

**FERGYTRUX LIMITED**

**DIRECTORS' REPORT AND AUDITED  
CONSOLIDATED FINANCIAL STATEMENTS**

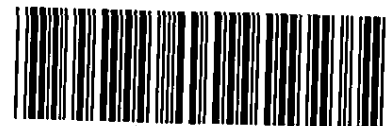
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**GREAVES WEST AND AYRE**

**CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS**

**BERWICK UPON TWEED**

THURSDAY



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COMPANIES HOUSE

**FERGYTRUX LIMITED**

**COMPANY INFORMATION**

|                   |   |
|-------------------|---|
| Directors         | A Ferguson<br>E Ferguson<br>H Whitaker<br>S Whitaker  |
| Secretary         | H Whitaker  |
| Company Number    | 05919848  |
| Registered Office | Northumberland Business Park West<br>Cramlington<br>Northumberland<br>NE23 7RH  |
| Auditors          | Greaves West and Ayre<br>Chartered Accountants & Statutory Auditors<br>1/3 Sandgate<br>Berwick upon Tweed<br>TD15 1EW |
| Bankers           | HSBC Bank plc<br>110 Grey Street<br>Newcastle upon Tyne<br>Tyne and Wear<br>NE1 6JG                                   |
| Solicitors        | Dickinson Dees<br>Old Trinity<br>Broad Chare<br>Newcastle upon Tyne<br>NE1 2HF  |

**FERGYTRUX LIMITED**

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**FERGYTRUX LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

The directors present their report and the group financial statements for the year ended 30th September 2011

**Directors**

The directors who served during the year are as stated below

A Ferguson  
E Ferguson  
H Whitaker  
S Whitaker

**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 the affairs of the group and of the profit or loss of the group for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website.

In so far as the directors are aware

- there is no relevant audit information (information needed by the group's auditors in connection with preparing their report) of which the group's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information

**FERGYTRUX LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**Principal activity**

The principal activity of the group during the year was logistical operations, comprising haulage, handling and storage

The company acts as a holding company and has not traded during the year ended 30th September 2011

The subsidiary undertakings principally affecting the profits or net assets of the group in the year are listed in note 4.1 to the financial statements

**Review of the business**

Fergytrux Limited's subsidiary Fergusons Transport Limited, remains one of the largest regional haulage and logistics companies in the North East of England

The group's success results from its operation of being one of the largest privately owned haulage and logistic contractors in both the North East and the South West of England

The company increased turnover by 8% in a difficult economic climate and showed a significant increase in trading profit in all operating departments. This was notwithstanding the disruption to trade as a result of problems caused by the severe winter weather in 2010-2011

This was largely achieved by developing our relationship with existing customers and working closely with them to achieve greater efficiency. The continuing economic situation shows no signs of improving in the foreseeable future which will put more pressure on our customers and ourselves to achieve even greater efficiency over the years ahead

The principle sources of income derive from haulage, storage and logistics and these are monitored day to day by key performance indicators which enables appropriate action to be taken when circumstances require it

The uncertainties facing the business in the year ahead are the risks which will result from the low national growth being forecast and the impact that will have on our customers. We will endeavour to work closely with them to reflect any changing needs as they are identified and address those needs

The directors anticipate continued improvements in trading profitability in the year ahead as a result of the ongoing benefits from actions already taken to improve efficiency and flexibility

**Results and dividends**

The results for the year are set out on page 8

The dividend for the year was £13,200 as set out in note 20 (2010 £12,174)

The directors do not recommend payment of a final dividend in respect of the ordinary shares

**FERGYTRUX LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.


**Employee consultation**

The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

**Auditors**

The auditors, Greaves West and Ayre, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the Board on 19<sup>th</sup> December 2011

  
A. Ferguson  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**FERGYTRUX LIMITED**

We have audited the group and individual financial statements of Fergytrux Limited for the year ended 30th September 2011 which comprise the Consolidated Profit and Loss Account, the Consolidated and Individual Company Balance Sheets, the Consolidated Cash Flow Statement, the Reconciliation of Movements in Group Shareholders' Funds and the related notes. 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 group'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 group's members those matters we are required to state to them in an auditor's 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 (APB'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 group'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 information in the Directors' Report to identify all 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 group's and company's affairs as at 30th September 2011 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.

