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Edwin C Farrall (Transport) Limited

Report of The Directors And

Financial Statements

For The Year Ended 31 December 2007



MURRAY SMITH
Chartered Accountants

TUESDAY



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COMPANIES HOUSE

EDWIN C FARRALL (TRANSPORT) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2007**

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EDWIN C FARRALL (TRANSPORT) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007**

DIRECTORS

M C Farrall
M W Farrall
E C Farrall
Mrs E J Farrall
Mrs E A Farrall

SECRETARY:

Mrs E A Farrall

REGISTERED OFFICE:

Ashton Lane
Ashton
Chester
CH3 8AA

REGISTERED NUMBER.

01050645 (England and Wales)

AUDITORS:

Murray Smith LLP
Chartered Accountants
Registered Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

EDWIN C FARRALL (TRANSPORT) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of haulage and storage contractors

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

As shown in the company's profit and loss account on page 6, turnover for the year represents a 7.3% increase on the previous year's total

This additional level of business activity has led to an increase in the company's working capital requirement. This is reflected in the higher short term creditor balances and net current liabilities as shown on page 7 of these accounts

Principal risks and uncertainties

The company faces similar risks and uncertainties to those associated with companies of a similar size operating in the UK haulage and storage industry

DIVIDENDS

Interim dividends of £4.20 per share on the ordinary shares were paid during the year. The directors recommend that no final dividend be paid on these shares

The total distribution of dividends for the year ended 31 December 2007 will be £84,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

M C Farrall
M W Farrall
E C Farrall
Mrs E J Farrall
Mrs E A Farrall

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £615

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

EDWIN C FARRALL (TRANSPORT) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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 234ZA of the Companies Act 1985) of which the company'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 company's auditors are aware of that information

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'E. A. Farrall', written in a cursive style.

Mrs E A Farrall - Secretary

10 April 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF EDWIN C FARRALL (TRANSPORT) LIMITED

We have audited the financial statements of Edwin C Farrall (Transport) Limited for the year ended 31 December 2007 on pages six to nineteen. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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 directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we 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 directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 directors 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
EDWIN C FARRALL (TRANSPORT) LIMITED**

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 December 2007 and of its profit for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

A handwritten signature in black ink that reads "Murray Smith LLP". The signature is written in a cursive, flowing style.

Murray Smith LLP
Chartered Accountants
Registered Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

10 April 2008

EDWIN C FARRALL (TRANSPORT) LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
TURNOVER		6 179 596	5,757,433
Cost of sales		5,154,805	4 632,174
GROSS PROFIT		1,024,791	1,125,259
Administrative expenses		893,116	916,566
OPERATING PROFIT	3	131,675	208 693
Income from fixed asset investments		12,416	8,640
		144,091	217,333
Interest payable and similar charges	4	64,214	57,258
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		79,877	160,075
Tax on profit on ordinary activities	5	23,403	33,169
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		56,474	126,906
PROFIT FOR THE YEAR		56,474	126,906
Retained profit brought forward		403,639	360,733
		460,113	487,639
Dividends	6	(84,000)	(84,000)
RETAINED PROFIT CARRIED FORWARD		376,113	403,639

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

EDWIN C FARRALL (TRANSPORT) LIMITED

**BALANCE SHEET
31 DECEMBER 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	1,977,551	1,896,919
Investments	8	45,042	42,158
		<u>2,022,593</u>	<u>1,939,077</u>
CURRENT ASSETS			
Stocks	9	11,992	17,535
Debtors	10	1,022,757	985,787
Cash in hand		(34)	68
		<u>1,034,715</u>	<u>1,003,390</u>
CREDITORS			
Amounts falling due within one year	11	1,433,774	1,246,455
NET CURRENT LIABILITIES		<u>(399,059)</u>	<u>(243,065)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,623,534	1,696,012
CREDITORS			
Amounts falling due after more than one year	12	(640,862)	(706,072)
PROVISIONS FOR LIABILITIES	16	<u>(112,758)</u>	<u>(92,500)</u>
NET ASSETS		<u><u>869,914</u></u>	<u><u>897,440</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	20,000	20,000
Revaluation reserve	18	473,801	473,801
Profit and loss account		376,113	403,639
SHAREHOLDERS' FUNDS	21	<u><u>869,914</u></u>	<u><u>897,440</u></u>

