
BULKHAUL LIMITED

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2012

THURSDAY



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COMPANIES HOUSE

BULKHAUL LIMITED

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BULKHAUL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and the financial statements for the year ended 30 June 2012

Principal activities

The principal activity of the group continues to be the provision of international tank container services.

Business review

As a result of a change of the company's financial year end the previous accounting period was an 18 month period ending 30 June 2011

The results for the financial period show a profit on ordinary activities before taxation and exceptional item of £33,201,578 (18 months to 30 June 2011 £59,571,905) and turnover of £169,012,969 (18 months to 30 June 2011 £280,105,603). The group has net assets of £119,802,875 (2011: £156,458,490)

The directors have paid interim dividends of £2,264 00 per £1 share amounting to £56,600,000 (2011 £296 40 per £1 share amounting to £7,410,000). They recommend that no final dividend be declared in respect of the year (2011: £nil)

During the current period the group concluded a significant restructuring of its borrowings which resulted in the transfer in to and consolidation within Bulkhaul Limited of all group indebtedness to external lenders.

The Dividends of £56,600,000 paid by the company to its Parent were used to repay pre-existing borrowings of other group companies

The revised facilities provide the company with both substantial working capital facilities and long term loans with variable amortising profiles, from a syndicate of clearing banks and other financial institutions

The refinancing process involved the restructuring of the company's foreign exchange and interest rate hedging arrangements. This resulted in a non-recurring crystallisation cost of £10,000,000 which has been reported as an Exceptional item with the current financial statements

The company has committed to its long term confident outlook by taking delivery of a significant number of newly built tanks to increase its already considerable fleet of owned tank containers

Results

The profit for the year, after taxation, amounted to £19,944,385 (18 months to 30 June 2011 - £46,096,398)

Future outlook

It is the opinion of the Directors that the progress and development of the group can be continued throughout the forthcoming year despite the continuing adverse economic environment.

BULKHAUL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

Principal risks and uncertainties

The key business risks affecting the companies within the group are considered to relate to global freight pricing and fluctuations in foreign exchange and interest rates

Global Freight Rates

The key measure of the company's performance relies upon the global freight rates. These have always been subject to considerable cyclical fluctuations. The company's success is built upon the ability to manage this volatility through careful control of its long term contractual business and adhoc/spot business together with careful monitoring and management of its operational and overhead cost base.

Key performance indicators (KPI's)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of market risk (including cash flow interest rate risk), credit risk, liquidity risk and foreign exchange risk. The group monitors the risks in order to limit the adverse effects on the financial performance.

Market risk (including cash flow interest rate risk)

The group's interest rate risk arises from long term borrowings which are issued at variable rates that expose the group to cash flow interest rate risk.

The interest exposure of the group is managed within the constraints of the group's business plan and the financial covenants under its facilities.

Credit risk

Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding debtors. The group has implemented policies that require appropriate credit checks on potential customers before sales are made and for banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted.

Liquidity risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient funds available for operations and planned expansions.

Foreign exchange risk

The group is exposed to foreign exchange risk as a result of its operation. This risk is managed through a range of various hedging instruments.

BULKHAUL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

Directors

The directors who served during the year were

S Gibson
M O'Neill
T Jackson
S M Coleby
J G Trenholm

Charitable donations

The donations made by the group during the period for charitable purposes amounted to £29,294 (18 months to 30 June 2011 £42,603). The charities provide activities for under privileged children and funding to other local Tees Valley charities and organisations.

Employees

Information on matters of concern to employees is communicated on a regular basis to seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for disabled staff. If members of staff become disabled the group continues employment wherever possible and arranges retraining.

Disabled employees

It is the group's policy that disabled people should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

BULKHAUL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group and company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

This report was approved by the board on 29 November 2012 and signed on its behalf.



