

Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31st March 2012
for
M C STENNETT & SONS (HOLDINGS) LIMITED



Stacey & Partners
Registered Auditor
Chartered Accountants
87 Whiting Street
Bury St Edmunds
Suffolk
IP33 1PD

**Contents of the Consolidated Financial Statements
for the Year Ended 31st March 2012**

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M C STENNETT & SONS (HOLDINGS) LIMITED

**Company Information
for the Year Ended 31st March 2012**

| | |
|--------------------------------------|---|
| DIRECTORS. | Mr M C Stennett Mrs G M Stennett Mr C Stennett Mr F Stennett |
| SECRETARY. | Mrs G M Stennett |
| REGISTERED OFFICE: | The Coach House Park Farm Fornham St Genevieve Bury St Edmunds Suffolk IP28 6TS |
| REGISTERED NUMBER: | 02473100 (England and Wales) |
| SENIOR STATUTORY AUDITOR. | M A Wallace F C A |
| AUDITORS: | Stacey & Partners Registered Auditor Chartered Accountants 87 Whiting Street Bury St Edmunds Suffolk IP33 1PD |
| BANKERS: | Barclays Bank plc 20/21 Cornhill Bury St Edmunds Suffolk IP33 1DY |
| SOLICITORS: | Ashton KCJ 81 Guildhall Street Bury St Edmunds Suffolk IP33 1PZ |

**Report of the Directors
for the Year Ended 31st March 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2012

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of road haulage, storage and allied support services. The group is also involved in farming and letting property through its partnership interest (joint venture)

REVIEW OF BUSINESS

The directors are satisfied with both the trading performance of the group during the year to 31st March 2012 and the financial position as at that date

The group has experienced a contraction in turnover across all sectors of its businesses due to generally difficult trading conditions. However due to operating efficiency gains and a programme of cost reduction, set against upward pressure on fuel costs, the group's gross profit margin in its core businesses before financing costs and capital depreciation has risen slightly to 16.9% as against 16.8% in 2011. Adjusted for those capital financing elements the gross margin has shown a significant improvement to 8.5% from 7.4% in 2011. This is due in the main to a lower level of investment than in 2011.

A key ratio the directors keep under constant review is the fuel cost to haulage turnover (own vehicles) and this has seen some upward pressure during the year being 39.3% as against 39.2% in 2011.

The group's farming interests have achieved more modest returns due to less favourable market conditions in the agricultural sector and overall income from associated undertakings has reduced by 21% before tax.

The group has however remained profitable and it has achieved a pre-tax return on capital employed of 7.2% (2011 6.8%) which the directors consider is very satisfactory given the challenging trading conditions particularly in the haulage sector during the past few years.

Risk assessment

The group's financial and commercial risks are kept under regular review by the directors and senior management. Policies are in place to ensure such risks are minimised primarily through safe working practices, regular risk assessments and the maintenance and regular review of commercial insurance cover.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2012.

FUTURE DEVELOPMENTS

The directors aim to continue the trend to growth, in particular, growing the group's capital value and where appropriate, extending and rationalising investments consistent with overall business objectives.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2011 to the date of this report.

Mr M C Stennett
Mrs G M Stennett
Mr C Stennett
Mr F Stennett

**Report of the Directors
for the Year Ended 31st March 2012**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Stacey & Partners, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


Mrs G M Stennett - Secretary

Date 19-12-12

**Report of the Independent Auditors to the Members of
M C STENNETT & SONS (HOLDINGS) LIMITED**

We have audited the financial statements of M C Stennett & Sons (Holdings) Limited for the year ended 31st March 2012 on pages five to twenty one. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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

As explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 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.

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.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2012 and of the group's profit for the year then ended,
- the group financial statements 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

M A Wallace FCA (Senior Statutory Auditor)
for and on behalf of Stacey & Partners
Registered Auditor
Chartered Accountants
87 Whiting Street
Bury St Edmunds
Suffolk
IP33 1PD

Date 21-12-12

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number 02473100)

