

Company Registration No 01974963 (England and Wales)

**GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**



# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr H A Hill Mrs K Hill Mrs S A Boyd
<b>Secretary</b>	Mrs K Hill
<b>Company number</b>	01974963
<b>Registered office</b>	Graylaw Freight Terminal Gillibrands Road Skelmersdale Lancashire WN8 9TA
<b>Auditors</b>	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
<b>Bankers</b>	National Westminster Bank plc Ewood House Walker Office Park Walker Road Blackburn BB1 2QE  Handelsbanken Unit 5 Beecham Court Wigan WN3 6PR
<b>Solicitors</b>	Pannone LLP 123 Deansgate Manchester M3 2BU

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# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

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# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 30 JUNE 2013*

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The directors present their report and financial statements for the year ended 30 June 2013

### **Principal activities and review of the business**

The principal activities of the company continued to be that of freight forwarding and shipping agents, with particular emphasis on the Isle of Man, Ireland and the Channel Islands

The directors report on an excellent result in the period, especially given worldwide economic pressures and tightened margins throughout the industry

The directors recognise that previous investment, cost savings, operational efficiencies and business improvements have been the reasons why the business has continued to grow and their position as market leaders in freight services to the Isle of Man been maintained

The directors wish to acknowledge the continuing support and loyalty of all employees and in particular the management team

The company does not actively use financial instruments as part of its financial risk management. The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. The company finances working capital through its banking facilities at the prevailing market interest rates and by secured loans from both its bankers and self administered pension scheme at fixed rates of interest and its exposure to price risk is considered minimal.

### **Results and dividends**

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend

### **Future developments**

The company remains committed to continuing its established track record of offering an unmatched package of price and quality of service to its customers. The directors continue to work towards future developments and growth in all markets and look forward to a bright future for the company

### **Directors**

The following directors have held office since 1 July 2012

Mr H A Hill  
Mrs K Hill  
Mrs S A Boyd

### **Auditors**

The auditors, Pierce C A Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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### 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 judgements and accounting 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.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr H A Hill

Director

13 August 2013

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

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We have audited the financial statements of Graylaw International Freight Group Limited for the year ended 30 June 2013 set out on pages 5 to 25. 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 30 June 2013 and of its profit 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.

#### **Emphasis of matter - going concern**

In forming our opinion we have considered the adequacy of the disclosures made in Note 1 of the financial statements concerning the continued support of the company's bankers. In view of the significance of this matter we consider that it should be brought to your attention but our report is not qualified in this respect.

#### **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.

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

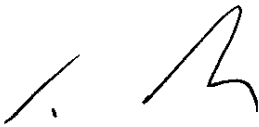
### TO THE MEMBERS OF GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

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#### **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



**Paul Moulding (Senior Statutory Auditor)**  
for and on behalf of Pierce C.A. Limited

13 August 2013

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2013

	Notes	Year ended 30 June 2013 £	Period ended 30 June 2012 £
Turnover	2	15,796,467	24,387,826
Cost of sales		(14,363,330)	(22,653,737)
<b>Gross profit</b>		<b>1,433,137</b>	<b>1,734,089</b>
Administrative expenses		(1,295,668)	(2,330,888)
<b>Operating profit/(loss)</b>	<b>3</b>	<b>137,469</b>	<b>(596,799)</b>
Loss on sale of property		-	(191,281)
<b>Profit/(loss) on ordinary activities before interest</b>		<b>137,469</b>	<b>(788,080)</b>
Investment income	4	541	456
Interest payable and similar charges	5	(52,262)	(219,218)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>85,748</b>	<b>(1,006,842)</b>
Tax on profit/(loss) on ordinary activities	6	21,750	12,250
<b>Profit/(loss) for the year</b>	<b>18</b>	<b>107,498</b>	<b>(994,592)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations



# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2013

Notes	Year ended 30 June 2013 £	Period ended 30 June 2012 £
<b>Profit/(loss) for the financial year</b>	107,498	(994,592)
Unrealised (deficit)/surplus on revaluation of properties	-	43,576
<b>Total recognised gains and losses relating to the year</b>	<u>107,498</u>	<u>(951,016)</u>

### Note of historical cost profits and losses

	Year ended 30 June 2013 £	Period ended 30 June 2012 £
<b>Reported profit/(loss) on ordinary activities before taxation</b>	85,748	(1,006,842)
Realisation of property revaluation gains of previous years	-	922,140
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>40,793</u>	<u>76,084</u>
<b>Historical cost profit/(loss) on ordinary activities before taxation</b>	<u>126,541</u>	<u>(8,618)</u>
<b>Historical cost profit/(loss) for the year retained after taxation, extraordinary items and dividends</b>	<u>148,291</u>	<u>(46,368)</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2013

	Notes	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		-		1,000
Tangible assets	9		3,792,770		3,729,844
Investments	10		4,099		4,099
			<u>3,796,869</u>		<u>3,734,943</u>
<b>Current assets</b>					
Stocks	11	67,194		88,896	
Debtors	12	2,987,590		2,640,767	
Cash at bank and in hand		76,577		1,048	
		<u>3,131,361</u>		<u>2,730,711</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(3,545,570)</u>		<u>(3,566,287)</u>	
<b>Net current liabilities</b>			<u>(414,209)</u>		<u>(835,576)</u>
<b>Total assets less current liabilities</b>			3,382,660		2,899,367
<b>Creditors amounts falling due after more than one year</b>	14		<u>(755,513)</u>		<u>(379,718)</u>
			<u>2,627,147</u>		<u>2,519,649</u>
<b>Capital and reserves</b>					
Called up share capital	17		200		200
Revaluation reserve	18		2,309,266		2,350,059
Profit and loss account	18		317,681		169,390
<b>Shareholders' funds</b>	19		<u>2,627,147</u>		<u>2,519,649</u>

Approved by the Board and authorised for issue on 13 August 2013



Mr H A Hill  
Director

Company Registration No 01974963

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	£	Year ended 30 June 2013 £	£	Period ended 30 June 2012 £
<b>Net cash inflow from operating activities</b>		317,142		359,671
<b>Returns on investments and servicing of finance</b>				
Interest paid	(22,454)		(61,620)	
Dividends received	541		456	
		<u>          </u>		<u>          </u>
<b>Net cash outflow for returns on investments and servicing of finance</b>		(21,913)		(61,164)
<b>Taxation</b>		-		(43,113)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(235,572)		(433,586)	
Receipts from sales of tangible assets	10,825		1,264,239	
		<u>          </u>		<u>          </u>
<b>Net cash (outflow)/inflow for capital expenditure</b>		(224,747)		830,653
<b>Equity dividends paid</b>		-		(50,000)
		<u>          </u>		<u>          </u>
<b>Net cash inflow before management of liquid resources and financing</b>		70,482		1,036,047
<b>Financing</b>				
New long term bank loan	43,050		-	
Other new long term loans	143,440		-	
Repayment of other long term loans	(221,119)		(274,600)	
Capital element of hire purchase contracts	(29,887)		(5,400)	
		<u>          </u>		<u>          </u>
<b>Net cash outflow from financing</b>		(64,516)		(280,000)
<b>Increase in cash in the year</b>		<u>          </u> 5,966		<u>          </u> 947,328

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2013	2012
		£	£
	Operating profit/(loss)	137,469	(596,799)
	Depreciation of tangible assets	316,567	526,671
	Amortisation of intangible assets	1,000	3,000
	Loss on disposal of tangible assets	14,459	59,902
	Decrease/(increase) in stocks	21,702	(33,239)
	(Increase)/decrease in debtors	(329,823)	672,060
	Increase/(decrease) in creditors within one year	155,768	(271,924)
	<b>Net cash inflow from operating activities</b>	<u>317,142</u>	<u>359,671</u>