T Jackson
Secretary

BULKHAUL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BULKHAUL LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Bulkhaul Limited for the year ended 30 June 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2012 and of the group's profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BULKHAUL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BULKHAUL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Mark Webster

Mark Webster (Senior statutory auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Newcastle upon Tyne

30 November 2012

BULKHAUL LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

		Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
	Note		
Turnover	2	169,012,969	280,105,603
Cost of sales		<u>(93,445,375)</u>	<u>(161,901,230)</u>
Gross profit		75,567,594	118,204,373
Administrative expenses		(33,717,214)	(48,855,053)
Exceptional administrative expenses		(10,000,000)	-
Total administrative expenses	3	<u>(43,717,214)</u>	<u>(48,855,053)</u>
Operating profit	8	31,850,380	69,349,320
Interest receivable and similar income	6	89,374	16,469
Interest payable and similar charges	7	<u>(8,738,176)</u>	<u>(9,793,884)</u>
Profit on ordinary activities before taxation		23,201,578	59,571,905
Tax on profit on ordinary activities	10	<u>(3,257,193)</u>	<u>(13,475,507)</u>
Profit for the financial year	20	<u>19,944,385</u>	<u>46,096,398</u>

All amounts relate to continuing operations and are stated under the historical cost convention

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account.

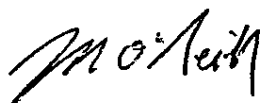
The notes on pages 11 to 30 form part of these financial statements

BULKHAUL LIMITED
REGISTERED NUMBER: 1603021

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	12		200,946,442		203,082,820
Current assets					
Stocks	14	433,444		495,872	
Debtors	15	139,799,578		107,686,223	
Cash at bank		9,854,040		10,273,689	
		<u>150,087,062</u>		<u>118,455,784</u>	
Creditors: amounts falling due within one year	16	<u>(78,204,295)</u>		<u>(67,839,807)</u>	
Net current assets			<u>71,882,767</u>		<u>50,615,977</u>
Total assets less current liabilities			<u>272,829,209</u>		<u>253,698,797</u>
Creditors: amounts falling due after more than one year	17		<u>(126,857,612)</u>		<u>(69,637,933)</u>
Provisions for liabilities					
Deferred tax	18		<u>(26,168,722)</u>		<u>(27,602,374)</u>
Net assets			<u><u>119,802,875</u></u>		<u><u>156,458,490</u></u>
Capital and reserves					
Called up share capital	19		25,000		25,000
Capital reserve	20		440		440
Profit and loss account	20		<u>119,777,435</u>		<u>156,433,050</u>
Shareholders' funds	21		<u><u>119,802,875</u></u>		<u><u>156,458,490</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2012.



M O'Neill
Director

The notes on pages 11 to 30 form part of these financial statements

BULKHAUL LIMITED
REGISTERED NUMBER: 1603021

COMPANY BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	12		183,078,426		185,786,689
Investments	13		11,963,582		11,976,335
			<u>195,042,008</u>		<u>197,763,024</u>
Current assets					
Stocks	14	361,223		426,682	
Debtors	15	140,871,420		109,348,678	
Cash at bank		9,294,975		10,007,201	
			<u>150,527,618</u>	<u>119,782,561</u>	
Creditors: amounts falling due within one year	16	(76,162,938)		(68,511,760)	
Net current assets			<u>74,364,680</u>		<u>51,270,801</u>
Total assets less current liabilities			<u>269,406,688</u>		<u>249,033,825</u>
Creditors: amounts falling due after more than one year	17		(124,063,974)		(64,834,980)
Provisions for liabilities					
Deferred tax	18		(26,162,580)		(27,594,761)
Net assets			<u><u>119,180,134</u></u>		<u><u>156,604,084</u></u>
Capital and Reserves					
Called up share capital	19		25,000		25,000
Profit and loss account	20		119,155,134		156,579,084
Shareholders' funds	21		<u><u>119,180,134</u></u>		<u><u>156,604,084</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2012.