**Consolidated Profit and Loss Account
for the Year Ended 31st March 2012**

| | Notes | 2012 £ | 2011 £ |
|---|-------|------------------|------------------|
| TURNOVER group and share of joint venture | | 7,933,915 | 8,895,932 |
| Less share of joint venture's turnover | 9 | (517,369) | (547,127) |
| GROUP TURNOVER | | 7,416,546 | 8,348,805 |
| Cost of sales | | <u>6,160,879</u> | <u>6,942,408</u> |
| GROSS PROFIT | | 1,255,667 | 1,406,397 |
| Administrative expenses | | <u>1,040,942</u> | <u>1,258,987</u> |
| | | 214,725 | 147,410 |
| Other operating income | | <u>23,586</u> | <u>32,633</u> |
| GROUP OPERATING PROFIT | 3 | 238,311 | 180,043 |
| Income from interests in associated undertakings | 4 | | |
| Joint venture | | 133,411 | 202,869 |
| Associate | | <u>43,196</u> | <u>21,507</u> |
| | | 176,607 | 224,376 |
| Interest receivable and similar income | | | |
| Group | | 18,723 | 29,657 |
| Joint venture | | - | 19 |
| Associate | | <u>-</u> | <u>1</u> |
| | | 18,723 | 29,677 |
| Interest payable and similar charges | 5 | | |
| Group | | 70,886 | 94,245 |
| Joint venture | | 33,762 | 39,292 |
| Associate | | <u>1</u> | <u>-</u> |
| | | (104,649) | (133,537) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 328,992 | 300,559 |
| Tax on profit on ordinary activities | 6 | | |
| Group | | 120,261 | 68,644 |
| Associate | | <u>9,242</u> | <u>4,604</u> |
| | | 129,503 | 73,248 |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>199,489</u> | <u>227,311</u> |

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year

The notes on pages 9 to 21 form part of these financial statements

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number: 02473100)

**Consolidated Balance Sheet
31st March 2012**

| | Notes | 2012 £ | £ | 2011 £ | £ |
|--|-------|--------------------|-------------------------|--------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 2,198,626 | | 3,007,811 |
| Investments | | | | | |
| Interests in associated undertakings | | | | | |
| Investment in joint venture | 9 | | | | |
| Share of gross assets | | 2,711,115 | | 2,597,328 | |
| Share of gross liabilities | | <u>(1,199,018)</u> | | <u>(1,184,880)</u> | |
| | | 1,512,097 | | 1,412,448 | |
| Interest in associate | 9 | <u>284,703</u> | | <u>250,750</u> | |
| | | | 1,796,800 | | 1,663,198 |
| Investment property | 10 | | <u>220,000</u> | | <u>220,000</u> |
| | | | 4,215,426 | | 4,891,009 |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 110,920 | | 151,237 | |
| Debtors | 12 | 2,054,164 | | 2,392,785 | |
| Cash at bank and in hand | | <u>311,171</u> | | <u>118,815</u> | |
| | | 2,476,255 | | 2,662,837 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | <u>1,678,072</u> | | <u>2,212,029</u> | |
| NET CURRENT ASSETS | | | <u>798,183</u> | | <u>450,808</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 5,013,609 | | 5,341,817 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 14 | | (282,045) | | (833,642) |
| PROVISIONS FOR LIABILITIES | 18 | | <u>(141,900)</u> | | <u>(118,000)</u> |
| NET ASSETS | | | <u><u>4,589,664</u></u> | | <u><u>4,390,175</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 19 | | 1,000 | | 1,000 |
| Share premium | 20 | | 208,072 | | 208,072 |
| Revaluation reserve | 20 | | 115,678 | | 115,678 |
| Profit and loss account | 20 | | <u>4,264,914</u> | | <u>4,065,425</u> |
| SHAREHOLDERS' FUNDS | 24 | | <u><u>4,589,664</u></u> | | <u><u>4,390,175</u></u> |

The financial statements were approved by the Board of Directors 19-12-12, and were signed on its behalf by



Mr M C Stennett - Director

The notes on pages 9 to 21 form part of these financial statements

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number: 02473100)

**Company Balance Sheet
31 March 2012**

| | Notes | 2012 | | 2011 | |
|--|-------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | | 324 | | 382 |
| Investments | 9 | | 1,931,754 | | 1,832,105 |
| Investment property | 10 | | <u>220,000</u> | | <u>220,000</u> |
| | | | 2,152,078 | | 2,052,487 |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 964,643 | | 1,095,063 | |
| Cash at bank | | <u>5,037</u> | | <u>19</u> | |
| | | 969,680 | | 1,095,082 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | <u>625,451</u> | | <u>766,580</u> | |
| NET CURRENT ASSETS | | | <u>344,229</u> | | <u>328,502</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,496,307</u> | | <u>2,380,989</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 19 | | 1,000 | | 1,000 |
| Revaluation reserve | 20 | | 79,904 | | 79,904 |
| Merger reserve | 20 | | 258,482 | | 258,482 |
| Profit and loss account | 20 | | <u>2,156,921</u> | | <u>2,041,603</u> |
| SHAREHOLDERS' FUNDS | 24 | | <u>2,496,307</u> | | <u>2,380,989</u> |