The financial statements were approved by the Board of Directors on 10 April 2008 and were signed on its behalf by

M C Farrall - Director



M W Farrall - Director



The notes form part of these financial statements

EDWIN C FARRALL (TRANSPORT) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Net cash inflow from operating activities	1	351,939	475,850
Returns on investments and servicing of finance	2	(51,798)	(48,618)
Taxation		(4,633)	(15,101)
Capital expenditure and financial investment	2	(19,533)	(28,980)
Equity dividends paid		(84,000)	(84,000)
		<u>191,975</u>	<u>299,151</u>
Financing	2	(265,231)	(333,567)
Decrease in cash in the period		<u>(73,256)</u>	<u>(34,416)</u>
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		(73,256)	(34,416)
Cash outflow from decrease in debt and lease financing		<u>265,234</u>	<u>333,567</u>
Change in net debt resulting from cash flows		191,978	299,151
New finance leases		<u>(302,776)</u>	<u>(314,172)</u>
Movement in net debt in the period		(110,798)	(15,021)
Net debt at 1 January		<u>(1,141,240)</u>	<u>(1,126,219)</u>
Net debt at 31 December		<u>(1,252,038)</u>	<u>(1,141,240)</u>

The notes form part of these financial statements

EDWIN C FARRALL (TRANSPORT) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

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

	2007	2006
	£	£
Operating profit	131,675	208,693
Depreciation charges	237,073	213,727
Loss on disposal of fixed assets	1,717	827
Decrease in stocks	5,543	6,995
Increase in debtors	(36,970)	(35,500)
Increase in creditors	12,901	81,108
Net cash inflow from operating activities	351,939	475,850

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

	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest paid	(28,412)	(24,438)
Interest element of hire purchase payments	(35,802)	(32,820)
Dividends received	12,416	8,640
Net cash outflow for returns on investments and servicing of finance	(51,798)	(48,618)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(25,649)	(48,981)
Purchase of fixed asset investments	(2,884)	-
Sale of tangible fixed assets	9,000	20,001
Net cash outflow for capital expenditure and financial investment	(19,533)	(28,980)
Financing		
New loans in year	75,000	-
Loan repayments in year	(39,216)	(15,193)
Capital repayments in year	(239,711)	(273,482)
Amount withdrawn by directors	(61,304)	(44,892)
Net cash outflow from financing	(265,231)	(333,567)

The notes form part of these financial statements

EDWIN C FARRALL (TRANSPORT) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 07 £	Cash flow £	Other non-cash changes £	At 31 12 07 £
Net cash				
Cash at bank and in hand	68	(102)		(34)
Bank overdraft	(213,428)	(73 154)		(286,582)
	<u>(213,360)</u>	<u>(73,256)</u>		<u>(286,616)</u>
Debt				
Hire purchase	(524,715)	239,711	(302 776)	(587,780)
Debts falling due within one year	(15,995)	(114,387)	-	(130,382)
Debts falling due after one year	(387,170)	139,910	-	(247,260)
	<u>(927,880)</u>	<u>265,234</u>	<u>(302,776)</u>	<u>(965,422)</u>
Total	<u>(1,141,240)</u>	<u>191,978</u>	<u>(302,776)</u>	<u>(1,252,038)</u>

The notes form part of these financial statements

EDWIN C FARRALL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Land and buildings	- 2% on cost
Leasehold improvements	- 5% on cost
Plant and machinery	- 25% on reducing balance and 10% on cost
Commercial vehicles	- 20% on reducing balance

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	1,136,677	1,050,165
Social security costs	108,833	101,954
Other pension costs	6,807	7,204
	<hr/>	<hr/>
	1,252,317	1,159,323
	<hr/>	<hr/>

EDWIN C FARRALL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2007

2 STAFF COSTS - continued

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

	2007	2006
Direct staff	55	56
Administration staff	8	10
Directors	3	2
	<u>66</u>	<u>68</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Hire of plant and machinery	48,930	57,888
Depreciation - owned assets	93,172	113,828
Depreciation - assets on hire purchase contracts	143,904	99,899
Loss on disposal of fixed assets	1,717	827
Auditors' remuneration	6,180	6,090
	<u>78,359</u>	<u>65,748</u>
Directors' emoluments	47	84
Directors' pension contributions to money purchase schemes		