M O'Neill
Director

The notes on pages 11 to 30 form part of these financial statements

BULKHAUL LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

		Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
	Note		
Net cash flow from operating activities	23	21,833,931	57,741,960
Returns on investments and servicing of finance	24	(8,592,270)	(9,969,127)
Taxation	24	(578,861)	(1,476,521)
Capital expenditure and financial investment	24	(7,877,942)	(24,210,898)
Acquisitions and disposals	24	-	932,000
Equity dividends paid		(56,600,000)	(7,410,000)
Cash (outflow)/inflow before financing		(51,815,142)	15,607,414
Financing	24	51,395,493	(20,074,278)
Decrease in cash in the year		(419,649)	(4,466,864)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2012**

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Decrease in cash in the year	(419,649)	(4,466,864)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(51,395,493)	20,074,278
Change in net debt resulting from cash flows	(51,815,142)	15,607,414
Other non-cash changes	(636,580)	(286,461)
Movement in net debt in the year	(52,451,722)	15,320,953
Net debt at 1 July 2011	(87,051,565)	(102,372,518)
Net debt at 30 June 2012	(139,503,287)	(87,051,565)

The notes on pages 11 to 30 form part of these financial statements.

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. Accounting policies

1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 Basis of consolidation

The consolidated financial statements include the results of the company and all its subsidiaries. Uniform accounting policies have been applied by the company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition and up to the date of their disposal. Intra group sales and profits are eliminated fully on consolidation.

The results of subsidiaries sold are included up to the effective date of disposal.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years
L/Term Leasehold land	-	50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	5 - 10 years
Commercial vehicles and tanks	-	5 - 15 years

Freehold land is not depreciated.

1.4 Operating leases, hire purchase and finance lease agreements

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as hire purchase and finance lease obligations. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting year. Assets held under hire purchase and finance lease agreements are depreciated over the useful lives of the assets.

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. Accounting policies (continued)

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet, except for certain exemptions which under Financial Reporting Standard 19 should not be recognised.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the average tax rates that are expected to apply in the period in which timing differences reverse, based on taxation rates and law enacted or substantively enacted at the balance sheet date.

1.7 Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Where overseas subsidiaries act as selling agents for the company the financial statements are translated to sterling on the following basis:

(a) Fixed assets are translated into sterling at the rates ruling on the date of acquisition as adjusted for any profits or losses from related financial instruments.

(b) Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the foreign exchange rates ruling at the balance sheet date or at the agreed contractual rate.

(c) Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions.

(d) Any gains or losses arising on translation are reported as part of profit.

All other exchange differences are dealt with in the profit and loss account.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Turnover

Turnover represents amounts invoiced for goods and services supplied in the normal course of business, excluding value added tax and trade discounts. Turnover is recognised at the point of delivery.

1.10 Investments

Investments are stated at cost less provision for impairment.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

1. Accounting policies (continued)

1.11 Financial instruments

The group uses derivative financial instruments to hedge its exposure to fluctuations in foreign exchange rates. The instruments used to hedge future exposures are forward currency contracts.

Gains and losses on foreign currency hedges are recognised on maturity of the underlying transactions.

2. Turnover

A segmental analysis of turnover has not been given on the grounds that the directors consider that such disclosure would be seriously prejudicial to the interests of the group.

3. Administrative expenses

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Exceptional Restructuring of forward currency contracts	10,000,000	-
Administrative expenses	33,717,214	48,855,053
Total	43,717,214	48,855,053

During the year the group restructured its forward foreign currency contracts incurring a one-off cost of £10,000,000.

