchase commitments**

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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.5. Investments**

Fixed asset investments are stated at cost less provision for temporary diminution in value.

Current asset investments are at the lower of cost and net realisable value.

##### **1.6. Stocks**

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

##### **1.7. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

### 1.8. 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

### 1.9. Group accounts

The company is entitled to the exemption under Section 229 of the Companies Act 1985 from the obligation to prepare group accounts

### 1.10. Financial instruments

Financial instruments are classified and accounted for, according to the substance of contractual arrangement, as either financial assets, financial liabilities or equity instruments, as defined in FRS 25, Financial Instruments Disclosure and Presentation. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

## 2. Turnover

	2007 £	2006 £
<b>Class of business</b>		
Haulage charges	43,817,644	38,538,206
Warehousing charges	5,559,958	3,751,169
Other charges	74,887	151,180
	<u>49,452,489</u>	<u>42,440,555</u>

## 3. Operating profit

	2007 £	2006 £
Operating profit is stated after charging		
Depreciation and other amounts written off tangible assets	2,550,386	2,506,315
Loss on disposal of tangible fixed assets	77,344	(13,469)
Operating lease rentals		
- Plant and machinery	292,476	450,348
- Land and buildings	1,104,000	1,235,000
Auditors' remuneration	12,000	11,000
Auditors' remuneration from non-audit work	23,878	24,103
Exceptional items		
- Employers NI contributions charge re earlier years	<u>1,174,850</u>	<u>-</u>

**James Irlam and Sons Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

<b>4. Income from investments</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Loss on disposal of investments	(4,342)	-
Income from subsidiary undertakings	4,686	-
	<u>344</u>	<u>-</u>
<b>5. Amounts written off investments</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Amounts written off fixed asset investments - temporary diminution in value	<u>181,200</u>	<u>-</u>
<b>6. Interest receivable and similar income</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Bank interest	8,737	14,648
Other interest	461	101
	<u>9,198</u>	<u>14,749</u>
<b>7. Interest payable and similar charges</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Interest payable on loans < 1 yr	25,548	20,978
Hire purchase interest	322,020	175,215
On overdue tax and national insurance	11	-
	<u>347,579</u>	<u>196,193</u>

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

### 8. Employees

<b>Number of employees</b>	<b>2007</b>	<b>2006</b>
The average monthly numbers of employees (including the directors) during the year were		
Drivers, Operatives and Maintenance personnel	526	469
Administration	90	84
Directors	8	8
	<u>624</u>	<u>561</u>

<b>Employment costs</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Wages and salaries	17,108,623	16,532,306
Social security costs	1,944,322	1,801,320
Pension costs-other operating charge	32,479	33,212
	<u>19,085,424</u>	<u>18,366,838</u>

#### 8.1. Directors' emoluments

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	3,723,136	4,188,139
Pension contributions	30,000	32,512
	<u>3,753,136</u>	<u>4,220,651</u>

	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>4</u>	<u>4</u>

<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above		
Emoluments and other benefits	965,245	1,053,827
Pension contributions	12,000	12,000
	<u>977,245</u>	<u>1,065,827</u>

### 9. Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £32,479 (2006 - £33,212).

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

### 10. Tax on profit on ordinary activities

Analysis of charge in period	2007 £	2006 £
<b>Current tax</b>		
UK corporation tax	285,614	128,442
Adjustments in respect of previous periods	(286,761)	-
Total current tax charge	<u>(1,147)</u>	<u>128,442</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	233,369	(77,452)
Total deferred tax	<u>233,369</u>	<u>(77,452)</u>
Tax on profit on ordinary activities	<u>232,222</u>	<u>50,990</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before taxation	<u>265,053</u>	<u>208,302</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (30 April 2006 30%)	79,516	62,491
<b>Effects of:</b>		
Expenses not deductible for tax purposes	99,842	13,122
Capital allowances for period in excess of depreciation	(230,990)	79,830
Adjustments to tax charge in respect of previous periods	(285,846)	-
Marginal relief	(13,803)	(27,001)
Franked investment income	(1,405)	-
Exceptional operating expense	352,454	-
Amount repaid re prior years	(915)	-
Current tax charge for period	<u>(1,147)</u>	<u>128,442</u>

### Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on sale of properties where potential taxable gains have been rolled over into replacement assets. The total amount unprovided for is £204,453. At present, it is not expected that any tax will become payable in the foreseeable future.