**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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**FERGYTRUX 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 return, 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

**Roseanne Bennett ACA  
Senior Statutory Auditor  
For and on behalf of  
Greaves West and Ayre  
Chartered Accountants and  
Statutory Auditors  
Berwick upon Tweed**

DATE: 20th December 2011



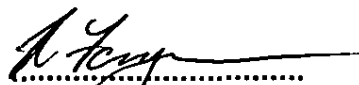
**FERGYTRUX LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2011**

|   | <u>Notes</u> | <u>2011</u><br>£ | <u>2010</u><br>£   |
|---|--------------|------------------|--------------------|
| <b>Fixed Assets</b>   |              |                  |                    |
| Tangible assets   | 3            | 2,956,816        | 3,145,438          |
| <b>Current Assets</b>   |              |                  |                    |
| Stocks  | 5            | 126,490          | 184,938            |
| Debtors   | 6            | 6,118,155        | 5,117,450          |
|   |              | <u>6,244,645</u> | <u>5,302,388</u>   |
| <b>Creditors : Amounts falling due within one year</b>          | 7            | (6,874,086)      | (6,506,512)        |
| <b>Net Current Liabilities</b>                                  |              | <u>(629,441)</u> | <u>(1,204,124)</u> |
| <b>Total Assets Less Current Liabilities</b>                    |              | 2,327,375        | 1,941,314          |
| <b>Creditors : Amounts falling due after more than one year</b> | 8            | (491,537)        | (513,742)          |
| <b>Provision for Liabilities and Charges</b>                    | 9            | (40,626)         | -                  |
| <b>Deferred income</b>  | 12           | (175,000)        | -                  |
| <b>Net Assets</b>   |              | <u>1,620,212</u> | <u>1,427,572</u>   |
| <b>Capital and Reserves</b>                                     |              |                  |                    |
| Called up share capital   | 10           | 436,150          | 436,150            |
| Share premium account   | 11           | 429,600          | 429,600            |
| Profit and loss account   | 11           | 754,462          | 561,822            |
| <b>Shareholders' Funds</b>                                      | 21           | <u>1,620,212</u> | <u>1,427,572</u>   |

The financial statements were approved by the Board on

*19<sup>th</sup> December 2011*

And signed on its behalf by

  
 .....  
**A. Ferguson, Director**

The notes on pages 10 to 26 form an integral part of these financial statements.


**FERGYTRUX LIMITED**  
**COMPANY BALANCE SHEET AS AT 30TH SEPTEMBER 2011**

|  | <u>Notes</u> | <u>2011</u><br>£ | <u>2010</u><br>£ |
|--|--------------|------------------|------------------|
| <b>Fixed Assets</b>                          |              |                  |                  |
| Investments                                  | 4            | 535,750          | 535,750          |
| <b>Total Assets Less Current Liabilities</b> |              | <u>535,750</u>   | <u>535,750</u>   |
| <b>Capital and Reserves</b>                  |              |                  |                  |
| Called up share capital                      | 10           | 106,150          | 106,150          |
| Share premium account                        | 11           | 429,600          | 429,600          |
| <b>Shareholders' Funds</b>                   |              | <u>535,750</u>   | <u>535,750</u>   |

The financial statements were approved by the Board on

*19<sup>th</sup> December 2011*

And signed on its behalf by

  
 .....  
 A. Ferguson, Director

The notes on pages 10 to 26 form an integral part of these financial statements.

**FERGYTRUX LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

|  | <b><u>Notes</u></b> | <b><u>2011</u></b><br><b>£</b> | <b><u>2010</u></b><br><b>£</b> |
|--|---------------------|--------------------------------|--------------------------------|
| <b>Turnover</b>                                      | <b>2</b>            | 20,282,562                     | 18,793,755                     |
| Cost of sales  |                     | (17,729,920)                   | (16,492,835)                   |
| <b>Gross profit</b>                                  |                     | <u>2,552,642</u>               | <u>2,300,920</u>               |
| Administrative expenses                              |                     | (2,240,953)                    | (2,152,732)                    |
| <b>Operating profit</b>                              | <b>13</b>           | <u>311,689</u>                 | <u>148,188</u>                 |
| Investment income                                    | <b>14</b>           | 50,000                         | -                              |
| Interest receivable and similar income               | <b>15</b>           | 30,130                         | 18,276                         |
| Interest payable and similar charges                 | <b>16</b>           | (145,353)                      | (123,256)                      |
| <b>Profit on ordinary activities before taxation</b> |                     | <u>246,466</u>                 | <u>43,208</u>                  |
| Tax on profit on ordinary activities                 | <b>19</b>           | (40,626)                       | -                              |
| <b>Profit on ordinary activities after taxation</b>  |                     | <u><u>205,840</u></u>          | <u><u>43,208</u></u>           |

All activities derive from continuing operations

There are no recognised gains or losses in either year, other than the profit or loss for the year as stated in the above profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

**The notes on pages 10 to 26 form an integral part of these financial statements.**

**FERGYTRUX LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

| <u>Notes</u>   | <u>2011</u><br>£ | <u>2010</u><br>£ |
|--|------------------|------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |                  |                  |
| Operating profit   | 311,689          | 148,188          |
| Depreciation   | 650,357          | 638,159          |
| Loss on sale of fixed assets   | 12,694           | 16,543           |
| (Increase)/decrease in stocks  | 58,448           | (95,742)         |
| (Increase)/decrease in debtors   | (1,000,705)      | (1,238,509)      |
| Increase/(decrease) in creditors   | 328,489          | 690,400          |
| Increase in deferred income  | 175,000          | -                |
| <b>Net cash inflow from operating activities</b>                                       | <u>535,972</u>   | <u>159,039</u>   |