4. Directors' remuneration

The remuneration paid to the directors of Bulkhaul Limited was

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Fees for management services	588,340	919,376
Contributions to money purchase pension schemes	476,446	733,193

During the year retirement benefits were accruing to 4 directors (2011 - 4) in respect of defined contribution pension schemes.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

The highest paid director received remuneration of £355,973 (2011 - £463,248).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £36,362 (2011 - £50,625)

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Wages and salaries	12,425,954	18,198,676
Social security costs	1,494,804	2,496,150
Other pension costs	1,185,263	1,794,952
	15,106,021	22,489,778

The average monthly number of employees, including the executive directors, during the year was as follows

	Year ended 30 June 2012 No.	18 month period ended 30 June 2011 No.
Office and management	282	279
Drivers and mechanics	164	160
	446	439

6. Interest receivable

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Bank interest receivable	89,374	16,469

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

7. Interest payable

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
On bank loans and overdrafts	7,279,654	7,697,604
On finance leases and hire purchase contracts	1,458,522	2,096,280
	<u>8,738,176</u>	<u>9,793,884</u>

8. Operating profit

The operating profit is stated after charging/(crediting):

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Depreciation of tangible fixed assets		
- owned by the group	8,223,193	11,542,788
- held under finance leases	817,937	1,578,006
Operating lease rentals		
- plant and machinery	21,358	27,588
Difference on foreign exchange	(865,269)	(58,778)
Profit on sale of tangible assets	(375,139)	(218,099)
Profit on disposal of subsidiary undertakings	(594,217)	(690,733)
Exceptional Restructuring of forward currency contracts	10,000,000	-
	<u>10,000,000</u>	<u>-</u>

9. Auditors' remuneration

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	43,000	43,050
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	57,005	143,282
	<u>57,005</u>	<u>143,282</u>

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

10. Taxation

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	3,807,336	10,700,630
Adjustments in respect of prior periods	732,016	(25,843)
	<hr/>	<hr/>
Foreign tax on income for the year/period	4,539,352 151,414	10,674,787 222,818
	<hr/>	<hr/>
Total current tax	4,690,766	10,897,605
	<hr/>	<hr/>
Deferred tax (see note 18)		
Origination and reversal of timing differences	(1,433,573)	2,577,902
	<hr/>	<hr/>
Tax on profit on ordinary activities	3,257,193	13,475,507
	<hr/>	<hr/>

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

10. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2011 - *lower than*) the standard rate of corporation tax in the UK of 25.5% (2011 - 27.67%). The differences are explained below

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Profit on ordinary activities before tax	<u>23,201,578</u>	<u>59,571,905</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011 - 27.67%)	5,917,037	16,483,546
Effects of:		
Expenses not deductible for tax purposes	142,196	4,620,040
Accelerated capital allowances and other timing differences	(1,497,926)	(4,657,564)
Higher rate taxes on overseas earnings	150,022	-
Adjustments to tax charge in respect of prior periods	732,016	(25,843)
Short term timing difference leading to an increase (decrease) in taxation	577	-
Non-taxable income	(234,206)	-
Unrelieved overseas tax losses and excess foreign tax	1,392	48,466
Group relief	(520,342)	(5,571,040)
Current tax charge for the year/period (see note above)	<u>4,690,766</u>	<u>10,897,605</u>

The standard rate of corporation tax in the UK changed from 26% to 24% with effect from 1 April 2012. Accordingly the group's profits for this accounting period are taxed at an effective rate of 25.5%

11. Profit for the financial year

As permitted by s408 of the Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The holding company's profit for the financial period was £19,176,050 (2011 £46,820,586)

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

12. Tangible fixed assets

Group	Long leasehold land and freehold land and buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 July 2011	36,238,868	249,623,922	1,211,990	6,372,699	293,447,479
Additions	2,333,731	5,807,089	199,475	190,602	8,530,897
Disposals	(1,348,329)	(2,863,235)	(236,938)	(2,592,973)	(7,041,475)
At 30 June 2012	<u>37,224,270</u>	<u>252,567,776</u>	<u>1,174,527</u>	<u>3,970,328</u>	<u>294,936,901</u>
Depreciation					
At 1 July 2011	4,652,339	79,218,898	1,020,141	5,473,281	90,364,659
Charge for the year	769,549	7,796,081	167,646	307,854	9,041,130
On disposals	-	(2,586,632)	(236,110)	(2,592,588)	(5,415,330)
At 30 June 2012	<u>5,421,888</u>	<u>84,428,347</u>	<u>951,677</u>	<u>3,188,547</u>	<u>93,990,459</u>
Net book amount					
At 30 June 2012	<u>31,802,382</u>	<u>168,139,429</u>	<u>222,850</u>	<u>781,781</u>	<u>200,946,442</u>
At 30 June 2011	<u>31,586,529</u>	<u>170,405,024</u>	<u>191,849</u>	<u>899,418</u>	<u>203,082,820</u>

