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SCOTT-MONCRIEFF

EDINBURGH AND GLASGOW

MACASKILL HAULAGE LIMITED

Registered number SC 215632

Director's Report and Financial Statements

For the year ended 31 March 2006



MACASKILL HAULAGE LIMITED

Financial Statements

For the year ended 31 March 2006

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MACASKILL HAULAGE LIMITED

Company Information

Director

Donald Roderick Murray

Secretary

SF Secretaries Limited

Registered office

130 St Vincent Street
Glasgow
G2 5HF

Registered number

SC 215632

Auditors

Scott Moncrieff
Chartered Accountants
Registered Auditor
25 Bothwell Street
Glasgow
G2 6NL

Solicitor

Semple Fraser W S
130 St Vincent Street
Glasgow
G2 5HF

Principal banker

The Royal Bank of Scotland
17 North Beach Street
Stornoway
Isle of Lewis
HS1 2XH

MACASKILL HAULAGE LIMITED

Report of the Director

The director presents his report and the audited financial statements for the year ended 31 March 2006

Principal activity

The principal activity and core business of the company continued to be road haulage contracting

Review of business

The net loss after providing for taxation amounted to £228,040

Dividends

The director does not recommend the payment of a dividend for the year

Land and buildings

In the opinion of the director, the market value of land and buildings is not materially different from their book value

Director and his interests

The director in office and his beneficial interests in the share capital of the company at the beginning of the year and balance sheet date were as follows

Ordinary Shares of £1 each

	31 March 2006	1 April 2005
Donald Roderick Murray	10,000	10,000

Statement of director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors

As far as the director at the time the report is approved is aware

- a) there is no relevant information of which the company's auditors are unaware and
- b) the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of the information

Auditors

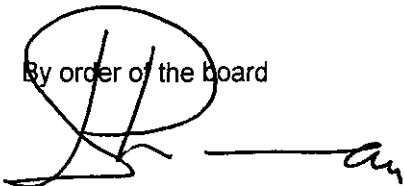
A resolution to re appoint Scott Moncrieff, Chartered Accountants, as auditors will be put to members at the annual general meeting

MACASKILL HAULAGE LIMITED

Report of the Director

For the year ended 31 March 2006

By order of the board



Donald Roderick Murray
Director

24 November 2006

MACASKILL HAULAGE LIMITED

Independent auditors' report to the shareholders of Macaskill Haulage Limited

We have audited the financial statements of Macaskill Haulage Limited for the year ended 31 March 2006 set out on pages 5 to 13. These financial statements have been prepared under the accounting policies set out on page 7.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the Director's report is consistent with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its loss for the year then ended and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the director's report is consistent with the financial statements



Scott Moncrieff
Chartered Accountants
Registered Auditors
25 Bothwell Street
Glasgow
G2 6NL

27 November 2006

MACASKILL HAULAGE LIMITED

Profit and Loss Account

For the year ended 31 March 2006

	Note	2006 £	2005 £
Turnover		4,419,125	4,693,309
Cost of sales		<u>3,970,136</u>	<u>4,041,249</u>
Gross profit		448,989	652,060
Administrative expenses		<u>577,947</u>	<u>631,314</u>
Operating (loss)/profit	2	(128,958)	20,746
Interest payable and similar charges	5	<u>(160,116)</u>	<u>(147,855)</u>
Loss on ordinary activities before taxation		(289,074)	(127,109)
Taxation	6	<u>(61,034)</u>	<u>(16,327)</u>
Loss on ordinary activities after taxation		<u><u>(228,040)</u></u>	<u><u>(110,782)</u></u>

None of the company's activities were acquired or discontinued during the above two years

There were no recognised gains and losses for the above two years other than those included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