**CASH FLOW STATEMENT**

|   |    |                 |                  |
|---|----|-----------------|------------------|
| Net cash inflow from operating activities       |    | 535,972         | 159,039          |
| Returns on investments and servicing of finance | 26 | (65,223)        | (104,980)        |
| Capital expenditure                             | 26 | 43,275          | (193,274)        |
|   |    | <u>514,024</u>  | <u>(139,215)</u> |
| Dividends                                       |    | (13,200)        | (12,174)         |
|   |    | <u>500,824</u>  | <u>(151,389)</u> |
| Financing                                       | 26 | (561,557)       | (505,062)        |
| <b>Decrease in cash in the year</b>             |    | <u>(60,733)</u> | <u>(656,451)</u> |

**Reconciliation of net cash flow to movement in net funds (Note 27)**

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Decrease in cash in the year</b>                    | (60,733)           | (656,451)          |
| Cash inflow from increase in debts and lease financing | 561,557            | 535,062            |
|  | <u>500,824</u>     | <u>(121,389)</u>   |
| Change in net funds resulting from cash flows          | 500,824            | (121,389)          |
| New finance leases and HP Contracts                    | (517,704)          | (531,225)          |
|  | <u>(16,880)</u>    | <u>(652,614)</u>   |
| <b>Movement in net funds in the year</b>               | (16,880)           | (652,614)          |
| <b>Net debt at 1st October 2010</b>                    | <u>(1,580,646)</u> | <u>(928,032)</u>   |
| <b>Net debt at 30th September 2011</b>                 | <u>(1,597,526)</u> | <u>(1,580,646)</u> |

**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. These have all been consistently applied throughout the current year and the preceding year.

**1.2. Basis of consolidation**

The group financial statements include the results of all subsidiary undertakings. Fergytrux Limited has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The profit for the financial year of Fergytrux Limited was £Nil (2010 £Nil).

The results of subsidiaries acquired or sold are consolidated from or to the date at which control passed.

**1.3. Turnover**

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

**1.4. Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life, as follows:

**Fixtures, fittings, plant and machinery**

|                       |   |
|-----------------------|---|
| Computer Equipment    | - 20% - 25% per annum, straight line    |
| Fixtures and Fittings | - 15% per annum, reducing balance       |
| Plant and Machinery   | - 15% - 25% per annum, reducing balance |

**Motor vehicles**

|          |   |
|----------|---|
| Vehicles | - 25% per annum, reducing balance       |
| Trailers | - 15% - 25% per annum, reducing balance |

**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**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 constant periodic rates of charge on the net obligations outstanding in each period.

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

**1.6. Investments**

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

**1.7. Stock**

Stock is valued at the lower of cost and net realisable value. Cost represents the purchase price of materials. Net realisable value is based on estimated selling price.

**1.8. Pensions**

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

The group operates a defined contribution pension scheme on behalf of the directors and certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £27,928 (2010 £31,297). Differences between contributions payable and contributions actually paid in the year are shown as either accruals or prepayments at the year end. At the year end contributions payable amounted to £513 (2010 £513).

**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**1.9. 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

**2. Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK

**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**3. Tangible fixed assets**  
**Group**

|                        | <b><u>Fixtures and</u></b><br><b><u>Fittings</u></b> | <b><u>Motor</u></b><br><b><u>Vehicles</u></b> | <b><u>Total</u></b> |
|------------------------|--|---|---------------------|
|                        | <b>£</b>   | <b>£</b>                                      | <b>£</b>            |
| <b>Cost</b>            |  |   |                     |
| Brought forward        | 996,840  | 6,142,867                                     | 7,139,707           |
| Additions              | 16,257   | 607,372                                       | 623,629             |
| Disposals              | -  | (611,428)                                     | (611,428)           |
|                        | <u>1,013,097</u>                                     | <u>6,138,811</u>                              | <u>7,151,908</u>    |
| <b>Depreciation</b>    |  |   |                     |
| Brought forward        | 643,739  | 3,350,530                                     | 3,994,269           |
| On disposals           | -  | (449,534)                                     | (449,534)           |
| Charge for the year    | <u>65,014</u>  | <u>585,343</u>                                | <u>650,357</u>      |
|                        | <u>708,753</u>                                       | <u>3,486,339</u>                              | <u>4,195,092</u>    |
| <b>Net book values</b> |  |   |                     |
| At 30th September 2011 | <u>304,344</u>                                       | <u>2,652,472</u>                              | <u>2,956,816</u>    |
| At 30th September 2010 | <u>353,101</u>                                       | <u>2,792,337</u>                              | <u>3,145,438</u>    |

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

| <b>Asset description</b> | <b><u>2011</u></b>       |                            | <b><u>2010</u></b>       |                            |
|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
|                          | <b><u>Net</u></b>        | <b><u>Depreciation</u></b> | <b><u>Net</u></b>        | <b><u>Depreciation</u></b> |
|                          | <b><u>Book Value</u></b> | <b><u>Charge</u></b>       | <b><u>Book Value</u></b> | <b><u>Charge</u></b>       |
|                          | <b>£</b>                 | <b>£</b>                   | <b>£</b>                 | <b>£</b>                   |
| Motor vehicles           | <u>1,202,296</u>         | <u>256,100</u>             | <u>1,780,752</u>         | <u>318,174</u>             |