The net book amount of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2012 £	2011 £
Commercial vehicles and tanks	<u>32,352,431</u>	<u>66,487,947</u>

Long leasehold land and freehold land and buildings includes long leasehold land with a net book amount of £259,786 (2011: £262,370) and freehold land and buildings with a net book amount of £31,542,596 (2011: £31,324,159)

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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Company	Long leasehold land and freehold land and buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 July 2011	16,888,015	249,623,922	831,040	4,596,333	271,939,310
Additions	15,685	5,807,089	100,859	86,269	6,009,902
Disposals	-	(2,863,235)	(79,991)	(2,416,351)	(5,359,577)
At 30 June 2012	16,903,700	252,567,776	851,908	2,266,251	272,589,635
Depreciation					
At 1 July 2011	2,199,292	79,218,898	682,745	4,051,686	86,152,621
Charge for the year	323,107	7,796,081	129,287	192,255	8,440,730
On disposals	-	(2,586,632)	(79,162)	(2,416,348)	(5,082,142)
At 30 June 2012	2,522,399	84,428,347	732,870	1,827,593	89,511,209
Net book amount					
At 30 June 2012	14,381,301	168,139,429	119,038	438,658	183,078,426
At 30 June 2011	14,688,723	170,405,024	148,295	544,647	185,786,689

The net book amount of assets held under finance leases or hire purchase contracts, included above, are as follows

Company	2012 £	2011 £
Commercial vehicles and tanks	32,352,431	66,487,947

Long leasehold land and freehold land and buildings includes long leasehold land with a net book amount of £259,786 (2011: £262,370) and freehold land and buildings with a net book amount of £14,121,515 (2011: £14,426,353)

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

13. Fixed asset investments

Company	Investments in group undertakings £
Cost or valuation	
At 1 July 2011	11,976,335
Disposals	(12,753)
At 30 June 2012	<u>11,963,582</u>
Net book value	
At 30 June 2012	<u>11,963,582</u>
At 30 June 2011	<u>11,976,335</u>

During the year the company disposed to other group companies as part of the restructuring its investment in Fernando Holdings Limited, Chakalak Limited, Teesside Leasing Limited and Teesside Transport Services Limited for a total consideration of £12,802. A profit on disposal of £594,217 was recorded by the group.

Interests in group undertakings

Name of undertaking	Country of incorporation or registration	Percentage Shareholding	Principal activities
Held by the company:			
Bulkhaul International Limited	England and Wales	100	Holding company
Bulkhaul Belgium NV	Belgium	100	Tank container services
Bulkhaul (Italia) SRL	Italy	100	Tank container services
Bulkhaul (Singapore) PTE Limited	Singapore	100	Tank container services
Bulkhaul Korea Co Ltd	Korea	100	Tank container services
Bulkhaul Japan KK	Japan	100	Tank container services
Bulkhaul Brasil Ltd	Brazil	100	Tank container services
Held by subsidiaries:			
Bulkhaul (Germany) GmbH	Germany	100	Tank container services
Bulkhaul (USA) Incorporated	USA	100	Tank container services

The directors believe that the carrying value of investments is supported by their underlying net assets.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

14. Stocks

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Raw materials and consumables	433,444	495,872	361,223	426,682

15. Debtors

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Due after more than one year				
Amounts owed by group undertakings	102,070,631	-	102,070,631	-
Due within one year				
Trade debtors	31,250,681	32,720,502	31,250,681	32,720,502
Amounts owed by parent, fellow subsidiaries and subsidiary undertakings	1,986,232	72,925,931	3,422,502	74,912,138
Other debtors	1,065,840	1,089,850	817,606	886,646
Prepayments and accrued income	3,426,194	949,940	3,310,000	829,392
	139,799,578	107,686,223	140,871,420	109,348,678

At 30 June 2012, a loan to S Gibson, a director of the company, amounting to £nil (2011 £nil) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £nil (2011 £447,443).

