

REGISTRAR

Registered number. 343359

WELCH'S TRANSPORT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

TUESDAY



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WELCH'S TRANSPORT LIMITED

COMPANY INFORMATION

DIRECTORS	Mr A G Welch Mr J N Welch
COMPANY SECRETARY	Mr J N Welch
COMPANY NUMBER	343359
REGISTERED OFFICE	Granta Terrace Stapleford Cambridge CB22 5DL
AUDITORS	Peters Elworthy & Moore Chartered Accountants & Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
BANKERS	Barclays Bank Plc Woollards Lane Great Shelford Cambridge CB22 5NA

WELCH'S TRANSPORT LIMITED

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WELCH'S TRANSPORT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report 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 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 judgments 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activities of the company are road haulage contracting, warehousing, commercial vehicle and car garage services, crane hire and the supply of temporary driving staff.

BUSINESS REVIEW

The directors consider the state of the company's affairs to be satisfactory given the industry conditions. No dividend has been declared (2008 £500,000).

RESULTS

The loss for the year, after taxation, amounted to £424,545 (2008 - loss £204,266).

DIRECTORS

The directors who served during the year were

Mr A G Welch
Mr J N Welch

The group maintains insurance, as permitted by section 233 of the Companies Act 2006, for its directors against liabilities incurred in relation to the companies within the group.

WELCH'S TRANSPORT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 15 April 2010 and signed on its behalf



Mr J N Welch
Secretary

WELCH'S TRANSPORT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WELCH'S TRANSPORT LIMITED

We have audited the financial statements of Welch's Transport Limited for the year ended 31 December 2009, set out on pages 5 to 15. 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 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

As explained more fully in the Statement of Directors' Responsibilities, 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 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 company's affairs as at 31 December 2009 and of its loss for the year then ended,
- 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WELCH'S TRANSPORT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WELCH'S TRANSPORT LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Roger Webster (Senior Statutory Auditor)

for and on behalf of

PETERS ELWORTHY & MOORE

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

15 April 2010

WELCH'S TRANSPORT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
TURNOVER	1,2	13,100,418	17,126,679
Cost of sales		<u>(11,247,601)</u>	<u>(14,561,665)</u>
GROSS PROFIT		1,852,817	2,565,014
Administrative expenses		<u>(2,425,887)</u>	<u>(3,001,437)</u>
Other operating income	3	<u>105,348</u>	<u>113,291</u>
OPERATING LOSS	4	(467,722)	(323,132)
Interest payable	6	<u>(6,969)</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(474,691)	(323,132)
Tax on loss on ordinary activities	7	<u>50,146</u>	<u>118,866</u>
LOSS FOR THE FINANCIAL YEAR	16	<u>(424,545)</u>	<u>(204,266)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the Profit and Loss Account

The notes on pages 7 to 15 form part of these financial statements

WELCH'S TRANSPORT LIMITED
REGISTERED NUMBER 343359

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Intangible fixed assets	8		-		37,500
Tangible fixed assets	9		991,253		1,465,600
Fixed asset investments	10		14,250		250
			<u>1,005,503</u>		<u>1,503,350</u>
CURRENT ASSETS					
Stocks	11	750,528		827,055	
Debtors	12	1,687,190		2,533,692	
Cash at bank and in hand		640,424		301,303	
		<u>3,078,142</u>		<u>3,662,050</u>	
CREDITORS: amounts falling due within one year	13		<u>(1,865,748)</u>		<u>(2,473,958)</u>
NET CURRENT ASSETS			<u>1,212,394</u>		<u>1,188,092</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,217,897</u>		<u>2,691,442</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	14		-		(49,000)
NET ASSETS			<u>2,217,897</u>		<u>2,642,442</u>
CAPITAL AND RESERVES					
Called up share capital	15		712,060		712,060
Share premium account	16		250		250
Profit and loss account	16		1,505,587		1,930,132
SHAREHOLDERS' FUNDS	17		<u>2,217,897</u>		<u>2,642,442</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 April 2010


