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A<sup>2</sup>+B<sup>®</sup>

**MGS LOGISTICS LIMITED**  
(Company Number SC232791)

ABBREVIATED ACCOUNTS

30 SEPTEMBER 2007



**Anderson Anderson & Brown LLP**  
*Chartered Accountants*

**MGS LOGISTICS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**



Company law requires the directors to prepare accounts 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 accounts, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

**MGS LOGISTICS LIMITED**  
**ABBREVIATED BALANCE SHEET – 30 SEPTEMBER 2007**





	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Intangible	2	37,045	44,455
Tangible	3	1,306,701	1,156,106
		<u>1,343,746</u>	<u>1,200,561</u>
<b>CURRENT ASSETS</b>			
Stocks		1,983	1,700
Debtors		761,907	735,226
Cash at bank and in hand		4,282	4,338
		<u>768,172</u>	<u>741,264</u>
<b>CREDITORS <i>amounts falling due within one year</i></b>	4	<u>857,128</u>	<u>807,293</u>
<b>NET CURRENT LIABILITIES</b>		<u>(88,956)</u>	<u>(66,029)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,254,790	1,134,532
<b>CREDITORS <i>amounts falling due after more than one year</i></b>	4	647,197	669,783
<b>PROVISION FOR LIABILITIES AND CHARGES</b>		<u>151,500</u>	<u>125,500</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>£ 456,093</u>	<u>£ 339,249</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	10,000	10,000
Profit and loss account		446,093	329,249
<b>SHAREHOLDERS' FUNDS</b>		<u>£ 456,093</u>	<u>£ 339,249</u>

In the directors' opinion the company is entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 30 September 2007. No member who is entitled to, has requested an audit in terms of Section 249B(2) of the Companies Act 1985.

The directors are responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

  
 Director – D Spence

  
 Director – M Spence

21-5-8

Date

## MGS LOGISTICS LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 SEPTEMBER 2007



### 1 ACCOUNTING POLICIES

#### (a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards

#### (b) *Depreciation*

The cost of fixed assets less estimated residual values is depreciated by monthly instalments over their expected useful lives as follows:

Tenants' improvements	10 years
Motor vehicles	3 to 15 years
Portacabins	9 years
Office equipment	4 to 5 years

#### (c) *Stocks*

Stocks are valued at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items

#### (d) *Taxation*

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have been 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 date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in the period which are different from those recognised in the accounts. Deferred tax has been measured on a non discounted basis

#### (e) *Goodwill*

Goodwill is amortised through the profit and loss account over the directors' estimate of its useful life

**MGS LOGISTICS LIMITED**

NOTES ON THE ABBREVIATED ACCOUNTS – 30 SEPTEMBER 2007

**1 ACCOUNTING POLICIES (continued)****(f) Pensions**

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**(g) Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

**(h) Foreign currencies**

Transactions expressed in foreign currencies are translated to sterling at the rates of exchange approximating to those ruling at the date of transaction. Monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Exchange differences are written off in the profit and loss account.

**2 INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 October 2006 & 30 September 2007	74,095
<b>AMORTISATION</b>	
At 1 October 2006	29,640
Charge for year	7,410
At 30 September 2007	37,050
Net book amount at 30 September 2007	£ 37,045
30 September 2006	£ 44,455

**MGS LOGISTICS LIMITED****NOTES ON THE ABBREVIATED ACCOUNTS – 30 SEPTEMBER 2007****3 TANGIBLE FIXED ASSETS**

	£
<b>COST</b>	
At 1 October 2006	1,937,358
Additions	467,598
Disposals	(104,489)
	<hr/>
At 30 September 2007	2,300,467
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<b>DEPRECIATION</b>	
At 1 October 2006	781,252
Charge for year	273,598
Relating to disposals	(61,084)
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At 30 September 2007	993,766
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Net book amounts at	
30 September 2007	£ 1,306,701
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30 September 2006	£ 1,156,106
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The net book amount of motor vehicles includes £1,176,814 (2006 £1,073,612) in respect of assets held under hire purchase contracts

**4 CREDITORS**

The bank overdraft and loan amounting to £nil (2006 £nil) and £22,781 (2006 £31,292) respectively, are secured by a bond and floating charge over all the assets of the company

The loan is repayable by monthly instalments and interest is charged thereon at 2% per annum over the bank's base rate

**MGS LOGISTICS LIMITED**

NOTES ON THE ABBREVIATED ACCOUNTS – 30 SEPTEMBER 2007

**A<sup>2</sup>+B<sup>®</sup>****5 CALLED UP SHARE CAPITAL**

	2007 & 2006 £
<b>Authorised:</b>	
30,000 "A" ordinary shares of £1	30,000
70,000 "B" ordinary shares of £1	70,000
	<u>£ 100,000</u>
<b>Alloted, called up and fully paid:</b>	
3,000 "A" ordinary shares of £1	3,000
7,000 "B" ordinary shares of £1	7,000
	<u>£ 10,000</u>

The classes of shares rank *pari passu* in all respects except dividends. The profits which the company may determine to distribute in respect of any financial year or other financial period shall be distributed in the first place in paying to the holders of the "A" Shares any dividends which the Board of Directors of the company have recommended for the "A" Shares and thereafter in paying to the holders of the "B" Shares any dividends which the Board of Directors have recommended for the "B" Shares.

**6 TRANSACTIONS WITH DIRECTORS**

During the year, the company entered into the following transactions with directors

Related party	Transaction	£	Balance at year end £
Douglas and Mark Spence, directors	Loan interest	13,899	
	Directors' loan repayments	47,198	(102,077)
Helen Spence, shareholder	Rent	16,800	
	Loan	1,354	(199,773)
	Loan interest	20,512	
MGS Transport BV, a company of which Douglas Spence is a director	Recharged expenses	(453,904)	
	Wages and subcontracting	1,362,438	
	Funds transferred	(844,945)	(156,490)

The bank borrowings are guaranteed by Douglas and Helen Spence to a maximum of £200,000