

Derek Cooper (Transport) Limited

Directors' report
and financial statements

31 August 1999



Derek Cooper (Transport) Limited

Directors' report and financial statements
Year ended 31 August 1999

Index	Page
Company information	2
Directors' report.....	3 to 4
Auditors' report.....	5
Group profit and loss account	6
Group balance sheet.....	7
Company balance sheet.....	8
Group cash flow statement	9
Notes	10 to 16

The following page does not form part of the statutory financial statements

Trading, profit and loss account.....	17
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Derek Cooper (Transport) Limited

Company information

Directors: DG Cooper (chairman)
Mrs LV Cooper

Secretary: Mrs LV Cooper

Auditors: Waller Wilson & Co
The Forge Cottage
2 High Street
Mildenhall
Suffolk

Bankers: Lloyds Bank plc
48 High Street
Newmarket
Suffolk

Registered office: Heath Farm Road
Red Lodge
Freckenham
Bury St Edmunds
Suffolk

Company number: 886765

Derek Cooper (Transport) Limited

Directors' report

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

Principal activities

The principal activity of the company during the year continued to be the provision of transport and haulage services and the purchase and sale of commercial vehicles. The company's only subsidiary, Neal Bros (Soham) Limited, was dormant throughout the year under review.

Business review

During the year the company's turnover decreased by £327,099 and the net profit, before tax, decreased by £408,164 to £553,720. The directors consider the year to have been satisfactory in view of the current economic climate and do not anticipate any significant change in the company's business in the foreseeable future. The directors do not anticipate any significant problems or costs associated with the year 2000 problem.

Proposed dividend

The directors do not recommend the payment of a dividend. The profit for the year transferred to reserves is £385,620.

Significant changes in fixed assets

Movements in fixed assets are set out in note 7 to the financial statements.

Market value of land and buildings

In the opinion of the directors, the market value of the land and buildings is in excess of their book value. It is not practicable to quantify this excess.

Directors and directors' interests

The directors of the company and their interests in shares of the company (all beneficially held except those marked with an asterisk which are held as trustee) are set out below. There were no changes in the composition of the board of directors during the year.

	Interest at end of year		Interest at beginning of year or date of appointment	
	Number	Number	Number	Number
	A Ordinary	Ordinary	A Ordinary	Ordinary
DG Cooper	1,000	-	1,000	-
Mrs LV Cooper	-	2,000	-	2,000
DG & Mrs LV Cooper*	-	7,000	-	7,000

Derek Cooper (Transport) Limited

Directors' report

Political and charitable contributions

The group made no political or charitable contributions in the year.

Directors' responsibility for the financial statements

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 group and of the profit or loss of the group 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 group will continue to operate.

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


Auditors

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

Approved by the board of directors on 10 February 2000 and signed on their behalf by:

Mrs LV Cooper

Secretary



Heath Farm Road
Red Lodge
Freckenham
Bury St Edmunds
Suffolk

Report of the auditors to the members of

Derek Cooper (Transport) Limited

We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 4 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 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 group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 August 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Waller Wilson & Co

Waller Wilson & Co

*Chartered Accountants
Registered Auditor*

10 February 2000

The Forge Cottage
2 High Street
Mildenhall
Suffolk
IP28 7EJ

Derek Cooper (Transport) Limited

Group profit & loss account for the year ended 31 August 1999

	Note	1999 £	1998 £
Turnover	2	14,479,615	14,806,714
Cost of sales		(13,518,483)	(13,466,060)
Gross profit		961,132	1,340,654
Administrative expenses		(544,451)	(476,663)
Operating profit		416,681	863,991
Interest receivable and similar income		137,039	97,893
Profit on ordinary activities before taxation	2-5	553,720	961,884
Tax on profit on ordinary activities	6	(168,100)	(303,620)
Profit on ordinary activities after taxation retained for the financial year		385,620	658,264
Retained profit brought forward		6,528,666	5,870,402
Retained profit carried forward		6,914,286	6,528,666

Continuing operations

Turnover and operating profit derive wholly from continuing operations

Total recognised gains and losses

The group has no recognised gains or losses other than the profit for the period.

The notes on pages 10 to 16 form an integral part of these financial statements.

Derek Cooper (Transport) Limited

Group balance sheet At 31 August 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	7		2,336,593		2,684,280
Investments	8		800		800
Current assets					
Stocks	9	173,206		165,341	
Debtors	10	3,336,611		3,446,662	
Cash at bank and in hand		2,897,097		2,413,319	
		<u>6,406,914</u>		<u>6,025,322</u>	
Creditors: amounts falling due within one year	11	<u>(1,612,821)</u>		<u>(1,959,836)</u>	
Net current assets			<u>4,794,093</u>		<u>4,065,486</u>
Total assets less current liabilities			<u>7,131,486</u>		<u>6,750,566</u>
Provisions for liabilities and charges	12		<u>(207,200)</u>		<u>(211,900)</u>
Net assets			<u>6,924,286</u>		<u>6,538,666</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			6,914,286		6,528,666
Shareholders' funds	14		<u>6,924,286</u>		<u>6,538,666</u>

These financial statements were approved by the board of directors on 10 February 2000 and were signed on its behalf by:

DG Cooper - Director



The notes on pages 10 to 16 form an integral part of these financial statements.

