

Registration number SC128765

**Dumfries Freight Limited**

**Abbreviated accounts**

**for the year ended 30 November 2005**



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27/09/2006

## **Dumfries Freight Limited**

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# Dumfries Freight Limited

## Director's report for the year ended 30 November 2005

The director presents this report and the accounts for the year ended 30 November 2005.

### Principal activity and review of the business

The principal activity of the company is the provision of road haulage services.

### Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

### Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	30/11/05	01/12/04
Paul Lutton	Ordinary shares	1,005	3,021

### Charitable and Political Contributions

During the year the company contributed £450 to charities.

### 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is required to:

- select suitable accounting policies and 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 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.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that John MacMahon & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 6 September 2006 and signed on its behalf by

Sadie Lutton  
Secretary



**Independent auditors' report to Dumfries Freight Limited  
under Section 247B of the Companies Act 1985**

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We have examined the abbreviated accounts set out on pages 5 to 17 together with the financial statements of Dumfries Freight Limited for the year ended 30 November 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

The director is responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 November 2005, and the abbreviated accounts on pages 5 to 17 are properly prepared in accordance with that provision.



**John MacMahon & Co  
Chartered Accountants and  
Registered Auditor**

**6 September 2006**

**112 Camlough Road  
NEWRY  
Co. Down  
BT35 7EE**

# Dumfries Freight Limited

## Abbreviated profit and loss account for the year ended 30 November 2005

		Continuing operations	
		2005	2004
	Notes	£	£
<b>Gross profit</b>		4,033,959	3,639,797
Administrative expenses		(3,762,001)	(3,286,875)
<b>Operating profit</b>	<b>2</b>	<u>271,958</u>	<u>352,922</u>
Other interest receivable and similar income	<b>3</b>	1,615	5,302
Interest payable and similar charges	<b>4</b>	<u>(20,251)</u>	<u>(19,278)</u>
<b>Profit on ordinary activities before taxation</b>		253,322	338,946
Tax on profit on ordinary activities	<b>7</b>	<u>(11,037)</u>	<u>(50,258)</u>
<b>Profit on ordinary activities after taxation</b>		242,285	288,688
<b>Retained profit for the year</b>		<u>242,285</u>	<u>288,688</u>
Retained profit brought forward		2,370,472	2,081,784
<b>Retained profit carried forward</b>		<u>2,612,757</u>	<u>2,370,472</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 14 form an integral part of these financial statements.


# Dumfries Freight Limited

## Abbreviated balance sheet as at 30 November 2005

		2005		2004	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		2,675,806		2,619,982
<b>Current assets</b>					
Stocks	9	12,206		3,872	
Debtors	10	1,009,813		977,583	
Cash at bank and in hand		185,687		153,291	
		<u>1,207,706</u>		<u>1,134,746</u>	
<b>Creditors: amounts falling due within one year</b>	11	(917,062)		(951,823)	
<b>Net current assets</b>			<u>290,644</u>		<u>182,923</u>
<b>Total assets less current liabilities</b>			2,966,450		2,802,905
<b>Creditors: amounts falling due after more than one year</b>	12		(202,400)		(255,224)
<b>Provisions for liabilities and charges</b>	13		(147,272)		(173,188)
<b>Net assets</b>			<u>2,616,778</u>		<u>2,374,493</u>
<b>Capital and reserves</b>					
Called up share capital	15		4,021		4,021
Profit and loss account			2,612,757		2,370,472
<b>Shareholders' funds</b>	16		<u>2,616,778</u>		<u>2,374,493</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 6 September 2006 and signed on its behalf by



**Paul Lutton**  
**Director**

The notes on pages 6 to 14 form an integral part of these financial statements.

# Dumfries Freight Limited

## Cash flow statement for the year ended 30 November 2005

	Notes	2005 £	2004 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		271,958	352,922
Depreciation		320,026	175,414
(Increase) in stocks		(8,334)	856
(Increase) in debtors		(32,230)	(111,172)
(Decrease) in creditors		(23,867)	167,317
<b>Net cash inflow from operating activities</b>		<u>527,553</u>	<u>585,337</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		527,553	585,337
Returns on investments and servicing of finance	18	(18,636)	(14,049)
Taxation	18	(38,172)	(74,111)
Capital expenditure	18	(128,351)	(490,608)
		<u>342,394</u>	<u>6,569</u>
Financing	18	(343,081)	(67,248)
<b>Decrease in cash in the year</b>		<u>(687)</u>	<u>(60,679)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 19)</b>			
<b>Decrease in cash in the year</b>		(687)	(60,679)
Cash outflow from increase in debts and lease financing		343,081	67,248
Change in net funds resulting from cash flows		<u>342,394</u>	<u>6,569</u>
New finance leases and hire purchase contracts		(247,500)	(205,540)
<b>Movement in net funds in the year</b>		<u>94,894</u>	<u>(198,971)</u>
<b>Net debt at 1 December 2004</b>		(365,817)	(166,847)
<b>Net debt at 30 November 2005</b>		<u>(270,923)</u>	<u>(365,818)</u>