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

Money purchase schemes	<u>3</u>	<u>2</u>
------------------------	----------	----------

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank interest	14,759	12,061
Bank loan interest	13,653	12,377
Hire purchase	35,802	32,820
	<u>64,214</u>	<u>57,258</u>

EDWIN C FARRALL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

5 TAXATION

Analysis of the tax charge

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

	2007 £	2006 £
Current tax		
UK corporation tax	2,875	4,363
Underprovision in prior year	270	102
Total current tax	3,145	4,465
Deferred tax	20,258	28,704
Tax on profit on ordinary activities	23,403	33,169

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

	2007 £	2006 £
Profit on ordinary activities before tax	79,877	160,075
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2006 - 19%)	15,975	30,414
Effects of		
Change in the rate of tax during the period	(36)	-
Expenses not deductible for tax purposes	3,583	1,522
Capital allowances in excess of depreciation	(14,164)	(25,884)
Income from fixed asset investments	(2,483)	(1,642)
Adjustment to tax charge in respect of previous periods	270	55
Current tax charge	3,145	4,465

Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would only become payable if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £90,000. At present, it is not envisaged that any tax will become payable in the foreseeable future.

6 DIVIDENDS

	2007 £	2006 £
Ordinary shares of £1 each		
Interim	84,000	84,000

EDWIN C FARRALL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

7 TANGIBLE FIXED ASSETS

	Land and buildings £	Leasehold improvements £	Plant and machinery £	Commercial vehicles £	Totals £
COST OR VALUATION					
At 1 January 2007	777,581	36 392	449,738	2,404,513	3,668,224
Additions	-	-	12,649	315,776	328,425
Disposals	-	-	-	(43,950)	(43,950)
At 31 December 2007	777,581	36 392	462 387	2,676,339	3,952,699
DEPRECIATION					
At 1 January 2007	24,351	1,704	166,811	1,578,439	1,771,305
Charge for year	11,352	1,819	44,339	179,566	237 076
Eliminated on disposal	-	-	-	(33 233)	(33,233)
At 31 December 2007	35,703	3,523	211,150	1,724 772	1,975,148
NET BOOK VALUE					
At 31 December 2007	741,878	32,869	251 237	951,567	1,977,551
At 31 December 2006	753,230	34,688	282,927	826,074	1,896,919

Included in cost or valuation of land and buildings is freehold land of £210,000 (2006 - £210,000) which is not depreciated

Cost or valuation at 31 December 2007 is represented by

	Land and buildings £	Leasehold improvements £	Plant and machinery £	Commercial vehicles £	Totals £
Valuation in 2004	305,469	-	-	-	305,469
Cost	472,112	36,392	462 387	2,676,339	3,647,230
	777,581	36,392	462 387	2,676,339	3,952,699

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	2007 £	2006 £
Cost	472,112	472,112
Aggregate depreciation	193,241	185,918
Value of land in freehold land and buildings	210,000	210,000

EDWIN C FARRALL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

7 TANGIBLE FIXED ASSETS - continued

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

	Land and buildings £	Plant and machinery £	Commercial vehicles £	Totals £
COST OR VALUATION				
At 1 January 2007	32,790	160,490	818,153	1,011,433
Additions	-	-	315,776	315,776
Disposals	-	-	(13,050)	(13,050)
Transfer to ownership	(32,790)	-	(265,800)	(298,590)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	160,490	855,079	1,015,569
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2007	4,591	6,000	253,078	263,669
Charge for year	489	16,049	127,366	143,904
Eliminated on disposal	-	-	(2,958)	(2,958)
Transfer to ownership	(5,080)	-	(162,777)	(167,857)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	-	22,049	214,709	236,758
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2007	-	138,441	640,370	778,811
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	28,199	154,490	565,075	747,764
	<hr/>	<hr/>	<hr/>	<hr/>

8 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2007	42,158
Additions	2,884
	<hr/>
At 31 December 2007	45,042
	<hr/>
NET BOOK VALUE	
At 31 December 2007	45,042
	<hr/>
At 31 December 2006	42,158
	<hr/>

9 STOCKS

	2007 £	2006 £
Stocks	11,992	17,535
	<hr/>	<hr/>

10 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade debtors	979,132	903,219
Other debtors	6,700	6,200
Prepayments and accrued income	36,925	76,368
	<hr/>	<hr/>
	1,022,757	985,787
	<hr/>	<hr/>