Derek Cooper (Transport) Limited

Company balance sheet At 31 August 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	7		2,336,593		2,684,280
Investments	8		4,286		4,286
Current assets					
Stocks	9	173,206		165,341	
Debtors	10	3,336,611		3,446,662	
Cash at bank and in hand		2,897,097		2,413,319	
		<u>6,406,914</u>		<u>6,025,322</u>	
Creditors: amounts falling due within one year	11	<u>(1,642,644)</u>		<u>(1,989,659)</u>	
Net current assets			<u>4,764,270</u>		<u>4,035,663</u>
Total assets less current liabilities			<u>7,105,149</u>		<u>6,724,229</u>
Provisions for liabilities and charges	12		<u>(207,200)</u>		<u>(211,900)</u>
Net assets			<u>6,897,949</u>		<u>6,512,329</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			6,887,949		6,502,329
Shareholders' funds	14		<u>6,897,949</u>		<u>6,512,329</u>

These financial statements were approved by the board of directors on 10 February 2000 and were signed on its behalf by:

DG Cooper - Director



The notes on pages 10 to 16 form an integral part of these financial statements.

Derek Cooper (Transport) Limited

Group cash flow statement for the year ended 31 August 1999

	1999	1998
	£	£
Net cash inflow from operating activities	1,000,382	1,373,887
Returns on investments		
Interest received	137,039	97,893
Taxation		
Corporation tax paid	(422,320)	(168,394)
Capital expenditure		
Payments to acquire fixed assets	(478,973)	(157,295)
Receipts from sales of fixed assets	247,650	285,554
	(231,323)	128,259
Increase in bank and cash balances	483,778	1,431,645
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	416,681	863,991
Depreciation of fixed assets	626,889	776,144
(Profit) on sale of fixed assets	(47,880)	(107,535)
Decrease/(increase) in stocks	(7,865)	17,450
Decrease/(increase) in debtors	110,051	(415,491)
Increase/(decrease) in creditors	(97,494)	239,328
Net cash inflow from operating activities	1,000,382	1,373,887

The notes on pages 9 to 16 form an integral part of these financial statements.

Derek Cooper (Transport) Limited

Notes to the financial statements

1 Accounting policies

The accounting policies set out below have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and on an historical cost basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertaking, Neal Bros (Soham) Limited made up to 31 August 1999. Neal Bros. (Soham) Limited did not trade during the 2 years to 31 August 1999.

Under section 230(4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account.

Goodwill

Goodwill arising on consolidation is set off directly against reserves.

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Plant and machinery	-	25% of net book value per annum
Motor vehicles and trailers	-	25% of net book value per annum
Expenditure on leasehold premises	-	by equal annual instalments over the remaining period of the lease
Freehold buildings	-	4% of cost per annum (from 1.9.1998)
No depreciation is provided on freehold land.		

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing stock to its present location and condition.

Pension costs

Contributions are charged to the profit and loss account in the year in which they are paid as there are no contributions to a defined benefit scheme.

Derek Cooper (Transport) Limited

Notes to the financial statements

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the results for the year and takes account of taxation deferred because of timing differences between the treatments for accounting and taxation purposes. Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise.

Leased assets

Operating lease rentals are charged to profit and loss account as incurred.

Turnover

Turnover represents sales to customers at invoiced amounts excluding Value Added Tax.

2 Turnover and profit on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation were derived from the principal activity of the group in the United Kingdom.

3 Profit on ordinary activities before taxation

This is stated after charging/(crediting):	1999	1998
	£	£
Depreciation of tangible fixed assets	626,889	776,143
(Profit) on disposal of tangible fixed assets	(47,880)	(107,534)
Auditors' remuneration	3,300	3,300
Hire of equipment ~ operating lease rentals	527,996	259,244
	<hr/>	<hr/>

4 Remuneration of directors

No directors' remuneration was paid during the year ended 31 August 1999 (1998 - £nil).

Derek Cooper (Transport) Limited

Notes to the financial statements

5 Staff Costs

The average number of persons employed by the group (including directors) during the year was as follows:

	1999 Number	1998 Number
Senior managerial	2	2
Lower managerial	6	6
Office and secretarial	16	15
Drivers and operatives	187	206
	<hr/> 211	<hr/> 229

The aggregate payroll costs of these persons were as follows:

	1999 £	1998 £
Drivers expenses	266,026	301,712
Wages and salaries	3,695,356	3,809,242
Social security costs	362,030	334,982
	<hr/> 4,323,412	<hr/> 4,445,936

6 Taxation

	1999 £	1998 £
UK Corporation Tax payable at 30% (1998 - 31%) on the adjusted results for the year	172,800	329,320
Deferred Taxation	(4,700)	(25,700)
	<hr/> 168,100	<hr/> 303,620