Mr J N Welch
 Director

The notes on pages 7 to 15 form part of these financial statements

WELCH'S TRANSPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life

Amortisation is provided at the following rates

Goodwill	-	Amortised over two years
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1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	33.3%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures, fittings and equipment	-	33.3%	reducing balance

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

1 ACCOUNTING POLICIES (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2009	2008
	£	£
Road haulage and warehousing	8,088,042	11,169,549
Garage activities	4,532,688	5,295,237
Crane hire	479,688	661,893
	<u>13,100,418</u>	<u>17,126,679</u>

All turnover arose within the United Kingdom.

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

3 OTHER OPERATING INCOME

	2009 £	2008 £
Net rents receivable	<u>105,348</u>	<u>113,291</u>

4 OPERATING LOSS

The operating loss is stated after charging

	2009 £	2008 £
Amortisation - intangible fixed assets	37,500	90,000
Depreciation of tangible fixed assets - owned by the company	390,678	560,966
Operating lease rentals - other operating leases	<u>474,746</u>	<u>463,873</u>

During the year, no director received any emoluments (2008 - £NIL)

5 STAFF COSTS

Staff costs were as follows

	2009 £	2008 £
Wages and salaries	4,129,615	5,195,686
Social security costs	408,352	521,239
Other pension costs	39,283	54,689
	<u>4,577,250</u>	<u>5,771,614</u>

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

	2009 No	2008 No
Office and management	33	50
Drivers and fitters	143	168
	<u>176</u>	<u>218</u>

6 INTEREST PAYABLE

	2009 £	2008 £
Hire purchase interest	<u>6,969</u>	<u>-</u>

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

7. TAXATION

	2009 £	2008 £
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on loss for the year	-	(23,000)
Adjustments in respect of prior periods	(1,146)	16,134
	<u>(1,146)</u>	<u>(6,866)</u>
Group taxation relief	-	(25,000)
	<u>(1,146)</u>	<u>(31,866)</u>
Total current tax	(1,146)	(31,866)
Deferred tax (see note 14)		
Origination and reversal of timing differences	(49,000)	(87,000)
	<u>(49,000)</u>	<u>(87,000)</u>
Tax on loss on ordinary activities	(50,146)	(118,866)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 - lower than) the standard rate of corporation tax in the UK (28%). The differences are explained below

	2009 £	2008 £
Loss on ordinary activities before tax	(474,691)	(323,132)
	<u>(474,691)</u>	<u>(323,132)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 - 30%)	(133,000)	(97,000)
	<u>(133,000)</u>	<u>(97,000)</u>
Effects of		
Capital allowances for year in excess of depreciation	15,000	49,000
Losses carried forward	118,000	-
Adjustments to tax charge in respect of prior periods	(1,146)	16,134
	<u>131,854</u>	<u>65,134</u>
Current tax credit for the year (see note above)	(1,146)	(31,866)

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 January 2009 and 31 December 2009	<u>180,000</u>
Amortisation	
At 1 January 2009	142,500
Charge for the year	37,500
At 31 December 2009	<u>180,000</u>
Net book value	
At 31 December 2009	<u>-</u>
At 31 December 2008	<u>37,500</u>

9 TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 January 2009	291,926	6,096,807	93,089	6,481,822
Additions	33,130	138,320	12,494	183,944
Disposals	-	(1,410,599)	-	(1,410,599)
At 31 December 2009	<u>325,056</u>	<u>4,824,528</u>	<u>105,583</u>	<u>5,255,167</u>
Depreciation				
At 1 January 2009	249,343	4,708,781	58,098	5,016,222
Charge for the year	25,239	350,276	15,163	390,678
On disposals	-	(1,142,986)	-	(1,142,986)
At 31 December 2009	<u>274,582</u>	<u>3,916,071</u>	<u>73,261</u>	<u>4,263,914</u>
Net book value				
At 31 December 2009	<u>50,474</u>	<u>908,457</u>	<u>32,322</u>	<u>991,253</u>
At 31 December 2008	<u>42,583</u>	<u>1,388,026</u>	<u>34,991</u>	<u>1,465,600</u>