MACASKILL HAULAGE LIMITED

Balance Sheet

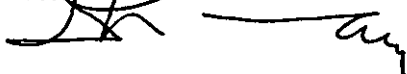
At 31 March 2006

	Note	£	2006 £	£	2005 £
Fixed assets					
Intangible assets	7		369,516		394,020
Tangible assets	8		1,582,004		1,677,202
			<u>1,951,520</u>		<u>2,071,222</u>
Current assets					
Stocks	9	67,196		39,281	
Debtors	10	881,143		793,003	
Cash at bank and in hand		2,757		325	
			<u>951,096</u>	<u>832,609</u>	
Creditors amounts falling due within one year	11	(1,570,277)		(1,455,073)	
Net current liabilities			<u>(619,181)</u>		<u>(622,464)</u>
Total assets less current liabilities			<u>(1,332,339)</u>		<u>(1,448,758)</u>
Creditors amounts falling due after more than one year	12		(1,428,877)		(1,256,464)
Provisions for liabilities and charges	13				(60,792)
Net (liabilities)/assets			<u><u>(96,538)</u></u>		<u><u>131,502</u></u>
Capital and reserves equity					
Called up share capital	14		10,000		10,000
Profit and loss account	15		(106,538)		121,502
Shareholders' funds	16		<u><u>(96,538)</u></u>		<u><u>131,502</u></u>

The financial statements were authorised for issue by the Board of directors on

24 November 2006

Donald Roderick Murray
Director



The notes on pages 7 to 13 form part of these financial statements

MACASKILL HAULAGE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention (modified to include the revaluation of land and buildings)

Cash flow statement

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements"

Turnover

Turnover represents the sales value of goods supplied and services provided during the year, net of Value Added Tax

Intangible fixed assets

Intangible fixed assets are stated at cost, and are amortised on a straight line basis over the following periods

Goodwill 20 years

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their useful lives as follows

Freehold properties 2%
Plant and machinery 20%
Fixtures and fittings 20%
Motor vehicles 16 6% 25%

Leasing and hire purchase commitments

Assets held under finance leases are treated as tangible fixed assets, and initially recorded at the present value of the minimum lease payments at the inception of the lease. These assets are depreciated over their useful economic lives

Obligations under finance leases are included within creditors, net of finance charges allocated to future periods

Stocks

Stocks are stated at the lower of cost and net realisable value

Deferred taxation

Deferred taxation is provided for at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements

MACASKILL HAULAGE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2006

2 Operating loss

	2006	2005
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	331,108	344,271
Amortisation of intangible assets	24,504	24,504
Hire of equipment	32,728	30,792
Auditors' remuneration audit	7,000	7,000
Loss on sale of tangible fixed assets		8,666
and after crediting		
Profit on sale of tangible fixed assets	<u>3,004</u>	<u></u>

3 Director's remuneration

The director did not receive any emoluments during the year

4 Staff costs and numbers

Staff costs were as follows

	2006	2005
	£	£
Wages and salaries	893,598	874,330
Social security costs	<u>78,796</u>	<u>78,824</u>
	<u>972,394</u>	<u>953,154</u>

The average monthly number of employees was 49 (2005 49)

The staff of the company worked in the following activities

Management and administration	9	9
Drivers	30	30
Maintenance and production	<u>10</u>	<u>10</u>
	<u>49</u>	<u>49</u>

5 Interest payable and similar charges

	2006	2005
	£	£
Bank loans and overdrafts	138,566	122,205
Lease finance charges	<u>21,550</u>	<u>25,650</u>
	<u>160,116</u>	<u>147,855</u>

MACASKILL HAULAGE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2006

6 Taxation

	2006	2005
	£	£
UK corporation tax current year		(5,505)
UK corporation tax adjustment to prior years	(5,747)	512
Deferred taxation	<u>(55,287)</u>	<u>(11,334)</u>
	<u>61,034</u>	<u>16,327</u>

7 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2005	<u>489,984</u>
Amortisation	
At 1 April 2005	95,964
Amortisation for the year	<u>24,504</u>
At 31 March 2006	<u>120,468</u>
Net book value	
At 31 March 2006	<u>369,516</u>
31 March 2005	<u>394,020</u>

The intangible fixed asset represents purchased goodwill and is amortised in equal instalments over 20 years

MACASKILL HAULAGE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2006

8 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 2005	744,994	14,493	12,670	1,920,847	2,693,004
Additions		600	995	252,507	254,102
Disposals				(101,042)	(101,042)
At 31 March 2006	<u>744,994</u>	<u>15,093</u>	<u>13,665</u>	<u>2,072,312</u>	<u>2,846,064</u>
Depreciation					
At 1 April 2005	54,369	9,835	8,585	943,013	1,015,802
Charge for the year	14,900	2,914	2,603	310,666	331,083
Eliminated on disposal				(82,825)	(82,825)
At 31 March 2006	<u>69,269</u>	<u>12,749</u>	<u>11,188</u>	<u>1,170,854</u>	<u>1,264,060</u>
Net book value					
At 31 March 2006	<u>675,725</u>	<u>2,344</u>	<u>2,477</u>	<u>901,458</u>	<u>1,582,004</u>
At 31 March 2005	<u>690,625</u>	<u>4,658</u>	<u>4,085</u>	<u>977,834</u>	<u>1,677,202</u>