The financial statements were approved by the Board of Directors on 19-12-12 and were signed on its behalf by



Mr M C Stennett - Director

The notes on pages 9 to 21 form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2012**

| | Notes | 2012 £ | 2011 £ |
|--|-------|------------------|------------------|
| Net cash inflow from operating activities | 25 | 735,655 | 955,799 |
| Returns on investments and servicing of finance | 26 | (52,163) | (64,588) |
| Taxation | | (54,045) | (50,833) |
| Capital expenditure | 26 | <u>298,265</u> | <u>54,453</u> |
| | | 927,712 | 894,831 |
| Management of liquid resources | 26 | 5,050 | (50,000) |
| Financing | 26 | <u>(789,820)</u> | <u>(751,781)</u> |
| Increase in cash in the period | | <u>142,942</u> | <u>93,050</u> |

**Reconciliation of net cash flow
to movement in net debt**

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| | | |
|---|------------------|------------------|
| Increase in cash in the period | 142,942 | 93,050 |
| Cash outflow from decrease in debt and lease financing | <u>784,770</u> | <u>801,781</u> |
| Change in net debt resulting from cash flows | 927,712 | 894,831 |
| New finance leases | - | (1,291,714) |
| Group expenditure paid by Participating Interests | <u>(55,987)</u> | <u>(52,628)</u> |
| Movement in net debt in the period | 871,725 | (449,511) |
| Net debt at 1 April | <u>(828,286)</u> | <u>(378,775)</u> |
| Net debt at 31 March | <u>43,439</u> | <u>(828,286)</u> |

The notes on pages 9 to 21 form part of these financial statements

**Notes to the Consolidated Financial Statements
for the Year Ended 31st March 2012**

I ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with the Companies Act 2006 and with applicable accounting standards

Comparative figures have been stated on a basis consistent with current year disclosure

Basis of consolidation

The financial statements contain information about M C Stennett & Sons (Holdings) Ltd as a group and are prepared in accordance with FRS 2 'Accounting for Subsidiary Undertakings' The group's interest in its associate and joint venture is accounted for under the equity and gross equity accounting method in accordance with FRS 9 'Associates and Joint Ventures'

Turnover

Turnover represents the total value, excluding value added tax, of services provided to customers which fall within the group's ordinary activities

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|------------------------|---------------------------------|
| Leasehold improvements | - 10 to 25% on cost |
| Plant and machinery, | - 10 to 33% on cost |
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles | - 20 to 25% on reducing balance |

Investment property

In accordance with Statement of Standard Accounting Practice 19, investment property is stated at open market value at the balance sheet date and is not depreciated Surpluses and deficits on revaluation are taken to the investment revaluation reserve, except for permanent deficits below original cost that are charged to the profit and loss account

In that no depreciation is charged, this is a departure from the requirements of the Companies Act 2006 The directors opinion is that to charge depreciation (a measure of consumption) would not produce a true and fair view given that the property is held for investment

The amount of depreciation cannot be reasonably quantified and is not separately disclosed

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

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, with the following exception

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and depreciated over their estimated 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

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012**

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments (continued)

and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the year. Contributions relate to the death benefits part of the directors scheme, contributions providing pension benefits are suspended

2 STAFF COSTS

| | 2012 £ | 2011 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 1,416,175 | 1,456,494 |
| Social security costs | 133,039 | 140,400 |
| Other pension costs | 1,047 | 1,047 |
| | <u>1,550,261</u> | <u>1,597,941</u> |

The average monthly number of employees during the year was as follows

| | 2012 | 2011 |
|---|-----------|-----------|
| Transport, storage and support services | 44 | 43 |
| Management and administration | 11 | 12 |
| | <u>55</u> | <u>55</u> |

3 GROUP OPERATING PROFIT

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

| | 2012 £ | 2011 £ |
|--|--------------|--------------|
| Operating lease rentals - plant and machinery | 47,671 | - |
| Other hire of vehicles and equipment | - | 1,704 |
| Depreciation - owned assets | 184,311 | 249,061 |
| Depreciation - assets on hire purchase contracts | 460,745 | 487,920 |
| Profit on disposal of fixed assets | (89,033) | (48,746) |
| Auditors' remuneration | 13,805 | 16,245 |
| Auditors remuneration for non audit work | 2,568 | 3,016 |
| Foreign exchange differences | <u>1,690</u> | <u>-</u> |
| Directors' remuneration | 15,218 | 29,427 |
| Directors' pension contributions to money purchase schemes | <u>1,047</u> | <u>1,047</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |
|------------------------|----------|----------|

