

Registration number 794305

James Irlam and Sons Limited
Directors' report and financial statements
for the year ended 28 February 2009

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James Irlam and Sons Limited

Company information

Directors	Jean Irlam	Resigned 4th April 2008
	David J. Irlam	
	M.Stewart Irlam	
	Michael J. Irlam	
	Michael Robert Smith	
	Gavin Shannon	
Company number	794305	
Registered office	Stretton Green Distribution Park Langford Way, Appleton Warrington Cheshire WA4 4TZ	
Bankers	The Royal Bank of Scotland PLC 2 Bradwall Road Sandbach Cheshire CW11 9UB	

James Irlam and Sons Limited

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 20

James Irlam and Sons Limited

Directors' report for the year ended 28 February 2009

The directors present their report and the financial statements for the year ended 28 February 2009.

Principal activity

The principal activity of the company was haulage contractors within the UK up to 28 February 2009. On 28 February 2009 the trade, assets and liabilities of the company were transferred to Eddie Stobart Limited, a fellow subsidiary undertaking of Stobart Group Limited.

Results and dividends

The profit for the year, after taxation, amounted to £6,003,534. The directors do not recommend payment of a final dividend.

Business review

The company has had another successful period with turnover for the year being £65.3 million compared against £48.8 million for the preceeding ten months. Operating profit grew to £5.6 million for the year, up from £4.3 million for the ten months ended 29th February 2008. 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 contracts gained.

The company's trade, assets and liabilities were transferred to Eddie Stobart Limited on 28 February 2009 at book value. The transfer to Eddie Stobart should provide the greatest opportunity to realise the synergy benefits of intergrating the two fleets and will only enhance the services offered to customers. Bringing together two successful logistics companies will offer significant benefits to all employees and customers and provide a strong platform for the future growth of the enlarged Group.

The management team have achieved an increase in operating profits against a background of tightening margins by providing a clear focus on reducing empty running and maximising truck fill. The management team have worked hard this year to provide this focus on constraining costs and maximising asset utilization and are extremely pleased with 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 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 over the years and look forward to a bright future as part of the ESL Group.

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.

James Irlam and Sons Limited

Directors' report for the year ended 28 February 2009

..... continued

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.

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:

Jean Irlam	Resigned 4th April 2008
David J. Irlam	
M. Stewart Irlam	
Michael J. Irlam	
Michael Robert Smith	
Gavin Shannon	

Charitable and Political Contributions

During the year the company contributed £7,525 to charities.

Directors' responsibilities

James Irlam and Sons Limited

**Directors' report
for the year ended 28 February 2009**

..... continued

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

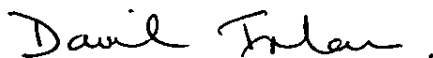
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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.

This report was approved by the Board on 23rd December 2009 and signed on its behalf by



David J. Irlam
Director

James Irlam and Sons Limited
Independent auditors' report to the members of
James Irlam and Sons Limited

We have audited the financial statements of James Irlam and Sons Limited for the year ended 28 February 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 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.

James Irlam and Sons Limited
Independent auditors' report to the members 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 28 February 2009 and of its profit for the year then ended;
- the financial statements 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.



Ernst & Young LLP
Registered Auditor
Manchester

23 December 2009

James Irlam and Sons Limited

**Profit and loss account
for the year ended 28 February 2009**

		Continuing operations	
		Year ended 28/02/09	Period ended 29/02/08
	Notes	£	£
Turnover	2	65,294,356	48,857,587
Cost of sales		(53,982,024)	(40,021,584)
Gross profit		11,312,332	8,836,003
Administrative expenses		(6,208,881)	(4,780,160)
Other operating income		453,862	216,442
Operating profit	3	5,557,313	4,272,285
Investment income	5	53,523	-
Other interest receivable and similar income	6	46,592	6,198
Interest payable and similar charges	7	(307,897)	(477,251)
Profit on ordinary activities before taxation		5,349,531	3,801,232
Tax on profit on ordinary activities	10	654,003	(1,042,420)
Profit for the year	20	6,003,534	2,758,812
Retained profit brought forward		11,896,934	9,135,773
Reserve Movements		2,670	2,349
Retained profit carried forward		17,903,138	11,896,934

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 periods.

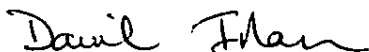
The notes on pages 8 to 20 form an integral part of these financial statements.