At 30 June 2012, a loan to M O'Neill, a director of the company, amounting to £nil (2011 £nil) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £nil (2011 £324,731).

At 30 June 2012, a loan to T Jackson, a director of the company, amounting to £97,540 (2011 £nil) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £97,540 (2011 £nil).

At 30 June 2012, a loan to S M Coleby, a director of the company, amounting to £83,451 (2011 £nil) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £83,451 (2011 £nil).

At 30 June 2012, a loan to J G Trenholm, a director of the company, amounting to £130,940 (2011: £nil) was outstanding. The loan was interest free, and the maximum amount outstanding during the year was £130,940 (2011 £nil).

All of the above loans are in contravention of the Companies Act 2006.

Amounts owed by parent, fellow subsidiaries and subsidiary undertakings are unsecured, interest free and are repayable on demand.

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	26,584,558	11,977,422	24,500,000	9,806,308
Hire purchase and finance lease obligations	3,326,874	15,709,899	3,326,874	15,709,899
Trade creditors	7,345,144	9,446,118	7,201,949	9,369,719
Amounts owed to fellow subsidiaries and subsidiary undertakings	11,306,717	-	12,747,155	4,085,197
Corporation tax	6,770,549	7,781,257	6,770,549	7,781,257
Social security and other taxes	351,413	315,219	365,618	331,410
Overseas taxation payable	61,646	16,910	-	-
Other creditors	5,580,422	3,520,732	4,742,171	2,749,394
Accruals and deferred income	16,876,972	19,072,250	16,508,622	18,678,576
	78,204,295	67,839,807	76,162,938	68,511,760

Amounts owed to subsidiary undertakings are unsecured, interest free and have no fixed date of repayment.

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	102,793,638	54,806,209	100,000,000	50,003,256
Hire purchase and finance lease obligations	16,652,257	14,831,724	16,652,257	14,831,724
Other creditors	7,411,717	-	7,411,717	-
	126,857,612	69,637,933	124,063,974	64,834,980

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

**17. Creditors:
Amounts falling due after more than one year (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Between one and five years	16,652,257	14,831,724	16,652,257	14,831,724

The bank loans and overdraft are secured by fixed and floating charges over some of the group's land and buildings and tank containers

The loans carry fixed interest rates of between 4.75% and 10% and variable rates of between 0.75% and 10% above the base rate

Bank loans and overdrafts

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
One year or less or on demand	26,584,558	12,168,396	24,500,000	9,997,282
Between one and two years	15,202,246	18,852,209	14,000,000	16,849,068
Between two and five years	37,591,392	36,399,606	36,000,000	33,599,794
More than five years	50,000,000	-	50,000,000	-
Total borrowings	129,378,196	67,420,211	124,500,000	60,446,144
Unamortised issue costs	-	(636,580)	-	(636,580)
Total borrowings net of issue costs	129,378,196	66,783,631	124,500,000	59,809,564

18. Provision for liabilities : deferred taxation

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year/18 month period	27,602,374	25,023,438	27,594,761	25,015,588
Amount debited to profit and loss account	(1,433,573)	2,577,902	(1,432,181)	2,579,173
Exchange differences	(79)	1,034	-	-
At end of year/18 month period	26,168,722	27,602,374	26,162,580	27,594,761