## Dumfries Freight Limited

### Notes to the abbreviated financial statements for the year ended 30 November 2005

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#### 1. Accounting policies

##### 1.1. Accounting convention

The accounts are prepared under the historical cost convention.

##### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	No depreciation
Plant and machinery	-	Straight line over the useful life ranging from 3 to 8 years
Fixtures, fittings and equipment	-	20% Reducing balance
Trailers	-	Straight line over the useful life ranging from 5 to 10 years
	-	Straight line over the useful life ranging from 5 to 10 years

##### 1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their 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 and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

##### 1.5. Stock

Stock is valued at the lower of cost and net realisable value.

##### 1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.



## Dumfries Freight Limited

### Notes to the abbreviated financial statements for the year ended 30 November 2005

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#### 1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events 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 exceptions: Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold; Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; 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.

#### 1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### 2. Operating profit

	2005 £	2004 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	323,823	269,796
Loss on foreign currencies	8,195	(5,572)
Operating lease rentals		
- Land and buildings	61,182	91,417
Auditors' remuneration	8,851	5,957
	<hr/>	<hr/>
and after crediting:		
Profit on disposal of tangible fixed assets	3,797	94,382
	<hr/>	<hr/>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

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<b>3. Interest receivable and similar income</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank interest	1,615	5,302
	<u>          </u>	<u>          </u>
<b>4. Interest payable and similar charges</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Interest payable on loans < 1 yr	3,792	5,089
Hire purchase interest	16,043	14,189
On overdue tax	416	-
	<u>20,251</u>	<u>19,278</u>
	<u>          </u>	<u>          </u>
<b>5. Employees</b>		
<b>Number of employees</b>	<b>2005</b>	<b>2004</b>
The average monthly numbers of employees (including the director) during the year were:	<b>Number</b>	<b>Number</b>
Drivers and garage staff	24	20
Administration	6	5
	<u>30</u>	<u>25</u>
	<u>          </u>	<u>          </u>
<b>Employment costs</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Wages and salaries	587,834	550,683
Overnights and expenses	274,890	262,278
	<u>862,724</u>	<u>812,961</u>
	<u>          </u>	<u>          </u>
<b>5.1. Directors' emoluments</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	25,000	25,000
	<u>          </u>	<u>          </u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

..... continued

### 6. Pension costs

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £- (2004 - £-).

### 7. Tax on profit on ordinary activities

Analysis of charge in period	2005 £	2004 £
<b>Current tax</b>		
UK corporation tax	51,093	52,311
Adjustments in respect of previous periods	(14,140)	128
	<u>36,953</u>	<u>52,439</u>
Total current tax charge	<u>36,953</u>	<u>52,439</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(25,916)	(2,181)
Total deferred tax	<u>(25,916)</u>	<u>(2,181)</u>
Tax on profit on ordinary activities	<u>11,037</u>	<u>50,258</u>

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>253,322</u>	<u>338,946</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (30 November 2004 : 19%)	48,131	64,400
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,350	1,353
Capital allowances for period in excess of depreciation	1,612	(13,442)
Adjustments to tax charge in respect of previous periods	(14,140)	128
Current tax charge for period	<u>36,953</u>	<u>52,439</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