James Irlam and Sons Limited

**Balance sheet
as at 28 February 2009**

		28/02/09		29/02/08	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		-		17,627,495
Investments	12		-		18,875
			<u>-</u>		<u>17,646,370</u>
Current assets					
Stocks	13		-	525,614	
Debtors	14	19,136,505		12,536,482	
Cash at bank and in hand			-	4,050	
		<u>19,136,505</u>		<u>13,066,146</u>	
Creditors: amounts falling due within one year	15		-	<u>(12,236,765)</u>	
Net current assets			<u>19,136,505</u>		<u>829,381</u>
Total assets less current liabilities			19,136,505		18,475,751
Creditors: amounts falling due after more than one year	16		-		(3,711,110)
Provisions for liabilities			-		<u>(1,633,386)</u>
Net assets			<u>19,136,505</u>		<u>13,131,255</u>
Capital and reserves					
Called up share capital	19		251,716		250,000
Revaluation reserve	20		981,651		984,321
Profit and loss account	20		17,903,138		11,896,934
Shareholders' funds	21		<u>19,136,505</u>		<u>13,131,255</u>

The financial statements were approved by the Board on 23 December 2009 and signed on its behalf by



David J Irlam
Director

The notes on pages 8 to 20 form an integral part of these financial statements.

James Irlam and Sons Limited
Notes to the financial statements
for the year ended 28 February 2009

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and comply with financial reporting standards of the Accounting Standards Board.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a wholly owned subsidiary of a group preparing consolidated financial statements.

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

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 and buildings	-	None
Buildings	-	Straight line over 50 years
Leasehold properties	-	Over 25 years
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 permanent diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

1.7. Share based payments

The company issues equity-settled and cash-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the company's estimate of the shares that will eventually vest.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

For cash-settled share-based payments, a liability equal to the portion of the goods and services received is recognised at the current fair value determined at each balance sheet date.

1.8. Pensions

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

1.9. 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.

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

1.10 Impairment losses

Impairment reviews have been carried out on trailers comparing the carrying value brought forward against the carrying value the trailers would have been valued at had Stobart Group Limited always owned the trailers, and had depreciated them in accordance with their accounting policy.

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

	Year ended 28/02/09 £	Period ended 29/02/08 £
Class of business		
Haulage charges	54,083,319	41,508,919
Warehousing charges	11,144,979	7,269,942
Other charges	66,058	78,726
	<u>65,294,356</u>	<u>48,857,587</u>

3. Operating profit

	Year ended 28/02/09 £	Period ended 29/02/08 £
Depreciation and other amounts written off tangible assets	3,696,187	2,283,600
Operating lease rentals		
- Plant and machinery	1,182,425	227,532
- Land and buildings	102,916	1,029,167
- Office equipment	965	-
Auditors' remuneration (Note 4)	23,000	12,000
Auditors' remuneration from non-audit work (Note 4)	-	32,506
Profit on disposal of tangible fixed assets	<u>(391,701)</u>	<u>(128,776)</u>

4. Auditors' remuneration

	Year ended 28/02/09 £	Period ended 29/02/08 £
Auditors' remuneration - audit of the financial statements	<u>23,000</u>	<u>12,000</u>
Auditors' remuneration - other fees:		
- taxation services	-	1,200
- services relating to recruitment and remuneration	-	14,400
- Management accountancy services	-	16,906
	-	<u>32,506</u>

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

	Year ended 28/02/09 £	Period ended 29/02/08 £
5. Income from investments		
Loss on disposal of investments	(11,891)	-
Income from participating interests	65,414	-
	<u>53,523</u>	<u>-</u>
	Year ended 28/02/09 £	Period ended 29/02/08 £
6. Interest receivable and similar income		
Bank interest	37,179	6,198
Other interest	9,413	-
	<u>46,592</u>	<u>6,198</u>
	Year ended 28/02/09 £	Period ended 29/02/08 £
7. Interest payable and similar charges		
Interest payable on loans < 1 yr	6,736	24,073
Hire purchase interest	301,161	453,178
	<u>307,897</u>	<u>477,251</u>

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

	Year ended 28/02/09	Period ended 29/02/08
8. Employees		
Number of employees	Number	Number
The average monthly numbers of employees (including the directors) during the year were:		
Drivers and Maintenance	613	548
Administration	176	125
Directors	5	7
	<u>794</u>	<u>680</u>
Employment costs	£	£
Wages and salaries	19,512,921	14,789,038
Social security costs	1,911,120	1,539,918
Pension costs-other operating charge	28,840	24,816
Compensation for loss of office	-	29,500
	<u>21,452,881</u>	<u>16,383,272</u>
	Year ended 28/02/09	Period ended 29/02/08
8.1. Directors' emoluments	£	£
Remuneration and other emoluments	632,373	1,289,990
Pension contributions	27,000	22,750
Compensation for loss of office	-	11,575
	<u>659,373</u>	<u>1,324,315</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>3</u>	<u>3</u>
Highest paid director	£	£
Amounts included above:		
Emoluments and other benefits	134,247	368,834
Pension contributions	12,000	10,000
	<u>146,247</u>	<u>378,834</u>

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

9. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £28,840 (2008 - £24,816).