4 INCOME FROM INTERESTS IN ASSOCIATED UNDERTAKINGS

The group has a first charge of £30,000 and an interest of 50% of the residual profits after charges in its joint venture, Genevieve Farms and a 30.6% interest in the net profits/(losses) of its associate J R Stennett (Holdings) Ltd

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number: 02473100)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012**

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2012 | 2011 |
|------------------------|----------------|----------------|
| | £ | £ |
| Bank interest | 31,388 | 35,775 |
| Bank charges | 6,269 | 6,503 |
| Hire purchase interest | 66,991 | 90,456 |
| Other loan interest | <u>1</u> | <u>803</u> |
| | <u>104,649</u> | <u>133,537</u> |

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | 2012 | 2011 |
|---|----------------|-----------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profit on ordinary activities | 104,154 | 117,112 |
| UK corporation tax overprovision in prior years | - | (3,764) |
| Deferred taxation | <u>25,349</u> | <u>(40,100)</u> |
| Tax on profit on ordinary activities | <u>129,503</u> | <u>73,248</u> |

UK corporation tax has been charged at 26% (2011 - 28%)

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

| | 2012 | 2011 |
|--|----------------|----------------|
| | £ | £ |
| Profit on ordinary activities before tax | <u>328,992</u> | <u>300,559</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%) | 85,538 | 84,157 |
| Effects of | | |
| Small companies marginal relief | (10,671) | (10,687) |
| Capital allowances in excess of depreciation | 28,990 | 37,188 |
| Net expenses not deductible | 980 | 241 |
| Adjustments to profit of Joint Venture | (683) | 6,213 |
| Adjustment to tax charge for previous periods | - | (3,764) |
| Deferred taxation - Group | 23,900 | (40,100) |
| Deferred taxation - Associate | <u>1,449</u> | <u>-</u> |
| Current tax charge | <u>129,503</u> | <u>73,248</u> |

7 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £115,318 (2011 - £150,007)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2012

8 TANGIBLE FIXED ASSETS

Group

| | Leasehold improvements £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|--------------------------------|-----------------------------|----------------------------------|------------------------|------------------|
| COST | | | | | |
| At 1 April 2011 | 754,829 | 855,749 | 1,895 | 4,112,846 | 5,725,319 |
| Additions | - | 368,312 | - | 49,000 | 417,312 |
| Disposals | - | (313,657) | - | (821,224) | (1,134,881) |
| At 31 March 2012 | <u>754,829</u> | <u>910,404</u> | <u>1,895</u> | <u>3,340,622</u> | <u>5,007,750</u> |
| DEPRECIATION | | | | | |
| At 1 April 2011 | 431,645 | 403,592 | 1,513 | 1,880,758 | 2,717,508 |
| Charge for year | 72,209 | 129,006 | 58 | 443,783 | 645,056 |
| Eliminated on disposal | - | (83,457) | - | (469,983) | (553,440) |
| At 31 March 2012 | <u>503,854</u> | <u>449,141</u> | <u>1,571</u> | <u>1,854,558</u> | <u>2,809,124</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2012 | <u>250,975</u> | <u>461,263</u> | <u>324</u> | <u>1,486,064</u> | <u>2,198,626</u> |
| At 31 March 2011 | <u>323,184</u> | <u>452,157</u> | <u>382</u> | <u>2,232,088</u> | <u>3,007,811</u> |

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

| | Plant and machinery £ | Motor vehicles £ | Totals £ |
|-----------------------|-----------------------------|------------------------|------------------|
| COST | | | |
| At 1 April 2011 | 294,217 | 2,793,218 | 3,087,435 |
| Additions | 366,602 | - | 366,602 |
| Transfer to ownership | (294,217) | (603,008) | (897,225) |
| At 31 March 2012 | <u>366,602</u> | <u>2,190,210</u> | <u>2,556,812</u> |
| DEPRECIATION | | | |
| At 1 April 2011 | 34,325 | 818,458 | 852,783 |
| Charge for year | 54,923 | 405,822 | 460,745 |
| Transfer to ownership | (58,843) | (276,416) | (335,259) |
| At 31 March 2012 | <u>30,405</u> | <u>947,864</u> | <u>978,269</u> |
| NET BOOK VALUE | | | |
| At 31 March 2012 | <u>336,197</u> | <u>1,242,346</u> | <u>1,578,543</u> |
| At 31 March 2011 | <u>259,892</u> | <u>1,974,760</u> | <u>2,234,652</u> |