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

11. Tangible fixed assets	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost/revaluation</b>						
At 1 May 2006	1,600,000	41,285	1,349,140	611,546	18,813,378	22,415,349
Additions	-	66,238	95,237	194,844	10,034,833	10,391,152
Disposals	-	-	(8,052)	(21,366)	(6,101,866)	(6,131,284)
At 30 April 2007	1,600,000	107,523	1,436,325	785,024	22,746,345	26,675,217
<b>Depreciation</b>						
At 1 May 2006	7,927	-	800,115	476,995	8,185,599	9,470,636
On disposals	-	-	(7,032)	(20,097)	(2,659,965)	(2,687,094)
Charge for the year	7,927	-	128,251	64,010	2,350,198	2,550,386
At 30 April 2007	15,854	-	921,334	520,908	7,875,832	9,333,928
<b>Net book values</b>						
At 30 April 2007	1,584,146	107,523	514,991	264,116	14,870,513	17,341,289
At 30 April 2006	1,592,073	41,285	549,025	134,551	10,627,779	12,944,713

If valued at historical cost the land and buildings would appear in the balance sheet as follows -

	£
Historical cost	655,068
Depreciation	(54,130)
Net book value at 30th April 2007	600,938
Net book value at 30th April 2006	606,039

The following is a breakdown of the revaluation to land and buildings that have occurred since the purchase of the freehold

	£
Historical cost	655,068
30th April 2003 Revaluation increase	644,932
30th April 2005 Revaluation increase	300,000
Revalued cost	1,600,000

The latest valuation was carried out by W T Gunson, a firm of chartered surveyors external to the entity. The valuation does not include any expected selling costs and is based on the site being sold as a whole for use as a haulage depot.

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

Included in tangible fixed assets are assets held under finance leases or hire purchase contracts as follows

Asset description	2007		2006	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>11,547,048</u>	<u>1,910,380</u>	<u>7,363,663</u>	<u>3,016,477</u>

### 12. Fixed asset investments

#### Listed investments £

#### Cost

At 1 May 2006 and

At 30 April 2007

200,075

#### Provisions for diminution in value:

Movement

181,200

At 30 April 2007

181,200

#### Net book values

At 30 April 2007

18,875

At 30 April 2006

200,075

### 12.1. Fixed asset investments

2007  
£

2006  
£

Market valuation of listed investments

18,875

56,625

### 13. Stocks

2007  
£

2006  
£

Consumables

6,000

9,975

Fuel Stocks

119,076

146,248

Stock of materials

161,204

13,328

286,280

169,551

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

14. Debtors	2007 £	2006 £
Trade debtors	8,237,371	4,705,994
Other debtors	281,546	906,484
Prepayments and accrued income	946,784	402,590
	<u>9,465,701</u>	<u>6,015,068</u>

15. Current asset investments	2007 £	2006 £
Investment in subsidiary undertakings	-	5,159
	<u>-</u>	<u>5,159</u>

The investment in subsidiary undertakings consists of 100% of the share capital of Alipes 69, an unlisted investment company incorporated in England and Wales and which was wound up during the year

16. Creditors: amounts falling due within one year	2007 £	2006 £
Bank overdraft (secured)	627,697	524,578
Net obligations under finance leases and hire purchase contracts (secured)	3,627,288	1,809,666
Trade creditors	4,347,838	2,303,914
Corporation tax	292,577	127,997
Other taxes and social security costs	1,002,422	871,187
Directors' accounts	211,650	8,159
Other creditors	31,270	37,767
Accruals and deferred income	542,329	724,761
	<u>10,683,071</u>	<u>6,408,029</u>

The bank overdraft is secured by mortgage debenture

The bank holds a 1st legal charge dated 18 November 1994 over land and buildings on the south west side of Don Pedro Avenue, Normanton, Wakefield

**James Irlam and Sons Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

<b>17. Creditors: amounts falling due after more than one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts (secured)	<u>4,811,741</u>	<u>1,248,028</u>
<b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	3,627,288	1,809,666
Repayable between one and two years	3,346,823	776,367
Repayable between two and five years	<u>1,464,918</u>	<u>471,661</u>
	<u>8,439,029</u>	<u>3,057,694</u>
 <b>18. Provisions for liabilities</b>		
		<b>Deferred taxation (Note 19) £</b>
At 1 May 2006		1,340,080
Movements in the year		<u>233,369</u>
At 30 April 2007		<u>1,573,449</u>
 <b>19. Provision for deferred taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>1,573,449</u>	<u>1,340,080</u>
 Provision at 1 May 2006	1,340,080	
Deferred tax charge in profit and loss account	<u>233,369</u>	
Provision at 30 April 2007	<u>1,573,449</u>	

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

20. Share capital	2007 £	2006 £
<b>Authorised equity</b>		
20,000,000 Ordinary shares of 25 pence each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Allotted, called up and fully paid equity</b>		
1,000,000 Ordinary shares of 25 pence each	<u>250,000</u>	<u>250,000</u>
<b>Equity Shares</b>		
1,000,000 Ordinary shares of 25 pence each	<u>250,000</u>	<u>250,000</u>

21. Equity Reserves	Revaluation reserve £	Profit and loss account £	Total £
<b>At 1 May 2006</b>	989,493	9,100,119	10,089,612
Retained profit for the year		32,831	32,831
Other movements	(2,823)	2,823	-
<b>At 30 April 2007</b>	<u>986,670</u>	<u>9,135,773</u>	<u>10,122,443</u>

The movement from the revaluation reserve to the profit and loss account relates to the extra depreciation charged on the revalued amount of freehold buildings, compared to that, that would have been charged on the historic cost. There is no effect on tax from this reserve movement.