Derek Cooper (Transport) Limited

Notes to the financial statements

7 Tangible fixed assets

Group and company

	Freehold land and buildings £	Expenditure on short leasehold premises £	Motors and trailers £	Plant and machinery £	Total £
Cost					
At 1 September 1998	179,675	121,388	7,213,255	221,016	7,735,334
Additions	-	-	476,778	2,195	478,973
Disposals	-	-	(716,600)	-	(716,600)
At 31 August 1999	179,675	121,388	6,973,433	223,211	7,497,707
Depreciation					
At 1 September 1998	-	30,093	4,872,403	148,558	5,051,054
For the year	4,038	13,594	592,738	16,519	626,889
On disposals	-	-	(516,829)	-	(516,829)
At 31 August 1999	4,038	43,687	4,948,312	165,077	5,161,114
Net book value					
At 31 August 1999	175,637	77,701	2,025,121	58,134	2,336,593
At 31 August 1998	179,675	91,295	2,340,852	72,458	2,684,280

Included in freehold land and buildings is land valued at £78,719 (1998 - £78,719) which is not depreciated.

8 Fixed asset investments

	1999 £	1998 £
Group at cost:		
Other investments	800	800
Company at cost:		
Shares in group undertakings	3,486	3,486
Other investments	800	800
	4,286	4,286

The company holds 100% of the ordinary share capital of Neal Bros. (Soham) Limited, a company incorporated in Great Britain and registered in England and Wales. Neal Bros. (Soham) Limited did not trade during the year ended 31 August 1999. Its aggregate amount of capital and reserves at 31 August 1999 was £29,823 (1998 - £29,823).

Derek Cooper (Transport) Limited

Notes to the financial statements

9 Stocks

Group and company

	1999	1998
	£	£
Derv, spares etc	173,206	165,341

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

10 Debtors

Group and company

	1999	1998
	£	£
Trade debtors	2,873,608	2,998,762
Prepayments and accrued income	447,755	446,497
Other debtors	15,248	1,403
	<u>3,336,611</u>	<u>3,446,662</u>

11 Creditors: amounts falling due within one year

	1999	1998
	£	£
<i>Group</i>		
Directors' loan accounts	119,525	185,360
Trade creditors	969,064	823,801
Corporation tax	79,799	329,320
Other taxation and social security	326,304	414,942
Accruals and deferred income	118,129	206,413
	<u>1,612,821</u>	<u>1,959,836</u>
<i>Company</i>		
Directors' loan accounts	119,525	185,360
Trade creditors	969,064	823,801
Amounts owed to subsidiary undertaking	29,994	29,994
Corporation tax	79,799	329,320
Other taxation and social security	326,304	414,942
Accruals and deferred income	117,958	206,242
	<u>1,642,644</u>	<u>1,989,659</u>

Derek Cooper (Transport) Limited

Notes to the financial statements

12 Provisions for liabilities and charges

Group and company

Deferred taxation	1999
	£
At beginning of year	211,900
(Released) in year	(4,700)
At end of year	207,200

The amounts provided for deferred taxation and the amounts not provided are set out below:

	1999	1998
	£	£
On difference between accumulated depreciation and capital allowances		
- provided	207,200	211,900
- not provided	-	-

In the opinion of the directors, the market value of the land and buildings is in excess of their book value. It has not been practicable to quantify this excess or the tax effects arising if assets were realised at valuation.

13 Called up share capital

	1999	1998
	£	£
Authorised		
1,000 A ordinary shares of £1 each	1,000	1,000
9,000 ordinary shares of £1 each	9,000	9,000
	10,000	10,000
Allotted, called up and fully paid		
1,000 A ordinary shares £1 each	1,000	1,000
9,000 ordinary shares of £1 each	9,000	9,000
	10,000	10,000

£1 A ordinary shares and £1 ordinary shares rank pari passu except that £1 A ordinary shares carry 10 votes on a show of hands or on a poll.

Derek Cooper (Transport) Limited

Notes to the financial statements

14 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
<i>Group</i>		
Opening shareholders' funds	6,538,666	5,880,402
Profit for the financial year	385,620	658,264
Closing shareholders' funds	6,924,286	6,538,666
<i>Company</i>		
Opening shareholders' funds	6,512,329	5,854,065
Profit for the financial year	385,620	658,264
Closing shareholders' funds	6,897,949	6,512,329

15 Directors' interests in contracts

During the year Derek Cooper (Transport) Limited entered into a number of transactions in the normal course of business with Derek Cooper Limited, a company in which DG Cooper and Mrs LV Cooper are also directors and with Eastern Aggregates Limited, a company in which DG Cooper is also a director. All of these transactions were carried on at arms length and on a commercial basis.

16 Commitments

The group had annual commitments under operating leases as follows:

	1999 £	1998 £
Operating leases which expire within one year		
- Vehicles and trailers	200,381	55,116
Operating leases which expire in the second to fifth years		
- Vehicles and trailers	158,928	242,856
Operating leases which expire after years		
- Land and buildings	10,000	10,000