**Company**

The company does not own any tangible fixed assets



**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

**4. Fixed asset investments**

**Group**

The group has no fixed asset investments

| <b>Company</b>                                    | <b><u>Subsidiary<br/>Undertakings</u><br/>Shares</b><br>£ |
|---|---|
| <b>Cost</b>                                       |   |
| At 1st October 2010 and<br>at 30th September 2011 | 535,750   |
| <b>Net book values</b>                            |   |
| At 30th September 2011                            | 535,750   |
| At 30th September 2010                            | 535,750   |

**4.1. Holdings of 20% or more**

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

| <b><u>Company</u></b>         | <b><u>Country of<br/>registration or<br/>incorporation</u></b> | <b><u>Nature of<br/>Business</u></b> | <b><u>Class</u></b>     | <b><u>Shares held</u></b> |
|-------------------------------|--|--------------------------------------|-------------------------|---------------------------|
| <b>Subsidiary undertaking</b> |  |                                      |                         |                           |
| Fergusons Transport Limited   | England  | Logistical<br>operations             | Ordinary                | 100%                      |
| Fergusons Transport Limited   | England  | Logistical<br>operations             | A Redeemable Preference | 100%                      |
| Redpath of Wooler Limited (1) | England  | Dormant                              | Ordinary                | 100%                      |

(1) via Fergusons Transport Limited

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

|                               | <b><u>Capital and reserves</u></b><br>£ | <b><u>Profit for the year</u></b><br>£ |
|-------------------------------|---|--|
| Fergusons Transport Limited   | 1,620,212                               | 205,840                                |
| Redpath of Wooler Limited (1) | 2                                       | -                                      |

Redpath of Wooler Limited was dormant during this and previous periods

**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 2011**

| 5. Stocks                     | <u>Group</u>   |                | <u>Company</u> |             |
|-------------------------------|----------------|----------------|----------------|-------------|
|                               | <u>2011</u>    | <u>2010</u>    | <u>2011</u>    | <u>2010</u> |
|                               | £              | £              | £              | £           |
| Raw materials and consumables | <u>126,490</u> | <u>184,938</u> | <u>-</u>       | <u>-</u>    |

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement costs

| 6. Debtors                     | <u>Group</u>     |                  | <u>Company</u> |             |
|--------------------------------|------------------|------------------|----------------|-------------|
|                                | <u>2011</u>      | <u>2010</u>      | <u>2011</u>    | <u>2010</u> |
|                                | £                | £                | £              | £           |
| Trade debtors                  | 3,927,693        | 3,625,921        | -              | -           |
| Amount owed by related parties | 1,529,805        | 884,129          | -              | -           |
| Other debtors                  | 16,622           | 10,217           | -              | -           |
| Prepayments and accrued income | <u>644,035</u>   | <u>597,183</u>   | <u>-</u>       | <u>-</u>    |
|                                | <u>6,118,155</u> | <u>5,117,450</u> | <u>-</u>       | <u>-</u>    |

**Group**

Included in prepayments and accrued income is an amount of £2,862 (2010 £9,283) relating to amounts due after more than one year

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| 7. Creditors: amounts falling due within one year                | <b><u>Group</u></b> |                    | <b><u>Company</u></b> |                    |
|--|---------------------|--------------------|-----------------------|--------------------|
|  | <b><u>2011</u></b>  | <b><u>2010</u></b> | <b><u>2011</u></b>    | <b><u>2010</u></b> |
|  | <b>£</b>            | <b>£</b>           | <b>£</b>              | <b>£</b>           |
| Bank overdraft   | 567,778             | 507,045            | -                     | -                  |
| Loans from related parties                                       | 67,350              | 8,750              | -                     | -                  |
| Net obligations under finance leases and hire purchase contracts | 470,861             | 551,109            | -                     | -                  |
| Trade creditors  | 1,708,781           | 1,600,129          | -                     | -                  |
| Amounts owed to related parties                                  | -                   | 75,000             | -                     | -                  |
| Other taxes and social security costs                            | 869,598             | 616,585            | -                     | -                  |
| Other creditors  | 2,484,174           | 2,439,575          | -                     | -                  |
| Accruals and deferred income                                     | 705,544             | 708,319            | -                     | -                  |
|  | <u>6,874,086</u>    | <u>6,506,512</u>   | <u>-</u>              | <u>-</u>           |

**Group**

Other creditors include an amount of £2,421,542 (2010 £2,402,854) secured by a fixed charge over book debts

The bank borrowings are secured by a full mortgage debenture and legal charges over the assets of the group