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number. 02473100)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2012**

8 TANGIBLE FIXED ASSETS - continued

Company

| | Fixtures and fittings £ |
|--------------------------------------|----------------------------------|
| COST | |
| At 1 April 2011 and 31 March 2012 | <u>1,895</u> |
| DEPRECIATION | |
| At 1 April 2011 | 1,513 |
| Charge for year | <u>58</u> |
| At 31 March 2012 | <u>1,571</u> |
| NET BOOK VALUE | |
| At 31 March 2012 | <u>324</u> |
| At 31 March 2011 | <u>382</u> |

9 FIXED ASSET INVESTMENTS

| Group | Interest in Associate £ | Interest in Joint Venture £ | Totals £ |
|---|----------------------------------|--------------------------------------|------------------|
| Interest in net assets of Associate at 1 April 2011 | 315,565 | - | - |
| Negative goodwill on acquisition of Associate | <u>(64,815)</u> | - | - |
| Book value at 1 April 2011 | 250,750 | 1,412,448 | 1,663,198 |
| Share of post acquisition profit for the year | <u>33,953</u> | <u>99,649</u> | <u>133,602</u> |
| At 31 March 2012 | <u>284,703</u> | <u>1,512,097</u> | <u>1,796,800</u> |
| NET BOOK VALUE | | | |
| At 31 March 2012 | <u>284,703</u> | <u>1,512,097</u> | <u>1,796,800</u> |
| At 31 March 2011 | <u>250,750</u> | <u>1,412,448</u> | <u>1,663,198</u> |

The interest in the group's associated company comprises

| | 2012 £ | 2011 £ |
|-----------------------------|----------------|----------------|
| Cost of acquisition | 160,175 | 160,175 |
| Share of property valuation | 35,775 | 35,775 |
| Post-acquisition profits | <u>88,753</u> | <u>54,800</u> |
| | <u>284,703</u> | <u>250,750</u> |

Negative goodwill will be released to the profit and loss account when the underlying assets are realised

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012

9 **FIXED ASSET INVESTMENTS - continued**

Interest in Joint Venture

The group's interest in the partnership, Genevieve Farms comprises

| | 2012 £ | 2011 £ |
|---------------------------------|------------------|------------------|
| Turnover | <u>517,369</u> | <u>547,127</u> |
| Profit before tax | <u>99,649</u> | <u>163,596</u> |
| Share of gross assets | | |
| Fixed assets | 2,247,981 | 2,177,913 |
| Current assets | <u>463,134</u> | <u>419,415</u> |
| | <u>2,711,115</u> | <u>2,597,328</u> |
| Share of gross liabilities | | |
| Liabilities due within one year | 558,363 | 367,783 |
| Liabilities due after one year | <u>640,655</u> | <u>817,097</u> |
| | <u>1,199,018</u> | <u>1,184,880</u> |

Company

| | Shares in group undertaking £ | Interest in Associate £ | Interest in Joint Venture £ | Totals £ |
|-----------------------|--|----------------------------------|--------------------------------------|------------------|
| COST | | | | |
| At 1 April 2011 | 259,482 | 160,175 | 1,412,448 | 1,832,105 |
| Additions | <u>-</u> | <u>-</u> | <u>99,649</u> | <u>99,649</u> |
| At 31 March 2012 | <u>259,482</u> | <u>160,175</u> | <u>1,512,097</u> | <u>1,931,754</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2012 | <u>259,482</u> | <u>160,175</u> | <u>1,512,097</u> | <u>1,931,754</u> |
| At 31 March 2011 | <u>259,482</u> | <u>160,175</u> | <u>1,412,448</u> | <u>1,832,105</u> |

The group or the company's investments at the balance sheet date in the share capital of companies include the following (and these results have been consolidated in the group's financial statements)

Subsidiary

M C Stennett & Sons Limited

Nature of business Road haulage and storage

Class of shares Ordinary

Holding 100%

| | 2012 £ | 2011 £ |
|--------------------------------|------------------|------------------|
| Aggregate capital and reserves | <u>2,228,310</u> | <u>2,178,093</u> |
| Profit for the year | <u>50,218</u> | <u>60,400</u> |

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number 02473100)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012**

9 FIXED ASSET INVESTMENTS - continued

Joint Venture

Interest in a joint venture comprises a 50% share in Genevieve Farms, a farming partnership based at Park Farm, Fornham St Genevieve, Bury St Edmunds, Suffolk

The aggregate capital and the results of this undertaking for the last relevant financial year are as follows