2	Analysis of net debt	1 July 2012	Cash flow	Other non-cash changes	30 June 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,048	75,529	-	76,577
	Bank overdrafts	(662,439)	(69,563)	-	(732,002)
		<u>(661,391)</u>	<u>5,966</u>	<u>-</u>	<u>(655,425)</u>
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(9,513)	29,886	(169,204)	(148,831)
	Debts falling due within one year	(724,600)	221,119	84,761	(418,720)
	Debts falling due after one year	(373,805)	-	(271,251)	(645,056)
		<u>(1,107,918)</u>	<u>251,005</u>	<u>(355,694)</u>	<u>(1,212,607)</u>
	<b>Net debt</b>	<u>(1,769,309)</u>	<u>256,971</u>	<u>(355,694)</u>	<u>(1,868,032)</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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<b>3 Reconciliation of net cash flow to movement in net debt</b>	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	5,966	756,047
Cash outflow from (increase)/decrease in debt and lease financing	251,005	280,000
	<hr/>	<hr/>
Change in net debt resulting from cash flows	256,971	1,036,047
New debt and finance lease borrowings	(355,694)	-
	<hr/>	<hr/>
<b>Movement in net debt in the year</b>	<b>(98,723)</b>	<b>1,036,047</b>
Opening net debt	(1,769,309)	(2,805,356)
	<hr/>	<hr/>
<b>Closing net debt</b>	<b>(1,868,032)</b>	<b>(1,769,309)</b>
	<hr/>	<hr/>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand

The directors have prepared financial projections for the current financial year and have carried out a going concern review for the 12 months from the date of their approval of these financial statements

On the basis of these forecasts and discussions with the company's bankers, the directors consider that the company will continue to operate within the facility currently agreed and within that which they anticipate will be agreed on 30 April 2014, when the current facility expires. The directors are confident that the company's overdraft facilities will be renewed at the current level at that time

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### 1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of ten years

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	2.5% straight line on buildings only
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	33% reducing balance
Motor vehicles	25% reducing balance

That part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

#### 1.5 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 a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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**1 Accounting policies** (continued)

**1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value

**1.7 Stock**

Stocks of fuel and vehicle spare parts are stated at the lower of cost and net realisable value

**1.8 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17

**1.9 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. The deferred tax asset has been recognised to the extent that it is regarded as more likely than not that it will be recovered.

**1.10 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The directors have taken advantage of the exemption contained in section 405 of the Companies Act 2006 and have not prepared group accounts on the basis that the subsidiary company was dormant throughout the financial year.

**2 Turnover**

**Geographical market**

	Turnover	
	2013	2012
	£	£
Isle of Man	11,078,181	16,841,478
United Kingdom	2,157,065	3,321,303
Eire	2,075,749	3,388,338
Channel Islands	460,978	752,235
Europe	24,494	84,472
	<u>15,796,467</u>	<u>24,387,826</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

<b>3</b>	<b>Operating profit/(loss)</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Operating profit/(loss) is stated after charging		
	Amortisation of intangible assets	1,000	3,000
	Depreciation of tangible assets	316,567	526,671
	Loss on disposal of tangible assets	16,284	59,902
	Operating lease rentals	78,556	239,521
	Auditors' remuneration (including expenses and benefits in kind)	11,000	16,500
	and after crediting		
	Profit on disposal of tangible assets	(1,825)	-
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	Income from fixed asset investments	541	456
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2013</b>	<b>2012</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	16,200	59,300
	Hire purchase interest	6,207	2,320
	Other interest	29,855	157,598
		<u>          </u>	<u>          </u>
		<u>52,262</u>	<u>219,218</u>



# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

6 Taxation	2013	2012
	£	£
U K corporation tax	-	4,750
Adjustment for prior years	(4,750)	-
<b>Current tax charge</b>	<b>(4,750)</b>	<b>4,750</b>
<b>Deferred tax</b>		
Deferred tax debit/(credit)	(17,000)	(17,000)
	<u>(21,750)</u>	<u>(12,250)</u>
<b>Factors affecting the tax charge for the year</b>		
Profit/(loss) on ordinary activities before taxation	<u>85,748</u>	<u>(1,006,842)</u>
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.16%)	<u>17,150</u>	<u>(202,979)</u>
Effects of		
Non deductible expenses	13,942	34,561
Depreciation add back	66,405	157,420
Capital allowances	(65,362)	(29,448)
Tax losses utilised	(32,027)	10,431
Adjustments to previous periods	(4,750)	-
Chargeable disposals	-	34,904
Other tax adjustments	(108)	(139)
	<u>(21,900)</u>	<u>207,729</u>
<b>Current tax charge</b>	<b><u>(4,750)</u></b>	<b><u>4,750</u></b>

The company has estimated losses of £ 1,060,990 (2012 - £ 1,221,123) available for carry forward against future trading profits

7 Dividends	2013	2012
	£	£
Ordinary interim paid	<u>-</u>	<u>50,000</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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<b>8 Intangible fixed assets</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 July 2012 & at 30 June 2013	20,000
	<hr/>
<b>Amortisation</b>	
At 1 July 2012	19,000
Charge for the year	1,000
	<hr/>
At 30 June 2013	20,000
	<hr/>
<b>Net book value</b>	
At 30 June 2013	-
	<hr/> <hr/>
At 30 June 2012	1,000
	<hr/> <hr/>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

9 Tangible fixed assets	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 July 2012	2,960,000	362,009	543,850	2,146,684	6,012,543
Additions	-	172,005	21,123	211,649	404,777
Disposals	-	-	-	(96,152)	(96,152)
At 30 June 2013	<u>2,960,000</u>	<u>534,014</u>	<u>564,973</u>	<u>2,262,181</u>	<u>6,321,168</u>
<b>Depreciation</b>					
At 1 July 2012	88,485	310,961	494,383	1,388,870	2,282,699
On disposals	-	-	-	(70,868)	(70,868)
Charge for the year	50,563	29,704	19,566	216,734	316,567
At 30 June 2013	<u>139,048</u>	<u>340,665</u>	<u>513,949</u>	<u>1,534,736</u>	<u>2,528,398</u>
<b>Net book value</b>					
At 30 June 2013	<u>2,820,952</u>	<u>193,349</u>	<u>51,024</u>	<u>727,445</u>	<u>3,792,770</u>
At 30 June 2012	<u>2,871,515</u>	<u>51,048</u>	<u>49,467</u>	<u>757,814</u>	<u>3,729,844</u>

The company's freehold land and buildings at Skelmersdale were valued on 4 October 2010 on an open market basis by Sanderson Weatherall LLP, independent valuers, at £2,960,000

### Comparable historical cost for the land and buildings included at valuation

	£
<b>Cost</b>	
At 1 July 2012	<u>740,780</u>
At 30 June 2013	<u>740,780</u>
<b>Depreciation based on cost</b>	
At 1 July 2012	219,324
Charge for the year	9,770
At 30 June 2013	<u>229,094</u>
<b>Net book value</b>	
At 30 June 2013	<u>511,686</u>
At 30 June 2012	<u>521,456</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

### 9 Tangible fixed assets (continued)

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

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Net book values</b>			
At 30 June 2013	147,371	5,448	152,819
At 30 June 2012	-	8,131	8,131
<b>Depreciation charge for the year</b>			
At 30 June 2013	21,836	2,683	24,519
At 30 June 2012	-	6,404	6,404