The hire purchase contracts are secured on the assets to which they relate

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| 8. Creditors: amounts falling due after more than one year       | <b><u>Group</u></b> |                    | <b><u>Company</u></b> |                    |
|--|---------------------|--------------------|-----------------------|--------------------|
|  | <b><u>2011</u></b>  | <b><u>2010</u></b> | <b><u>2011</u></b>    | <b><u>2010</u></b> |
|  | <b>£</b>            | <b>£</b>           | <b>£</b>              | <b>£</b>           |
| Loans from related parties                                       | 15,313              | 24,063             | -                     | -                  |
| Net obligations under finance leases and hire purchase contracts | 476,224             | 489,679            | -                     | -                  |
|  | <u>491,537</u>      | <u>513,742</u>     | <u>-</u>              | <u>-</u>           |
| <b>Loans from related parties</b>                                |                     |                    |                       |                    |
| Repayable in one year or less or on demand (Note 7)              | 67,350              | 8,750              | -                     | -                  |
| Repayable between one and two years                              | 8,750               | 17,500             | -                     | -                  |
| Repayable between two and five years                             | 6,563               | 6,563              | -                     | -                  |
|  | <u>82,663</u>       | <u>32,813</u>      | <u>-</u>              | <u>-</u>           |

An amount of £24,063 included within loans from related parties relates to an amount owed to Fergusons Blyth Limited Small Self Administered Pension Scheme. The loan incurs interest at 3% above UK base rate, and is due to be fully repaid by 2014.

Also, included in loans from related parties is an amount of £58,600 which is interest free and repayable on demand.

All loans are unsecured.

**Net obligations under finance leases and hire purchase contracts**

|                                      |                |                  |          |          |
|--------------------------------------|----------------|------------------|----------|----------|
| Repayable within one year            | 470,861        | 551,109          | -        | -        |
| Repayable between two and five years | 476,224        | 489,679          | -        | -        |
|                                      | <u>947,085</u> | <u>1,040,788</u> | <u>-</u> | <u>-</u> |

The hire purchase contracts are secured on the assets to which they relate.

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**9. Provisions for liabilities and charges**

Deferred tax is analysed over the following timing differences

|                                | <b><u>Group</u></b><br><b><u>Provided</u></b> |                    | <b><u>Company</u></b><br><b><u>Provided</u></b> |                    |
|--------------------------------|---|--------------------|---|--------------------|
|                                | <b><u>2011</u></b>                            | <b><u>2010</u></b> | <b><u>2011</u></b>                              | <b><u>2010</u></b> |
|                                | <b><u>£</u></b>                               | <b><u>£</u></b>    | <b><u>£</u></b>                                 | <b><u>£</u></b>    |
| Accelerated capital allowances | 200,358                                       | 226,166            | -   | -                  |
| Other timing differences       | (133)   | (144)              | -   | -                  |
| Tax losses available           | (159,599)                                     | (226,022)          | -   | -                  |
|                                | <u>40,626</u>                                 | <u>-</u>           | <u>-</u>  | <u>-</u>           |

Movements on the provision for deferred taxation are

|  | <b><u>2011</u></b> | <b><u>2010</u></b> | <b><u>2011</u></b> | <b><u>2010</u></b> |
|--|--------------------|--------------------|--------------------|--------------------|
|  | <b><u>£</u></b>    | <b><u>£</u></b>    | <b><u>£</u></b>    | <b><u>£</u></b>    |
| <b>At 1st October 2010</b>             | -                  | -                  | -                  | -                  |
| Transferred to profit and loss account | 40,626             | -                  | -                  | -                  |
| <b>At 30th September 2011</b>          | <u>40,626</u>      | <u>-</u>           | <u>-</u>           | <u>-</u>           |

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**10. Share capital**  
**Group**

|   | <b><u>2011</u></b> | <b><u>2010</u></b> |
|---|--------------------|--------------------|
|   | <b>£</b>           | <b>£</b>           |
| <b>Allotted, called up and fully paid</b> |                    |                    |
| 106,150 Ordinary shares of £1 each        | 106,150            | 106,150            |
| 330,000 'B' Preference shares of £1 each  | 330,000            | 330,000            |
|   | <u>436,150</u>     | <u>436,150</u>     |

The 330,000 'B' preference shares are limited to £1 on winding up and are non-voting. The shares are redeemable at the issuer's option at some future date. The shares are entitled to a preferential dividend rate of 4% of nominal value and are paid at the discretion of the issuer.