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| Capital as at 31 st March 2012 | <u>9,303,630</u> | <u>9,156,241</u> |
| Profit for the year | <u>216,299</u> | <u>329,191</u> |

Associated Company

J R Stennett (Holdings) Limited

Nature of business Non-trading holding company

Class of shares Ordinary
Holding 30 6%

| | 2012 £ | 2011 £ |
|--------------------------------|----------------|---------------|
| Aggregate capital and reserves | <u>497,006</u> | <u>87,168</u> |
| Profit for the year | <u>409,838</u> | <u>-</u> |

10 INVESTMENT PROPERTY

Group

VALUATION

At 1st April 2011
and 31st March 2012

Total
£

220,000

NET BOOK VALUE

At 31st March 2012

220,000

At 31st March 2011

220,000

Company

VALUATION

At 1st April 2011
and 31st March 2012

Total
£

220,000

NET BOOK VALUE

At 31st March 2012

220,000

At 31st March 2011

220,000

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012

10 INVESTMENT PROPERTY - continued

Company

Cost or valuation at 31st March 2012 is represented by

| | |
|-------------------|----------------|
| | £ |
| Valuation in 2003 | 59,904 |
| Valuation in 2006 | 20,000 |
| Cost | <u>140,096</u> |
| | <u>220,000</u> |

If the investment property had not been re-valued it would have been included at the following historical cost

| | 2012 | 2011 |
|------|----------------|----------------|
| | £ | £ |
| Cost | <u>140,096</u> | <u>140,096</u> |

Investment property was valued on an open market basis on 31st March 2006 by the directors and reviewed in 2012. If the property was realised at that value the tax liability arising is estimated at £7,000

11 STOCKS

| | Group | |
|--------------------------|----------------|----------------|
| | 2012 | 2011 |
| | £ | £ |
| Stocks - fuel and spares | <u>110,920</u> | <u>151,237</u> |

12 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|----------------|------------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Trade debtors | 1,005,082 | 1,160,860 | - | - |
| Amounts owed by participating interests | 992,831 | 1,124,298 | 964,643 | 1,095,063 |
| Staff loans | - | 50 | - | - |
| Prepayments and accrued income | <u>56,251</u> | <u>107,577</u> | <u>-</u> | <u>-</u> |
| | <u>2,054,164</u> | <u>2,392,785</u> | <u>964,643</u> | <u>1,095,063</u> |

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | £ | £ | £ | £ |
| Bank loans and overdrafts (see note 15) | 157,583 | 108,169 | - | - |
| Hire purchase contracts (see note 16) | 514,365 | 752,588 | - | - |
| Payments on account | 500 | 500 | 500 | 500 |
| Trade creditors | 386,309 | 606,805 | - | - |
| Amounts owed to group undertakings | - | - | 289,213 | 329,213 |
| Amounts owed to participating interests | 304,920 | 377,000 | 304,920 | 377,000 |
| Corporation Tax | 92,064 | 108,212 | 27,858 | 54,167 |
| PAYE and other taxes | 148,324 | 151,075 | - | - |
| Other creditors | 2,000 | 2,000 | - | - |
| Accruals and deferred income | <u>72,007</u> | <u>105,680</u> | <u>2,960</u> | <u>5,700</u> |
| | <u>1,678,072</u> | <u>2,212,029</u> | <u>625,451</u> | <u>766,580</u> |

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number: 02473100)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2012**

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | |
|---------------------------------------|----------------|----------------|
| | 2012 | 2011 |
| | £ | £ |
| Hire purchase contracts (see note 16) | <u>282,045</u> | <u>833,642</u> |

15 LOANS

An analysis of the maturity of loans is given below

| | Group | |
|--|----------------|----------------|
| | 2012 | 2011 |
| | £ | £ |
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | <u>157,583</u> | <u>108,169</u> |

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

Group

| | Hire purchase contracts | |
|----------------------------|--------------------------------|------------------|
| | 2012 | 2011 |
| | £ | £ |
| Net obligations repayable | | |
| Within one year | 514,365 | 752,588 |
| Between one and five years | <u>282,045</u> | <u>833,642</u> |
| | <u>796,410</u> | <u>1,586,230</u> |

17 SECURED DEBTS

The following secured debts are included within creditors

| | Group | |
|-------------------------|----------------|------------------|
| | 2012 | 2011 |
| | £ | £ |
| Bank overdrafts | 157,583 | 108,169 |
| Hire purchase contracts | <u>796,410</u> | <u>1,586,230</u> |
| | <u>953,993</u> | <u>1,694,399</u> |