EDWIN C FARRALL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007**

11 CREDITORS' AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Bank loans and overdrafts (see note 13)	353,832	229,423
Other loans (see note 13)	63,132	-
Hire purchase contracts (see note 14)	194,178	205,813
Trade creditors	662,889	661,475
Corporation tax	2,875	4,363
Social security and other taxes	121,652	108,100
Other creditors	459	-
Accrued expenses	34,757	37,281
	<u>1,433,774</u>	<u>1,246,455</u>

12 CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£	£
Bank loans (see note 13)	147,260	162,731
Other loans (see note 13)	100,000	224,439
Hire purchase contracts (see note 14)	393,602	318,902
	<u>640,862</u>	<u>706,072</u>

13 LOANS

An analysis of the maturity of loans is given below

	2007	2006
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	286,582	213,428
Bank loans	67,250	15,995
Directors loan account	63,132	-
	<u>416,964</u>	<u>229,423</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>15,927</u>	<u>17,108</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	62,365	58,810
Directors loan account	100,000	224,439
	<u>162,365</u>	<u>283,249</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans - more than 5 years	<u>68,968</u>	<u>86,813</u>

EDWIN C FARRALL (TRANSPORT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2007	2006
	£	£
Net obligations repayable		
Within one year	194,178	205,813
Between one and five years	393,602	318,902
	<u>587,780</u>	<u>524,715</u>

The following operating lease payments are committed to be paid within one year

	Land and buildings		Other operating leases	
	2007	2006	2007	2006
	£	£	£	£
Expiring				
Within one year	-	-	24,246	16,164
Between one and five years	-	122,000	-	-
In more than five years	163,978	204,000	-	-
	<u>163,978</u>	<u>326,000</u>	<u>24,246</u>	<u>16,164</u>

15 SECURED DEBTS

The following secured debts are included within creditors

	2007	2006
	£	£
Bank overdrafts	286,582	213,428
Bank loans	214,510	178,726
Hire purchase contracts	587,780	524,715
	<u>1,088,872</u>	<u>916,869</u>

The bank holds a first mortgage over the freehold property owned by the company, together with fixed and floating charges over the assets and undertakings both present and future. Hire purchase contracts are secured on the assets to which they relate.

16 PROVISIONS FOR LIABILITIES

	2007	2006
	£	£
Deferred tax	<u>112,758</u>	<u>92,500</u>

EDWIN C FARRALL (TRANSPORT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007**

16 PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2007	92,500
Transfer to profit and loss account	20,258
Balance at 31 December 2007	<u>112,758</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007 £	2006 £
Excess of taxation allowances over depreciation on fixed assets	112,758	92,500
	<u>112,758</u>	<u>92,500</u>

17 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value £1	2007 £	2006 £
25,000	Ordinary		<u>25,000</u>	<u>25,000</u>
Allotted issued and fully paid Number	Class	Nominal value £1	2007 £	2006 £
20,000	Ordinary		<u>20,000</u>	<u>20,000</u>

18 RESERVES

	Revaluation reserve £
At 1 January 2007	<u>473,801</u>
At 31 December 2007	<u>473,801</u>

EDWIN C FARRALL (TRANSPORT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2007****19 TRANSACTIONS WITH DIRECTORS**

At 31 December the following amounts were owed to the directors by the company

	2007 £	2006 £
E C Farrall	7,100	7,100
E J Farrall	7,100	7,100
M W Farrall	73,629	102,276
M C Farrall	75,303	107,963
	<u>163,132</u>	<u>224,439</u>

20 RELATED PARTY DISCLOSURES

M C Farrall, M W Farrall and Mrs E A Farrall, directors and shareholders of the company, are also partners in Farralls Property Partnership. During the year the company was charged £169,260 (2006 £192,000) by Farralls Property Partnership for occupation of warehouse premises owned by the partnership.

At 31 December 2007 Farralls Property Partnership owed the company £8,427 (2006 The company owed Farralls Property Partnership £17,587).

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	56,474	126,906
Dividends	(84,000)	(84,000)
Net (reduction)/addition to shareholders' funds	<u>(27,526)</u>	<u>42,906</u>
Opening shareholders' funds	897,440	854,534
Closing shareholders' funds	<u>869,914</u>	<u>897,440</u>