22. Reconciliation of movements in shareholders' funds	2007 £	2006 £
Profit for the year	32,831	157,312
Opening shareholders' funds	<u>10,339,612</u>	<u>10,182,300</u>
Closing shareholders' funds	<u>10,372,443</u>	<u>10,339,612</u>

23. Capital commitments	2007 £	2006 £
Details of capital commitments at the accounting date are as follows		
Contracted for but not provided in the financial statements	<u>3,550,131</u>	<u>3,504,748</u>

**James Irlam and Sons Limited**

**Notes to the financial statements  
for the year ended 30 April 2007**

**24. Transactions with directors**

The following directors had interest free loans during the year. The movements on these loans are as follows

	Amount owing		Maximum
	2007	2006	in year
	£	£	£
David J Irlam	-	310,687	435,213
M Stewart Irlam	-	279,359	384,619
Michael J Irlam	-	176,228	257,171
Andrew M Irlam	-	16,918	200,418

## **James Irlam and Sons Limited**

### **Notes to the financial statements for the year ended 30 April 2007**

#### **25. Related party transactions**

The company was involved in the following related party transactions -

i 69 was incorporated in England and Wales and is a wholly owned subsidiary of James Irlam and Sons Limited and as such is exempt from the requirements of FRS8 to disclose transactions with other members of the group This company was wound up during the year

ii Irlam Storage was a partnership between David J Irlam, M Stewart Irlam, Michael J Irlam and Andrew M Irlam who are directors of the company The company had the following transactions with the partnership in the year

a) The rent of storage and allied facilities from the partnership to the value of £50,000 (2006 - £130,877 )

b) A verbal lease for office accommodation at an annual rent of £35,000 payable to the partnership

c) The sale to the partnership of warehousing services to the value of £56,437

iii Irlam Properties was a partnership between David J Irlam, M Stewart Irlam, Michael J Irlam and Andrew M Irlam who are directors of the company The company had the following transactions with the partnership in the year

a) The rent of storage and allied facilities from the partnership to the value of £410,000 (2006 - £994,785)

b) A verbal lease for office accommodation at an annual rent of £96,000 (2006 - £96,000)

On the 22nd September 2006 both partnerships were transferred to Irlam Storage Llp, which is wholly owned by David J Irlam, M Stewart Irlam, Michael J Irlam and Andrew M, Irlam who are also the directors The company had the following transactions with Irlam Storage Llp

a) The rent of storage and allied facilities from the Llp to the value of £1,104,000 per annum

b) the rent of office accommodation from the Llp to the value of £131,000 per annum

c) The sale to the Llp of warehousing services to the value of £160,556

d) At the 30th April 2007 the following amounts were outstanding

i) An amount owed to the company by the Llp of £72,520 24

ii) A loan owed to the company by the Llp of £270,000

The bank holds a guarantee for £5,000,000 dated 25th September 2006 in favour of Irlam Storage LLP

# James Irlam and Sons Limited

## Notes to the financial statements for the year ended 30 April 2007

### 26. Gross cash flows

	2007 £	2006 £
<b>Returns on investments and servicing of finance</b>		
Interest received	9,198	14,749
Interest paid	(347,579)	(196,193)
Dividends received	4,686	-
	<u>(333,695)</u>	<u>(181,444)</u>
<b>Taxation</b>		
Corporation tax paid	(121,479)	(139,911)
Corporation tax repaid	286,761	-
	<u>165,282</u>	<u>(139,911)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(788,417)	(110,903)
Receipts from sales of tangible assets	3,366,846	1,301,650
	<u>2,578,429</u>	<u>1,190,747</u>
<b>Acquisitions and disposals</b>		
Receipts on disposal of group interests	817	-
	<u>817</u>	<u>-</u>
<b>Financing</b>		
Capital element of finance leases and hire purchase contracts	(5,901,878)	(4,198,779)
	<u>(5,901,878)</u>	<u>(4,198,779)</u>

### 27. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	1,183	327,376		328,559
Overdrafts	(524,578)	(103,119)		(627,697)
	<u>(523,395)</u>	<u>224,257</u>		<u>(299,138)</u>
Finance leases and hire purchase contracts	(3,057,694)	4,221,400	(9,602,735)	(8,439,029)
<b>Net funds</b>	<u>(3,581,089)</u>	<u>4,445,657</u>	<u>(9,602,735)</u>	<u>(8,738,167)</u>