**Company**

|   | <b><u>2011</u></b> | <b><u>2010</u></b> |
|---|--------------------|--------------------|
|   | <b>£</b>           | <b>£</b>           |
| <b>Allotted, called up and fully paid</b> |                    |                    |
| 106,150 Ordinary shares of £1 each        | <u>106,150</u>     | <u>106,150</u>     |

**11. Reserves**  
**Group**

|                               | <b><u>Share</u></b>   | <b><u>Profit</u></b>   |                     |
|-------------------------------|-----------------------|------------------------|---------------------|
|                               | <b><u>Premium</u></b> | <b><u>And Loss</u></b> |                     |
|                               | <b><u>Account</u></b> | <b><u>Account</u></b>  | <b><u>Total</u></b> |
|                               | <b>£</b>              | <b>£</b>               | <b>£</b>            |
| <b>At 1st October 2010</b>    | 429,600               | 561,822                | 991,422             |
| Profit for the year           | -                     | 205,840                | 205,840             |
| Dividends                     | -                     | (13,200)               | (13,200)            |
| <b>At 30th September 2011</b> | <u>429,600</u>        | <u>754,462</u>         | <u>1,184,062</u>    |

**Company**

|                               | <b><u>Share</u></b>   |                     |
|-------------------------------|-----------------------|---------------------|
|                               | <b><u>Premium</u></b> |                     |
|                               | <b><u>Account</u></b> | <b><u>Total</u></b> |
|                               | <b>£</b>              | <b>£</b>            |
| <b>At 1st October 2010</b>    | 429,600               | 429,600             |
| <b>At 30th September 2011</b> | <u>429,600</u>        | <u>429,600</u>      |

**FERGYTRUX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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|  |                    |                    |
|--|--------------------|--------------------|
| <b>12. Deferred income</b>   | <b><u>2011</u></b> | <b><u>2010</u></b> |
|  | <b>£</b>           | <b>£</b>           |
| <b>Lease incentive</b>   |                    |                    |
| Received in year   | 175,000            | -                  |
| At 30th September 2011   | <u>175,000</u>     | <u>-</u>           |
| <p>The lease incentive will be released to the profit and loss account over the shorter of the lease term and a period ending on a date from which it is expected the prevailing market rental will be repayable</p> |                    |                    |
| <b>13. Profit/(loss) on ordinary activities before taxation</b>  | <b><u>2011</u></b> | <b><u>2010</u></b> |
|  | <b>£</b>           | <b>£</b>           |
| Operating profit is stated after charging/(crediting)  |                    |                    |
| Depreciation of tangible fixed assets  |                    |                    |
| - owned  | 394,257            | 319,985            |
| - held under finance leases and hire purchase contracts  | 256,100            | 318,174            |
| Operating lease rentals  |                    |                    |
| - plant and machinery  | 615,446            | 911,185            |
| - other  | 674,600            | 606,500            |
| Auditors' remuneration   |                    |                    |
| - audit fees   | 16,150             | 15,700             |
| - tax advisory and other services  | 5,555              | 2,330              |
| Loss on sale of fixed assets   | <u>12,694</u>      | <u>16,543</u>      |
| <b>14. Income from investments</b>   | <b><u>2011</u></b> | <b><u>2010</u></b> |
|  | <b>£</b>           | <b>£</b>           |
| Income from investments  | <u>50,000</u>      | <u>-</u>           |
| <b>15. Interest receivable and similar income</b>  | <b><u>2011</u></b> | <b><u>2010</u></b> |
|  | <b>£</b>           | <b>£</b>           |
| Other interest   | <u>30,130</u>      | <u>18,276</u>      |

**FERGYTRUX LIMITED**  
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| <b>16. Interest payable and similar charges</b> | <b><u>2011</u></b> | <b><u>2010</u></b> |
|---|--------------------|--------------------|
|   | <b>£</b>           | <b>£</b>           |
| On bank loans and overdrafts                    | 69,274             | 54,066             |
| Leases and hire purchase contracts              | 32,194             | 36,985             |
| Other interest                                  | 43,885             | 32,205             |
|   | <u>145,353</u>     | <u>123,256</u>     |

**17. Employees**

|   | <b><u>Group</u></b>  |                      | <b><u>Company</u></b> |                      |
|---|----------------------|----------------------|-----------------------|----------------------|
| <b>Number of employees</b>  | <b><u>2011</u></b>   | <b><u>2010</u></b>   | <b><u>2011</u></b>    | <b><u>2010</u></b>   |
| The average monthly numbers of employees (including the directors) during the year were | <b><u>Number</u></b> | <b><u>Number</u></b> | <b><u>Number</u></b>  | <b><u>Number</u></b> |
| Executive directors   | 3                    | 3                    | -                     | -                    |
| Drivers, fitters and workshop staff   | 260                  | 248                  | -                     | -                    |
|   | <u>263</u>           | <u>251</u>           | <u>-</u>              | <u>-</u>             |
| <b>Employment costs</b>   | <b><u>2011</u></b>   | <b><u>2010</u></b>   | <b><u>2011</u></b>    | <b><u>2010</u></b>   |
|   | <b>£</b>             | <b>£</b>             | <b>£</b>              | <b>£</b>             |
| Wages and salaries  | 5,962,558            | 5,552,717            | -                     | -                    |
| Social security costs   | 570,046              | 529,076              | -                     | -                    |
| Other pension costs   | 27,928               | 31,297               | -                     | -                    |
|   | <u>6,560,532</u>     | <u>6,113,090</u>     | <u>-</u>              | <u>-</u>             |

| <b>18 Directors' remuneration</b>  | <b><u>2011</u></b>   | <b><u>2010</u></b>   |
|--|----------------------|----------------------|
|  | <b>£</b>             | <b>£</b>             |
| Remuneration and other emoluments  | <u>120,394</u>       | <u>112,962</u>       |
|  | <b><u>Number</u></b> | <b><u>Number</u></b> |
| Number of directors to whom retirement benefits are accruing under a money purchase scheme | <u>1</u>             | <u>1</u>             |