	Year ended 28/02/09 £	Period ended 29/02/08 £
10. Tax on profit on ordinary activities		
Analysis of charge in period		
Current tax		
UK corporation tax	227,442	982,483
Total current tax charge	<u>227,442</u>	<u>982,483</u>
Deferred tax		
Timing differences, origination and reversal	(881,445)	59,937
Total deferred tax	<u>(881,445)</u>	<u>59,937</u>
Tax on profit on ordinary activities	<u>(654,003)</u>	<u>1,042,420</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28 per cent). The differences are explained below:

	Year ended 28/02/09 £	Period ended 29/02/08 £
Profit on ordinary activities before taxation	<u>5,349,531</u>	<u>3,801,232</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (28 February 2008 : 30%)	1,507,122	1,140,370
Effects of:		
Expenses not deductible for tax purposes	16,506	16,732
Depreciation for period in excess of capital allowances	915,338	(174,619)
Group relief	(2,211,524)	-
Current tax charge for period	<u>227,442</u>	<u>982,483</u>

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

11. Tangible fixed assets

	Land and buildings freehold £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/revaluation						
At 1 March 2008	1,600,000	140,259	1,472,704	840,624	23,746,464	27,800,051
Additions	-	7,450	1,503	33,234	9,500	51,687
Transfers	(1,600,000)	(147,709)	(1,474,207)	(873,858)	(23,755,964)	(27,851,738)
At 28 February 2009	-	-	-	-	-	-
Depreciation						
At 1 March 2008	22,454	-	992,743	580,272	8,577,087	10,172,556
Impairment loss	64,546	-	-	-	1,446,511	1,511,057
Transfers	(94,920)	(5,917)	(1,140,399)	(649,538)	(11,977,969)	(13,868,743)
Charge for the year	7,920	5,917	147,656	69,266	1,954,371	2,185,130
At 28 February 2009	-	-	-	-	-	-
Net book values						
At 28 February 2009	-	-	-	-	-	-
At 28 February 2008	<u>1,577,546</u>	<u>140,259</u>	<u>479,961</u>	<u>260,352</u>	<u>15,169,377</u>	<u>17,627,495</u>

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

	£
Net book value at 28th February 2009	<u>-</u>
Net book value at 29th February 2008	<u>596,689</u>

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

	£
Historical cost at 1st March 2008	655,068
30th April 2003 Revaluation increase	644,932
30th April 2005 Revaluation increase	300,000
Revalued cost at 1st March 2008	<u>1,600,000</u>

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 28 February 2009**

11. Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	Year ended 28/02/09		Period ended 29/02/08	
	Net	Depreciation	Net	Depreciation
	book value £	charge £	book value £	charge £
Motor vehicles	<u>-</u>	<u>-</u>	<u>12,364,552</u>	<u>1,941,340</u>

12. Fixed asset investments

	Listed investments £
Cost	
At 1 March 2008	200,075
Transfers	<u>(200,075)</u>
At 28 February 2009	<u>-</u>
Provisions for diminution in value:	
At 1 March 2008	181,200
Transfers	<u>(181,200)</u>
At 28 February 2009	<u>-</u>
Net book values	
At 28 February 2009	<u>-</u>
At 28 February 2008	<u><u>18,875</u></u>

12.1. Fixed asset investments

	Year ended 28/02/09 £	Period ended 29/02/08 £
Market valuation of listed investments	<u>-</u>	<u>14,345</u>

James Irlam and Sons Limited

Notes to the financial statements
for the year ended 28 February 2009

	Year ended 28/02/09 £	Period ended 29/02/08 £
13. Stocks		
Consumables	-	6,000
Stock of materials	-	269,344
Fuel stocks	-	250,270
	<u>-</u>	<u>525,614</u>
	Year ended 28/02/09 £	Period ended 29/02/08 £
14. Debtors		
Trade debtors	-	10,638,804
Amounts owed by group undertakings	19,136,505	3,521
Other debtors	-	1,345,316
Prepayments and accrued income	-	548,841
	<u>19,136,505</u>	<u>12,536,482</u>
	Year ended 28/02/09 £	Period ended 29/02/08 £
15. Creditors: amounts falling due within one year		
Bank overdraft (secured)	-	612,970
Net obligations under finance leases and hire purchase contracts (secured)	-	4,514,853
Trade creditors	-	4,465,117
Corporation tax	-	981,966
Other taxes and social security costs	-	989,521
Other creditors	-	35,945
Accruals and deferred income	-	636,393
	<u>-</u>	<u>12,236,765</u>

The bank overdraft is secured by mortgage debenture.