The bank overdraft facility is secured by a personal guarantee given by Mr M C Stennett for £175,000
Finance lease and hire purchase creditors are secured on the underlying tangible fixed assets

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012

18 PROVISIONS FOR LIABILITIES

| | Group | |
|--------------------------------|----------------|----------------|
| | 2012 | 2011 |
| | £ | £ |
| Deferred tax | | |
| Accelerated capital allowances | <u>141,900</u> | <u>118,000</u> |

| Group | Accelerated Capital allowances £ |
|------------------------------|--|
| Balance at 1st April 2011 | 118,000 |
| Origination/reversal changes | 42,810 |
| Change of tax rate | <u>(18,910)</u> |
| Balance at 31st March 2012 | <u>141,900</u> |

19 CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid | | | | 2012 | 2011 |
|---------------------------------|-------|-------|----------|--------------|--------------|
| | | | | £ | £ |
| Number | 1,000 | Class | ordinary | <u>1,000</u> | <u>1,000</u> |
| Nominal value £1 | | | | | |

20 RESERVES

| Group | Profit and loss account £ | Share premium £ | Revaluation reserve £ | Totals £ |
|---------------------|------------------------------------|-----------------------|-----------------------------|------------------|
| At 1 April 2011 | 4,065,425 | 208,072 | 115,678 | 4,389,175 |
| Profit for the year | <u>199,489</u> | | | <u>199,489</u> |
| At 31 March 2012 | <u>4,264,914</u> | <u>208,072</u> | <u>115,678</u> | <u>4,588,664</u> |

| Company | Profit and loss account £ | Revaluation reserve £ | Merger reserve £ | Totals £ |
|---------------------|------------------------------------|-----------------------------|------------------------|------------------|
| At 1 April 2011 | 2,041,603 | 79,904 | 258,482 | 2,379,989 |
| Profit for the year | <u>115,318</u> | | | <u>115,318</u> |
| At 31 March 2012 | <u>2,156,921</u> | <u>79,904</u> | <u>258,482</u> | <u>2,495,307</u> |

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number: 02473100)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012**

21 CAPITAL COMMITMENTS

| | 2012 £ | 2011 £ |
|---|---------------|----------------|
| Contracted but not provided for in the financial statements | <u>24,000</u> | <u>325,135</u> |

At 31st March 2012 the company had annual commitments under non-cancellable operating leases as follows

| | Plant and machinery 2012 £ | 2011 £ |
|-----------------------------------|----------------------------------|-----------|
| Expiry date Less than one year | <u>97,240</u> | <u>-</u> |

22 RELATED PARTY DISCLOSURES

Genevieve Farms

Partnership controlled by Mr M C and Mrs G M Stennett

During the year the group had the following transactions with Genevieve Farms

| | 2012 £ | 2011 £ |
|--|-----------|-----------|
| Rental income recharged to group | 5,500 | 6,000 |
| Purchases and expenses charged to group | 85,671 | 153,417 |
| Expenses recharged by group | 35,077 | 20,796 |
| Sales to related party | 52,801 | 52,375 |
| Profit share from interest in partnership | 99,649 | 163,596 |
| Loans to related party | 200,000 | 450,000 |
| Loans repaid by related party | 205,050 | 400,000 |
| Financing costs paid on behalf of J R Stennett Ltd | 72,080 | - |

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| Amount due from related party at the balance sheet date | <u>1,013,281</u> | <u>1,133,702</u> |

J R Stennett Limited wholly owned by J R Stennett (Holdings) Limited

Controlled by Mr M C Stennett

During the year the following transactions were made

| | 2012 £ | 2011 £ |
|--|-----------|-----------|
| Purchases by group | 16,647 | 14,387 |
| Equipment financing costs paid on behalf of related party by Genevieve Farms and accounted for via the group's loan accounts with these entities | 72,080 | - |
| Loan from related party | - | 10,000 |

| | 2012 £ | 2011 £ |
|---|----------------|----------------|
| Amount due to related party at the balance sheet date | <u>305,400</u> | <u>377,000</u> |

Ingham Place Farms

A partnership controlled by M C Stennett

The group had the following transactions during the year

| | 2012 £ | 2011 £ |
|--|-----------|-----------|
| Sales to related party | 2,020 | 2,337 |
| Rent paid to related party | 20,800 | 20,800 |
| Management charges made by related party | 22,692 | 7,456 |
| Other purchases from related party | 264 | 264 |

| | 2012 £ | 2011 £ |
|---|--------------|--------------|
| Amount due to related party at the balance sheet date | <u>2,359</u> | <u>3,123</u> |