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

18. Provision for liabilities : deferred taxation (continued)

The provision for deferred taxation is made up as follows

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Excess of capital allowances over depreciation	26,168,772	27,608,494	26,168,772	27,600,881
Short term timing differences	(50)	(6,120)	(6,192)	(6,120)
	<u>26,168,722</u>	<u>27,602,374</u>	<u>26,162,580</u>	<u>27,594,761</u>

The liabilities not recognised for deferred taxation are

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Capital gains	<u>588,790</u>	<u>637,855</u>	<u>588,790</u>	<u>637,855</u>

No provision (2011 £nil) has been made for deferred tax on gains made by a fellow subsidiary of The Gibson O'Neill Company group which have been rolled over into capital expenditure by the Bulkhaul group. Such tax would become payable only if the gains were realised by sale of these assets

A number of further changes to the UK corporation tax system were announced in the March 2012 UK Budget Statement. Changes to the corporation tax on 1 April 2012, substantively enacted on 26 March 2012, will reduce the rate to 24%, a 1% reduction from the rate substantively enacted on 5 July 2011. In addition changes to the corporation tax rate on 1 April 2013, substantively enacted on 3 July 2012, will reduce the rate to 23%, a 1% reduction from the rate substantively enacted on 26 March 2012.

Further reductions to the main rate are proposed to reduce the rate by 1% to 22% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The overall effect of the further changes from 24% to 22% if these applied to the deferred tax balance at the balance sheet date would be to reduce the deferred tax liability by £2,180,726 (being £1,090,363 for a reduction in the rate to 23% and a further £1,090,363 for a further reduction in the rate to 22%).

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

19. Called up share capital

Group and company

	2012 £	2011 £
Authorised, allotted, called up and fully paid		
25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

20. Reserves

	Capital reserve £	Profit and loss account £
Group		
At 1 July 2011	440	156,433,050
Profit for the year		19,944,385
Dividends Equity capital		(56,600,000)
	<u>440</u>	<u>119,777,435</u>
At 30 June 2012		
Company		
At 1 July 2011		156,579,084
Profit for the year		19,176,050
Dividends Equity capital		(56,600,000)
		<u>119,155,134</u>
At 30 June 2012		

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

21. Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Group		
Opening shareholders' funds	156,458,490	117,772,092
Profit for the year/period	19,944,385	46,096,398
Dividends (Note 22)	(56,600,000)	(7,410,000)
Closing shareholders' funds	<u>119,802,875</u>	<u>156,458,490</u>
	2012 £	2011 £
Company		
Opening shareholders' funds	156,604,084	117,193,498
Profit for the year/period	19,176,050	46,820,586
Dividends (Note 22)	(56,600,000)	(7,410,000)
Closing shareholders' funds	<u>119,180,134</u>	<u>156,604,084</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year/period dealt with in the accounts of the company was £19,176,050 (18 months ended 30 June 2011 - £46,820,586)

22. Dividends

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Ordinary shares		
Interim paid of £2,264 00 per share (2011 £296 40 per share)	<u>56,600,000</u>	<u>7,410,000</u>

No final dividend was proposed

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

23. Net cash flow from operating activities

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Operating profit	31,850,380	69,349,320
Depreciation of tangible fixed assets	9,041,130	13,120,794
Profit on disposal of tangible fixed assets	(969,356)	(908,832)
Decrease in stocks	62,428	1,321,230
Increase in debtors	(982,423)	(5,662,104)
Increase in amounts owed by group undertakings	(19,824,215)	(18,443,116)
Increase/(decrease) in creditors	2,655,987	(1,035,332)
Net cash inflow from operating activities	21,833,931	57,741,960

24. Analysis of cash flows for headings netted in cash flow statement

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Returns on investments and servicing of finance		
Interest received	89,619	16,221
Interest paid	(7,238,048)	(7,875,164)
Hire purchase interest	(1,443,841)	(2,110,184)
Net cash outflow from returns on investments and servicing of finance	(8,592,270)	(9,969,127)
	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Taxation		
Corporation tax	(475,000)	(1,219,416)
Net overseas tax paid	(103,861)	(257,105)
Net cash outflow from taxation	(578,861)	(1,476,521)