The bank held a 1st legal charge dated 18th 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 28 February 2009**

	Year ended 28/02/09 £	Period ended 29/02/08 £
16. Creditors: amounts falling due after more than one year		
Net obligations under finance leases and hire purchase contracts (secured)	-	3,711,110
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	-	4,514,853
Repayable between one and five years	-	2,967,936
Repayable after five years	-	743,174
	-	8,225,963
17. Provision for deferred taxation	Year ended 28/02/09 £	Period ended 29/02/08 £
Accelerated capital allowances	-	1,633,386
Provision for deferred tax	-	1,633,386
Provision at 1 March 2008	1,633,386	
Deferred tax credit in profit and loss account	(881,445)	
Transferred to amounts owed by group undertaking	(751,941)	
Provision at 28 February 2009	-	

James Irlam and Sons Limited

Notes to the financial statements for the year ended 28 February 2009

18. Share Based Payments

Equity-settled share-based payments

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	Year ended 28/02/09		Period ended 29/02/08	
	No.	WAEP £	No.	WAEP £
Outstanding at the beginning of the year	15,229	0.25	15,229	0.25
Exercised during the year	(6,865)	0.25	-	-
Expired during the year	(8,364)	0.25	-	-
Outstanding at the end of the year	-	-	15,229	-

Share options of 6,865 Ordinary shares were exercised by M. Smith, director, following the sale of the company to Stobart Group Limited on the 4th April 2008. The number of shares exercisable was determined by the sale price, the remaining share options then expired.

19. Share capital

	Year ended 28/02/09 £	Period ended 29/02/08 £
Authorised equity		
20,000,000 Ordinary shares of 25 pence each	5,000,000	5,000,000
Allotted, called up and fully paid		
1,006,865 Ordinary shares of 25 pence each	251,716	250,000
Equity Shares		
1,006,865 Ordinary shares of 25 pence each	251,716	250,000

On the 4th April 2008 6,865 ordinary shares of 25p each were issued.

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

20. Equity Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1 March 2008	984,321	11,896,934	12,881,255
Profit for the year	-	6,003,534	6,003,534
Other movements	(2,670)	2,670	-
At 28 February 2009	<u>981,651</u>	<u>17,903,138</u>	<u>18,884,789</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 the reserve movement.

21. Reconciliation of movements in shareholders' funds	Year ended 28/02/09 £	Period ended 29/02/08 £
Profit for the year	6,003,534	2,758,812
Net proceeds of equity share issue	1,716	-
Net addition to shareholders' funds	<u>6,005,250</u>	<u>2,758,812</u>
Opening shareholders' funds	13,131,255	10,372,443
Closing shareholders' funds	<u>19,136,505</u>	<u>13,131,255</u>

22. Capital commitments	Year ended 28/02/09 £	Period ended 29/02/08 £
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>-</u>	<u>250,477</u>

James Irlam and Sons Limited

**Notes to the financial statements
for the year ended 28 February 2009**

23. Transactions with directors

	Amount owing		Maximum in year £
	Year ended 28/02/09 £	Period ended 29/02/08 £	
David J. Irlam	-	408,251	409,351
M.Stewart Irlam	-	448,102	438,885
Michael J. Irlam	-	251,223	250,694

24. Related party transactions

MSD Investments LLP (formerly Irlam Properties LLP) is a limited liability partnership which is wholly owned by David J.Irlam,M.Stewart Irlam and Michael J.Irlam who are also directors. James Irlam and Sons Ltd. had the following transactions with the partnership.

- a) The rent of storage and allied facilities from the LLP to the value of £92,000.
- b) The rent of office accomodation from the LLP to the value of £10,916.
- c) The sale to the LLP of warehousing services to the value of £6,901.

25. Ultimate parent undertaking

The company is a wholly owned subsidiary of Stobart Group Limited who purchased the entire share capital of the company on 4th April 2008.