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012**

23 ULTIMATE CONTROLLING PARTY

Mr M C Stennett controls the group by virtue of his majority shareholding

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

| | 2012 | 2011 |
|-------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Profit for the financial year | <u>199,489</u> | <u>227,311</u> |
| Net addition to shareholders' funds | 199,489 | 227,311 |
| Opening shareholders' funds | <u>4,390,175</u> | <u>4,162,864</u> |
| Closing shareholders' funds | <u><u>4,589,664</u></u> | <u><u>4,390,175</u></u> |

Company

| | 2012 | 2011 |
|-------------------------------------|-------------------------|-------------------------|
| | £ | £ |
| Profit for the financial year | <u>115,318</u> | <u>150,007</u> |
| Net addition to shareholders' funds | 115,318 | 150,007 |
| Opening shareholders' funds | <u>2,380,989</u> | <u>2,230,982</u> |
| Closing shareholders' funds | <u><u>2,496,307</u></u> | <u><u>2,380,989</u></u> |

25 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2012 | 2011 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Operating profit | 238,311 | 180,043 |
| Depreciation charges | 645,056 | 736,981 |
| Profit on disposal of fixed assets | (89,033) | (48,746) |
| Received by non-group interests | (2,477) | (1,966) |
| Decrease/(increase) in stocks | 40,317 | (40,349) |
| Decrease in debtors | 162,052 | 26,838 |
| Increase/(Decrease) in creditors | <u>(258,571)</u> | <u>102,998</u> |
| Net cash inflow from operating activities | <u><u>735,655</u></u> | <u><u>955,799</u></u> |

M C STENNETT & SONS (HOLDINGS) LIMITED (Registered number. 02473100)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31st March 2012**

26 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 2012 £ | 2011 £ |
|---|------------------|------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 18,723 | 29,657 |
| Interest paid | (3,895) | (3,789) |
| Interest element of hire purchase payments | <u>(66,991)</u> | <u>(90,456)</u> |
| Net cash outflow for returns on investments and servicing of finance | <u>(52,163)</u> | <u>(64,588)</u> |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (54,735) | (277,097) |
| Sale of tangible fixed assets | <u>353,000</u> | <u>331,550</u> |
| Net cash inflow for capital expenditure | <u>298,265</u> | <u>54,453</u> |
| Management of liquid resources | | |
| Loans from/(to) participating interests | <u>5,050</u> | <u>(50,000)</u> |
| Net cash inflow/(outflow) from management of liquid resources | <u>5,050</u> | <u>(50,000)</u> |
| Financing | | |
| Capital repayments in year | <u>(789,820)</u> | <u>(751,781)</u> |
| Net cash outflow from financing | <u>(789,820)</u> | <u>(751,781)</u> |

27 ANALYSIS OF CHANGES IN NET DEBT

| | At 1 4 11 £ | Cash flow £ | Other non-cash changes £ | At 31 3 12 £ |
|--------------------------------------|------------------|-----------------|-----------------------------------|--------------------|
| Net cash | | | | |
| Cash at bank and in hand | 118,815 | 192,356 | | 311,171 |
| Bank overdraft | <u>(108,169)</u> | <u>(49,414)</u> | | <u>(157,583)</u> |
| | <u>10,646</u> | <u>142,942</u> | | <u>153,588</u> |
| Debt | | | | |
| Hire purchase | (1,586,230) | 789,820 | - | (796,410) |
| Debts falling due within one year | <u>747,298</u> | <u>(5,050)</u> | <u>(55,987)</u> | <u>686,261</u> |
| | <u>(838,932)</u> | <u>784,770</u> | <u>(55,987)</u> | <u>(110,149)</u> |
| Total | <u>(828,286)</u> | <u>927,712</u> | <u>(55,987)</u> | <u>43,439</u> |

28 MATERIAL TRANSACTIONS NOT RESULTING IN A MOVEMENT OF CASH

Net loans from Genevieve Farms amounting to £72,080 (2011 to Genevieve Farms £10,000) and loans to J R Stennett Ltd of £72,080 (2011 from J R Stennett Ltd £10,000) were accounted for via inter-entity current account movements

The Company's share of profits from Genevieve Farms of £99,649 (2011 £163,596) was accounted for by way of an addition to the Genevieve Farms fixed asset investment account

Corporation tax of £58,463 (2011 £54,594) was paid by Genevieve Farms and accounted for through the partnership current account

This page does not form part of the statutory financial statements