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

### 10 Fixed asset investments

	Listed investments £	Shares in group undertakings £	Total £
<b>Cost or valuation</b>			
At 1 July 2012 & at 30 June 2013	4,099	100	4,199
<b>Provisions for diminution in value</b>			
At 1 July 2012 & at 30 June 2013	-	100	100
<b>Net book value</b>			
At 30 June 2013	4,099	-	4,099
At 30 June 2012	4,099	-	4,099
	<b>Market value</b> £		<b>Market value</b> £
At 30 June 2013	7,467		7,467
At 30 June 2012	5,041		5,041

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
G F Transport Limited	England & Wales	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial period were as follows

	Principal activity	Capital and reserves 2013 £	Profit/(loss) for the period 2013 £
G F Transport Limited	Dormant	100	-

G F Transport Limited traded until 31 August 2010 when its trading assets and liabilities were hived up to this company. The company has remained dormant subsequently and is in the process of being dissolved.

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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<b>11 Stocks</b>	<b>2013</b>	<b>2012</b>
	£	£
Raw materials and consumables	<u>67,194</u>	<u>88,896</u>
<b>12 Debtors</b>	<b>2013</b>	<b>2012</b>
	£	£
Trade debtors	2,530,137	2,198,764
Other debtors	68,946	83,213
Prepayments and accrued income	196,507	183,790
Deferred tax asset (see note 15)	192,000	175,000
	<u>2,987,590</u>	<u>2,640,767</u>
<b>13 Creditors amounts falling due within one year</b>	<b>2013</b>	<b>2012</b>
	£	£
Bank loans and overdrafts	746,122	662,439
Net obligations under hire purchase contracts	38,374	3,600
Trade creditors	1,595,462	1,033,543
Corporation tax	-	4,750
Other taxes and social security costs	464,755	720,979
Directors' current accounts	13,684	131,589
Other loans	404,600	724,600
Accruals and deferred income	282,573	284,787
	<u>3,545,570</u>	<u>3,566,287</u>

The company's banking facilities are secured by a debenture charged over all fixed assets of the company together with a personal guarantee given by Mr H A Hill, director, in the sum of £100,000

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

14 Creditors amounts falling due after more than one year	2013 £	2012 £
Bank loans	27,811	-
Other loans	617,245	373,805
Net obligations under hire purchase contracts	110,457	5,913
	<u>755,513</u>	<u>379,718</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	1,063,776	1,098,405
	<u>1,063,776</u>	<u>1,098,405</u>
Included in current liabilities	(418,720)	(724,600)
	<u>645,056</u>	<u>373,805</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	488,654	373,800
In more than two years but not more than five years	156,402	5
	<u>645,056</u>	<u>373,805</u>
Included in other loans are loans totalling £1,021,840 (2012 - £1,098,400) from The Graylaw Self Administered Pension Fund Scheme which are secured by first charges over certain assets of the company		
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	45,573	5,147
Repayable between one and five years	130,204	9,006
	<u>175,777</u>	<u>14,153</u>
Finance charges and interest allocated to future accounting periods	(26,946)	(4,640)
	<u>148,831</u>	<u>9,513</u>
Included in liabilities falling due within one year	(38,374)	(3,600)
	<u>110,457</u>	<u>5,913</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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### 15 Provisions for liabilities

The deferred tax asset (included in debtors, note 12) is made up as follows

	2013 £	
Balance at 1 July 2012	(175,000)	
Profit and loss account	(17,000)	
	<u>(192,000)</u>	
Balance at 30 June 2013	<u>(192,000)</u>	
	2013 £	2012 £
Accelerated capital allowances	20,000	-
Tax losses available	(212,000)	(175,000)
	<u>(192,000)</u>	<u>(175,000)</u>

### 16 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	<u>2,360</u>	<u>1,700</u>

### 17 Share capital

	2013 £	2012 £
Allotted, called up and fully paid 200 Ordinary shares of £1 each	<u>200</u>	<u>200</u>



# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

### 18 Statement of movements on reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 July 2012	2,350,059	169,390
Profit for the year	-	107,498
Transfer from revaluation reserve to profit and loss account	(40,793)	40,793
Balance at 30 June 2013	<u>2,309,266</u>	<u>317,681</u>

### 19 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit/(Loss) for the financial year	107,498	(994,592)
Dividends	-	(50,000)
	<u>107,498</u>	<u>(1,044,592)</u>
Other recognised gains and losses	-	43,576
Net addition to/(depletion in) shareholders' funds	107,498	(1,001,016)
Opening shareholders' funds	2,519,649	3,520,665
Closing shareholders' funds	<u>2,627,147</u>	<u>2,519,649</u>

### 20 Contingent liabilities

The company had no contingent liabilities at 30 June 2013 (2012 - £nil)

### 21 Financial commitments

At 30 June 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2014

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire In over five years	<u>51,200</u>	<u>51,200</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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22 Directors' remuneration	2013 £	2012 £
Remuneration for qualifying services	98,954	132,486
Company pension contributions to defined contribution schemes	600	900
	<u>99,554</u>	<u>133,386</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2012 - 3)

### 23 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2013 Number	2012 Number
Directors and employees	<u>144</u>	<u>168</u>

#### Employment costs

	2013 £	2012 £
Wages and salaries	3,213,540	5,515,413
Other pension costs	2,360	1,700
	<u>3,215,900</u>	<u>5,517,113</u>

### 24 Control

The company is ultimately controlled by Mr H A Hill by virtue of his shareholding in the company

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

### 25 Related party relationships and transactions

#### Loans from directors

Transactions in relation to loans with directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
H A Hill - Director's loan account	-	131,589	25,500	-	(143,405)	13,684
		<u>131,589</u>	<u>25,500</u>	<u>-</u>	<u>(143,405)</u>	<u>13,684</u>

#### Loans to directors

Advances and credits granted to the directors during the year are outlined in the table below

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
S A Boyd - Director's loan account	-	179	-	-	(179)	-
		<u>179</u>	<u>-</u>	<u>-</u>	<u>(179)</u>	<u>-</u>

The maximum overdrawn amount on Mrs S A Boyd's director's loan account during the year was £179

#### Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below

	2013 £	2012 £
H A Hill	-	38,000
K Hill	-	12,000
	<u>-</u>	<u>50,000</u>

# GRAYLAW INTERNATIONAL FREIGHT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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### 25 Related party relationships and transactions

(continued)

#### Other transactions

At 30 June 2013 the following amount, which is included in other creditors, was owed to a related party by virtue of common control and ownership

Graylaw Freight (Manx) Limited - £5 (2012 - £5 Cr), the company has remained dormant throughout the year

The company has borrowed monies from a pension arrangement in which two of the directors are the sole beneficiaries, upon which interest is payable, as follows

The Graylaw Self Administered Pension Fund Scheme - £1,021,840 (2012 - £1,098,400)

Interest charged in the year in respect of these loans amounted to £29,808 (period ended 30 June 2012 - £157,598), and £221,838 (2012 - £192,030) remained unpaid at the company's financial year end

On 8 February 2011 the company disposed of a warehouse located on the Skelmersdale site to The Graylaw Self Administered Pension Fund Scheme at a valuation of £460,000, this valuation being unchanged from that undertaken in October 2010 as part of the overall Skelmersdale site valuation

On 20 March 2012 the company disposed of its warehouse located in the Isle of Man to The Graylaw Self Administered Pension Fund Scheme for consideration of £730,000

Rentals charged in the year for the company's subsequent occupation of the warehouse in the Isle of Man amounted to £51,200 (period ended 30 June 2012 - £12,800), and £46,080 (2012 - £nil) remained unpaid at the company's financial year end

In addition, the company has advanced monies to a pension arrangement in which two of the directors are the sole beneficiaries as follows

The H A Hill Funded Unapproved Retirement Benefit Scheme (FURBS) - £66,789 (2012 - £83,034)