James Irlam and Sons Limited

**Detailed trading profit and loss account
for the year ended 28 February 2009**

	Year ended 28/02/09	Period ended 29/02/08
	£	£
Sales		
Haulage charges	54,083,319	41,508,919
Warehousing charges	11,144,979	7,269,942
Rent receivable	49,391	45,393
Vehicle Advertising income	16,667	33,333
	<u>65,294,356</u>	<u>48,857,587</u>
Cost of sales		
Site management charges	37,635	423,249
Storage and parking facilities	1,226,337	1,030,776
Drivers wages	14,744,584	10,630,777
Employers national insurance contributions	1,463,061	1,073,111
Maintenance wages	402,011	364,797
Employers national insurance contributions	40,833	35,770
Agency drivers charges	253,522	607,120
Drivers expenses	737,043	549,521
Sub-contractor charges	4,374,719	4,186,741
Warehousing charges	8,243,834	5,842,743
Warehousing wages and salaries	1,530,792	699,906
Employers national insurance contributions	145,875	66,082
CV Licences	310,279	272,673
CV Insurance	428,478	412,107
CV Fuel	14,974,211	10,343,097
CV Tyres	589,580	325,181
CV Repairs	1,218,630	771,159
Hire of plant	6,699	4,621
Vehicle rentals	854,645	135,635
Trailer hire	208,971	-
Claims	118,809	91,897
Plant and equipment depn	147,656	120,734
Vehicles depn	<u>1,923,820</u>	<u>2,033,887</u>
	<u>(53,982,024)</u>	<u>(40,021,584)</u>
Gross profit	11,312,332	8,836,003
Administrative expenses	<u>6,208,881</u>	<u>4,780,160</u>
	<u>(6,208,881)</u>	<u>(4,780,160)</u>
Carry forward	5,103,451	4,055,843

James Irlam and Sons Limited

**Detailed trading profit and loss account
for the year ended 28 February 2009**

	Year ended 28/02/09		Period ended 29/02/08	
	£	£	£	£
Brought forward		5,103,451		4,055,843
Other operating income				
Vehicle purchase incentive	13,464		20,037	
Profit on disposal of tangible fixed assets	391,701		128,776	
Sundry income	1,227		169	
Administration charges	47,470		53,604	
Rates refunds re earlier years	-		13,856	
		<u>453,862</u>		<u>216,442</u>
Operating profit		5,557,313		4,272,285
Other income and expenses				
Income from investments				
Group income	65,414		-	
Loss on disposal of investments	<u>(11,891)</u>		<u>-</u>	
		53,523		-
Interest receivable				
Bank deposit interest	37,179		6,198	
Other interest	<u>9,413</u>		<u>-</u>	
		46,592		6,198
Bank interest	6,736		24,073	
HP interest and fin. lease charges	<u>301,161</u>		<u>453,178</u>	
		<u>(307,897)</u>		<u>(477,251)</u>
Net profit for the year		<u><u>5,349,531</u></u>		<u><u>3,801,232</u></u>

James Irlam and Sons Limited
Administrative expenses
for the year ended 28 February 2009

	Year ended 28/02/09	Period ended 29/02/08
Administrative expenses	£	£
Office salaries	2,279,444	1,961,543
Employers national insurance contributions	179,351	204,542
Directors' remuneration	556,090	1,120,440
Directors' N.I.C	82,000	160,413
Pension scheme contributions	27,000	22,750
Staff pension costs	1,840	2,066
Compensation for loss of office	-	41,075
Rent	199,767	169,214
Rates	75,490	63,924
Security charges	14,984	6,571
Insurance	112,452	149,078
Office equipment leasing	965	-
Heating, lighting and water	79,511	32,544
Repairs and renewals	56,759	64,761
Computer maintenance	128,509	117,807
Printing and stationery	37,105	34,275
Advertising for staff	6,631	17,033
Advertising and Promotion costs	22,789	19,566
Postage	14,196	14,419
Telecommunications	94,237	103,299
Isotrak charges	143,603	-
MV Fuel	3,445	5,170
MV Licences	1,648	2,635
Mv Insurance	6,125	7,700
MV Repairs	8,826	11,944
Travel and entertaining	72,671	90,448
Protective clothing	82,325	28,189
Training costs	1,250	2,252
Legal and Professional Fees	54,249	31,267
Accountancy	76,196	32,506
Audit fees	23,000	12,000
Bank charges	19,048	11,852
Bad and doubtful debts	-	5,906
Sundry expenses	25,397	18,981
Tacho analysis	36,496	20,902
Catering expenses	7,686	4,032
Cleaning	45,560	39,902
Charitable donations	7,525	20,175
Freehold property depn	7,920	6,600
Impairment of freehold property	64,546	-
Amortisation on long leasehold	5,917	-
Office equipment depn	69,266	60,264
Motor cars depn	30,551	62,115
Impairment losses of trailers	1,446,511	-
	<u>6,208,881</u>	<u>4,780,160</u>