..... continued

8. Tangible fixed assets	Land and buildings freehold	Plant and machinery	Fixtures, fittings and equipment	Trailers	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 December 2004	1,281,708	65,561	1,543,563	989,821	3,880,653
Additions	97,146	9,200	172,500	123,650	402,496
Disposals	-	-	(114,000)	(60,000)	(174,000)
At 30 November 2005	<u>1,378,854</u>	<u>74,761</u>	<u>1,602,063</u>	<u>1,053,471</u>	<u>4,109,149</u>
<b>Depreciation</b>					
At 1 December 2004	-	59,054	824,765	376,852	1,260,671
On disposals	-	-	(91,152)	(60,000)	(151,152)
Charge for the year	-	4,247	193,534	126,043	323,824
At 30 November 2005	<u>-</u>	<u>63,301</u>	<u>927,147</u>	<u>442,895</u>	<u>1,433,343</u>
<b>Net book values</b>					
At 30 November 2005	<u>1,378,854</u>	<u>11,460</u>	<u>674,916</u>	<u>610,576</u>	<u>2,675,806</u>
At 30 November 2004	<u>1,281,708</u>	<u>6,507</u>	<u>718,798</u>	<u>612,969</u>	<u>2,619,982</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2005		2004	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Plant and machinery	<u>393,155</u>	<u>67,412</u>	<u>540,380</u>	<u>81,487</u>
<b>9. Stocks</b>			<b>2005</b>	<b>2004</b>
			£	£
Finished goods and goods for resale			<u>12,206</u>	<u>3,872</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

..... continued

10. Debtors	2005 £	2004 £
Trade debtors	931,310	892,900
Other debtors	41,820	41,180
Prepayments and accrued income	36,683	43,503
	<u>1,009,813</u>	<u>977,583</u>
11. Creditors: amounts falling due within one year	2005 £	2004 £
Bank overdraft	46,767	13,684
Bank loan	30,271	-
Net obligations under finance leases and hire purchase contracts	177,172	250,200
Trade creditors	413,519	406,562
Corporation tax	51,091	52,311
Other taxes and social security costs	47,333	80,016
Directors' accounts	21,113	20,257
Other creditors	114,405	117,140
Accruals and deferred income	15,391	11,653
	<u>917,062</u>	<u>951,823</u>
12. Creditors: amounts falling due after more than one year	2005 £	2004 £
Bank loan	135,893	216,177
Net obligations under finance leases and hire purchase contracts	66,507	39,047
	<u>202,400</u>	<u>255,224</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

..... continued

### 13. Provisions for liabilities and charges

	Deferred taxation (Note 14)Total ££	
At 1 December 2004	173,188	173,188
Movements in the year	25,916	25,916
At 30 November 2005	<u>147,272</u>	<u>147,272</u>

### 14. Provision for deferred taxation

	2005 £	2004 £
Accelerated capital allowances	<u>147,272</u>	<u>173,188</u>
Provision at 1 December 2004	173,188	
Deferred tax charge in profit and loss account	(25,916)	
Provision at 30 November 2005	<u>147,272</u>	

### 15. Share capital

	2005 £	2004 £
<b>Authorised equity</b>		
100,000 Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid equity</b>		
4,021 Ordinary shares of £1.00 each	<u>4,021</u>	<u>4,021</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

..... continued

16. Reconciliation of movements in shareholders' funds	2005 £	2004 £
Profit for the year	242,285	288,688
Opening shareholders' funds	2,374,493	2,085,805
Closing shareholders' funds	<u>2,616,778</u>	<u>2,374,493</u>
17. Financial commitments		
18. Gross cash flows		
	2005 £	2004 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,615	5,229
Interest paid	(20,251)	(19,278)
	<u>(18,636)</u>	<u>(14,049)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(38,172)</u>	<u>(74,111)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(154,996)	(671,560)
Receipts from sales of tangible assets	26,645	180,952
	<u>(128,351)</u>	<u>(490,608)</u>
<b>Financing</b>		
New long term bank loan	-	216,177
Repayment of long term bank loan	(50,013)	-
Capital element of finance leases and hire purchase contracts	(293,068)	(283,425)
	<u>(343,081)</u>	<u>(67,248)</u>

# Dumfries Freight Limited

## Notes to the abbreviated financial statements for the year ended 30 November 2005

..... continued

### 19. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	153,291	32,396		185,687
Overdrafts	(13,684)	(33,083)		(46,767)
	<u>139,607</u>	<u>(687)</u>		<u>138,920</u>
Debt due within one year	-	50,013	(80,284)	(30,271)
Debt due after one year	(216,177)	-	80,284	(135,893)
Finance leases and hire purchase contracts	(289,247)	293,068	(247,500)	(243,679)
	<u>(505,424)</u>	<u>343,081</u>	<u>(247,500)</u>	<u>(409,843)</u>
<b>Net funds</b>	<u>(365,817)</u>	<u>342,394</u>	<u>(247,500)</u>	<u>(270,923)</u>