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**19. Tax on profit on ordinary activities**

| <b>Analysis of charge in period</b>          | <b><u>2011</u></b> | <b><u>2010</u></b> |
|--|--------------------|--------------------|
|  | <b>£</b>           | <b>£</b>           |
| Total current tax charge                     | -                  | -                  |
| <b>Deferred tax</b>                          |                    |                    |
| Timing differences, origination and reversal | 40,626             | -                  |
| Total deferred tax                           | 40,626             | -                  |
| Tax on profit on ordinary activities         | <u>40,626</u>      | <u>-</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 (27%/28%) The differences are explained below

|  | <b><u>2011</u></b> | <b><u>2010</u></b> |
|--|--------------------|--------------------|
|  | <b>£</b>           | <b>£</b>           |
| Profit on ordinary activities before taxation  | <u>246,466</u>     | <u>43,208</u>      |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27% (2010 28%) | 66,546             | 12,098             |
| <b>Effects of:</b>   |                    |                    |
| Expenses not deductible for tax purposes   | 1,963              | (6,796)            |
| Depreciation in excess of capital allowances   | 4,624              | 1,618              |
| Utilisation of trading tax losses  | (60,415)           | (39,896)           |
| Other tax losses created   | 782                | 32,976             |
| Income not subject to corporation tax  | <u>(13,500)</u>    | <u>-</u>           |
| Current tax charge for period  | <u>-</u>           | <u>-</u>           |

**Factors that may affect future tax charges**

At 30th September 2011 the group has estimated tax losses to carry forward of approximately £614,000 (2010 £857,000) The group also had estimated rental tax losses to carry forward of approximately £121,000 (2010 £118,000) Of these losses approximately £614,000 (2010 £807,000) has been offset against accelerated capital allowances leaving £Nil (2010 £50,000) of unutilised trading losses to carry forward

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|   |                    |                    |
|---|--------------------|--------------------|
| <b>20. Dividends</b>  | <b><u>2011</u></b> | <b><u>2010</u></b> |
|   | <b>£</b>           | <b>£</b>           |
| 'B' Preference shares - final paid                                  | <u>13,200</u>      | <u>12,174</u>      |
| <b>21. Reconciliation of movements in group shareholders' funds</b> | <b><u>2011</u></b> | <b><u>2010</u></b> |
|   | <b>£</b>           | <b>£</b>           |
| Profit for the year   | 205,840            | 43,208             |
| Dividends   | <u>(13,200)</u>    | <u>(12,174)</u>    |
|   | 192,640            | 31,034             |
| Proceeds of issue of shares   | <u>-</u>           | <u>30,000</u>      |
| Net addition to shareholders' funds                                 | 192,640            | 61,034             |
| Opening shareholders' funds   | <u>1,427,572</u>   | <u>1,366,538</u>   |
| Closing shareholders' funds   | <u>1,620,212</u>   | <u>1,427,572</u>   |

**22. Financial commitments**  
**Group**

At 30th September 2011 the group had annual commitments under non-cancellable operating leases as follows

|                            | <b><u>Land and buildings</u></b> |                    | <b><u>Other</u></b> |                    |
|----------------------------|----------------------------------|--------------------|---------------------|--------------------|
|                            | <b><u>2011</u></b>               | <b><u>2010</u></b> | <b><u>2011</u></b>  | <b><u>2010</u></b> |
|                            | <b>£</b>                         | <b>£</b>           | <b>£</b>            | <b>£</b>           |
| <b>Expiry date:</b>        |                                  |                    |                     |                    |
| Within one year            | -                                | -                  | 135,660             | 8,747              |
| Between one and five years | -                                | 145,000            | 31,408              | 222,928            |
| In over five years         | <u>204,500</u>                   | <u>56,000</u>      | <u>-</u>            | <u>-</u>           |
|                            | <u>204,500</u>                   | <u>201,000</u>     | <u>167,068</u>      | <u>231,675</u>     |

**Company**

The company had no such commitments at either balance sheet date

**FERGYTRUX LIMITED**  
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**23. Contingent liabilities**

The group is party to a multilateral guarantee given by Fergusons Blyth Limited, Fergusons Transport Limited, Fergytrux Limited and Fergyprops Limited to secure the bank borrowings of the Fergusons group of companies

**24. Related party transactions**

Related party transactions during the year ended 30th September 2011, which were conducted on an arms-length basis, were as follows

Purchases of £822,776 (2010 £868,086) from and sales of £102,146 (2010 £82,172) to Fergusons Blyth Limited, a company controlled by certain directors of Fergusons Transport Limited At the year end £96,560 (2010 £51,195) was owed to Fergusons Blyth Limited and £36,606 (2010 £4,168) was owed by Fergusons Blyth Limited