The net book value of land and buildings is split as follows

	2006 £	2005 £
Freehold	<u>675,725</u>	<u>690,625</u>

Included within fixed assets are assets held under finance leases and hire purchase agreements with a net book value of £731,600 (2005 £484,046) Depreciation charged on these assets during the year was £119,228 (2005 £106,767)

9 Stocks

	2006 £	2005 £
Stock of consumables	<u>67,196</u>	<u>39,281</u>

10 Debtors

	2006 £	2005 £
Trade debtors	806,826	691,393
Other debtors	42,105	71,965
Prepayments and accrued income	32,212	29,645
	<u>881,143</u>	<u>793,003</u>

MACASKILL HAULAGE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2006

11 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	854,392	743,950
Trade creditors	465,349	453,722
Other taxation and social security	64,689	58,970
Finance lease creditors	170,226	188,998
Other creditors		29
Accruals and deferred income	15,621	9,404
	<u>1,570,277</u>	<u>1,455,073</u>

The company's bank borrowings are secured by a bond and floating charge over the properties of the company

A personal guarantee has been made by Derek Murray (Director) amounting to £2,100,000

12 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Bank loans	838,702	1,045,811
Finance lease creditors	90,175	110,653
Loan from associate company	500,000	100,000
	<u>1,428,877</u>	<u>1,256,464</u>

Amounts are due within the following periods

Between one and two years	311,719	860,252
Between two and five years	523,014	229,643
In five years or more	594,144	166,569
	<u>1,428,877</u>	<u>1,256,464</u>

The company's bank loans consist of a five year loan at 2% above the bank's base rate repayable by February 2010 and a 15 year commercial mortgage at 7.54% repayable by March 2017

The loan from the associate is at 2% above the bank's base rate

MACASKILL HAULAGE LIMITED
Notes to the Financial Statements
For the year ended 31 March 2006

13 Provisions for liabilities and charges

Total provisions for liabilities and charges

	2006 £	2005 £
Deferred tax	<u>60,792</u>	<u>60,792</u>
Deferred tax provided in the accounts comprises		
	2006 £	2005 £
Accelerated capital allowances	55,287	60,792
Other timing differences	<u>(55,287)</u>	<u>(60,792)</u>

14 Share capital

	2006 £	2005 £
Authorised		
Equity		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
	2006 £	2005 £
Allotted, called up and fully paid		
Equity		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>

15 Reserves

	Profit and loss account £
At 1 April 2005	121,502
Transfer for the year	<u>(228,040)</u>
At 31 March 2006	<u>(106,538)</u>

16 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Loss for the financial year	<u>228,040</u>	<u>110,782</u>
Net addition to shareholders' funds	(228,040)	(110,782)
Opening shareholders' funds	<u>131,502</u>	<u>242,284</u>
Closing shareholders' funds	<u>(96,538)</u>	<u>131,502</u>

MACASKILL HAULAGE LIMITED

Notes to the Financial Statements

For the year ended 31 March 2006

17 Related parties

During the year loans were made to the company's director. The amount outstanding at the beginning of the year was £31,732, the amount outstanding at the end of the year was £30,846, the maximum amount overdrawn in the year was £32,132. The loan is interest free and payable on demand.

During the year the company generated turnover from haulage work done for Kenneth Mackenzie Limited and Kenneth Macleod (Shawbost) Limited of £14,245 (2005 £12,292) and £6,453 (2005 £5,713) respectively. Both of these companies are owned by Donald Roderick Murray, the sole director and shareholder of Macaskill Haulage Limited.

During the year, Kenneth Mackenzie Limited provided a loan amounting to £400,000 to Macaskill Haulage Limited (2005 £100,000).

18 Ultimate controlling party

The company's ultimate controlling party is Donald Roderick Murray, who is the sole director and shareholder of the company.