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

24. Analysis of cash flows for headings netted in cash flow statement (continued)

	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(8,530,897)	(24,848,270)
Sale of tangible fixed assets	652,955	637,372
Net cash outflow from capital expenditure	(7,877,942)	(24,210,898)
	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Acquisitions and disposals		
Purchase of share in associates'	-	932,000
	Year ended 30 June 2012 £	18 month period ended 30 June 2011 £
Financing		
Loans received	124,500,000	4,171,770
Repayment of loans	(62,542,015)	(16,140,083)
Inception of finance leases	4,746,938	24,621,252
Payment of principal under finance leases	(15,309,430)	(32,727,217)
Net cash inflow/(outflow) from financing	51,395,493	(20,074,278)

BULKHAUL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

25. Analysis of changes in net debt

	1 July 2011 £	Cash flow £	Other non-cash changes £	30 June 2012 £
Cash at bank and in hand	10,273,689	(419,649)	-	9,854,040
Debt:				
Finance leases	(30,541,623)	10,562,492	-	(19,979,131)
Debts due within one year	(11,977,422)	(61,957,985)	47,350,849	(26,584,558)
Debts falling due after more than one year	(54,806,209)	-	(47,987,429)	(102,793,638)
Net debt	(87,051,565)	(51,815,142)	(636,580)	(139,503,287)

26. Capital commitments

At 30 June 2012 the group and company had capital commitments as follows.

	<u>Group</u>		<u>Company</u>	
	2012 £	2011 £	2012 £	2011 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>6,560,590</u>	<u>11,764,096</u>	<u>6,560,590</u>	<u>11,764,096</u>

27. Pension commitments

The group operates two fully insured money purchase pension schemes. These are defined contribution pension schemes. The group has no liability other than to pay the employer's contributions to these schemes. The total pension cost for the group was £1,185,263 (2011 £1,794,952). At 30 June 2012 amounts owing in respect of pension contributions was £25,795 (2011 £23,534).

28. Financial commitments

At 30 June 2012 the group and company had no annual commitments under non-cancellable operating leases (2011 £Nil).

BULKHAUL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

29. Financial instruments

Fair value

	2012 £	2011 £
Forward currency transactions	(15,689,383)	(29,381,278)
Interest rate hedges	(13,379,739)	(3,331,216)

Forward currency transactions are derivative financial instruments held to hedge the currency exposure on future foreign currency transactions.

At the year end the mark to market value of the forward currency transactions was in favour of the bank due to a closing USD exchange rate of 1.5657 USD/£

30. Ultimate parent undertaking and controlling party

The directors regard The Gibson O'Neill Company Limited, as the ultimate parent undertaking, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of The Gibson O'Neill Company Limited's consolidated financial statements may be obtained from the company secretary, The Gibson O'Neill Company Limited, Brignell Road, Riverside Park Industrial Estate, Middlesbrough, TS2 1PS

The directors regard Mr S Gibson, the chairman of the company as the ultimate controlling party by virtue of his 75% interest in the equity capital of The Gibson O'Neill Company Limited.

31. Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard Number 8 "Related Party Disclosures" from the requirement to disclose transactions with its parent and fellow subsidiary undertakings

Other than as described in Note 15, there are no further related party transactions which fall to be disclosed under Financial Reporting Standard Number. 8.

32. Post balance sheet events

The directors of the Italian subsidiary company, Bulkhaul Italia SRL, concluded that the groups activities in Italy no longer justified a permanent establishment and therefore a decision has been taken to close the Italian subsidiary effective from 31 December 2012

33. Contingent liabilities

At 30 June 2012, Bulkhaul Limited has guaranteed bank and other borrowings of other group undertakings amounting to £4,878,196 (2011 £34,775,584)