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

10 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £	Loan to subsidiary undertaking £	Sub total carried forward £
Cost or valuation			
At 1 January 2009	-	-	-
Additions	7,000	7,000	14,000
At 31 December 2009	<u>7,000</u>	<u>7,000</u>	<u>14,000</u>
	Sub total brought forward £	Trade investment £	Total £
Cost or valuation			
At 1 January 2009	-	250	250
Additions	14,000	-	14,000
At 31 December 2009	<u>14,000</u>	<u>250</u>	<u>14,250</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company, having been incorporated on 1 May 2009

Name	Class of shares	Holding
JPS Installs Limited	Ordinary £1	70%

The aggregate of the share capital and reserves as at 31 December 2009 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
JPS Installs Limited	<u>8,102</u>	<u>(1,898)</u>

11 STOCKS

	2009 £	2008 £
Raw materials	486,708	487,960
Finished goods and goods for resale	263,820	339,095
	<u>750,528</u>	<u>827,055</u>

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

12. DEBTORS

	2009 £	2008 £
Trade debtors	1,523,195	2,205,200
Amounts owed by group undertakings	6,274	-
Other debtors	24,770	67,089
Prepayments and accrued income	132,951	261,403
	1,687,190	2,533,692

**13 CREDITORS:
Amounts falling due within one year**

	2009 £	2008 £
Trade creditors	447,600	679,578
Amounts owed to group undertakings	949,159	1,012,220
Corporation tax	-	15,453
Social security and other taxes	288,944	422,205
Other creditors	24,437	-
Accruals and deferred income	155,608	344,502
	1,865,748	2,473,958

14. DEFERRED TAXATION

	2009 £	2008 £
At beginning of year	49,000	136,000
Charge for/(released during) the year to the profit and loss account	(49,000)	(87,000)
	-	49,000

The provision for deferred taxation is made up as follows

	2009 £	2008 £
Accelerated capital allowances	52,000	49,000
Tax losses carried forward	(58,000)	-
	(6,000)	49,000
Deferred tax asset not recognised	6,000	-
	-	49,000

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

15 SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid		
356,030 Ordinary shares of £1 each	356,030	356,030
356,030 2% non-cumulative preference shares shares of £1 each	356,030	356,030
	<u>712,060</u>	<u>712,060</u>

16 RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2009	250	1,930,132
Loss for the year		(424,545)
At 31 December 2009	<u>250</u>	<u>1,505,587</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	2,642,442	3,346,708
Loss for the year	(424,545)	(204,266)
Dividends (Note 18)	-	(500,000)
Closing shareholders' funds	<u>2,217,897</u>	<u>2,642,442</u>

18. DIVIDENDS

	2009 £	2008 £
Dividends paid on equity capital	-	500,000

19 PENSION COMMITMENTS

The company's pension obligations are covered by a defined contribution scheme operated by the Welch Group. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £44,470 (2008 £54,689). Contributions totalling £5,582 (2008 - £4,378) were accrued at the balance

WELCH'S TRANSPORT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

19. PENSION COMMITMENTS (continued)

sheet date and are included within creditors due within one year

20. OTHER FINANCIAL COMMITMENTS

The bank balance of the company is a memorandum account within a consolidated account in the name of The Welch Group. This is secured on freehold property of the group companies and by cross guarantees and debentures covering those companies.

21. RELATED PARTY TRANSACTIONS

All related party transactions have taken place within the group for which consolidated financial statements are prepared.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent and ultimate holding company is Welch Group Holdings Limited by virtue of its 100% shareholding in the company.

Consolidated accounts are prepared by Welch Group Holdings Limited and can be obtained from the registered office at Granta Terrace, Stapleford, Cambridge CB22 5DL.