Additionally at the year end £1,529,805 (2010 £868,276) was owed by Fergusons Blyth Limited and £Nil (2010 £75,000) due to Fergusons Blyth Limited in respect of management services provided during the year The amounts owed by Fergusons Blyth Limited are unsecured, have no fixed terms of repayment and incurs interest at 2% above UK base rate During the year, interest of £29,805 (2010 £18,276) was receivable on this loan

Sales of £9,382 (2010 £7,146) to Fergusons Warehousing, a partnership in which certain directors have an interest At the year end £571 (2010 £51) was owed by Fergusons Warehousing

Purchases of £290,062 (2010 £298,725) from and sales of £Nil (2010 £1,083) to Eagle Road Services Limited, a company controlled by certain directors of Fergusons Transport Limited At the year end £117,286 (2010 £55,018) was owed to and £Nil (2010 £61) was owed by Eagle Road Services

A Ferguson with E I Ferguson, directors of Fergusons Transport Limited, rented land to the company in the year for consideration of £20,000 (2010 £15,000) No amount was outstanding at the current year end or prior year end

A Wappat, director of Fergusons Transport Limited, provided consultancy services to the value of £18,000 (2010 £18,000) to Fergusons Blyth Limited No amount was outstanding at the current year end or prior year end

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**Related party transactions continued**

Fergusons Blyth Limited Small Self Administered Pension Scheme, a scheme controlled by certain directors of this company, has provided a loan to the company. At the year end the amount outstanding was £24,063 (2010 £32,813). Interest of £1,034 (2010 £1,130) was paid during the year. Included in rent payable is £192,600 (2010 £204,500) due to the pension scheme in respect of property owned by the scheme. During the year, the company received a £175,000 lease incentive on the signing of a new 10 year lease on a property owned by Fergusons Blyth Limited Small Self Administered Pension Scheme. This will be released to the profit and loss account as detailed in note 12.

Additionally at the year end, £19,024 (2010 £15,853) was owed by Fergusons Blyth Limited Small Self Administered Pension Scheme in respect of expenses borne by Fergusons Transport Limited on behalf of the pension scheme.

At the year end £58,600 was due to Mrs L. Ferguson (Deceased), the late mother of A. Ferguson and H. Whitaker, directors of the company. This amount is unsecured, interest free and repayable on demand.

**25. Ultimate controlling party**

Mr A. Ferguson, a director of the company, and members of his close family, control the entity as a result of controlling directly or indirectly 100% of the issued share capital of the ultimate parent company.

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**26. Gross cash flows**

|  | <b><u>2011</u></b> | <b><u>2010</u></b> |
|--|--------------------|--------------------|
|  | <b>£</b>           | <b>£</b>           |
| <b>Returns on investments and servicing of finance</b>           |                    |                    |
| Interest received  | 30,130             | 18,276             |
| Interest paid  | (113,159)          | (86,271)           |
| Interest element of HP contracts & finance lease rental payments | (32,194)           | (36,985)           |
| Investment income received                                       | 50,000             | -                  |
|  | <u>(65,223)</u>    | <u>(104,980)</u>   |
| <b>Capital expenditure</b>                                       |                    |                    |
| Payments to acquire tangible assets                              | (105,925)          | (213,174)          |
| Receipts from sales of tangible assets                           | 149,200            | 19,900             |
|  | <u>43,275</u>      | <u>(193,274)</u>   |
| <b>Financing</b>   |                    |                    |
| Issue of preference share capital                                | -                  | 30,000             |
| Other new short term loans                                       | 60,000             | -                  |
| Repayment of other short term loans                              | (10,150)           | (8,750)            |
| Capital element of hire purchase contracts                       | (611,407)          | (526,312)          |
|  | <u>(561,557)</u>   | <u>(505,062)</u>   |

**27. Analysis of changes in net funds**

|                                 | <b><u>Opening</u></b> | <b><u>Cash</u></b> | <b><u>Other</u></b> | <b><u>Closing</u></b> |
|---------------------------------|-----------------------|--------------------|---------------------|-----------------------|
|                                 | <b>Balance</b>        | <b>Flows</b>       | <b>Changes</b>      | <b>Balance</b>        |
|                                 | <b>£</b>              | <b>£</b>           | <b>£</b>            | <b>£</b>              |
| Overdrafts                      | (507,045)             | (60,733)           | -                   | (567,778)             |
| Debt due within one year        | (8,750)               | (49,850)           | (8,750)             | (67,350)              |
| Debt due after one year         | (24,063)              | -                  | 8,750               | (15,313)              |
| Finance leases and HP contracts | (1,040,788)           | 611,407            | (517,704)           | (947,085)             |
|                                 | <u>(1,073,601)</u>    | <u>561,557</u>     | <u>(517,704)</u>    | <u>(1,029,748)</u>    |
| <b>Net funds</b>                | <u>(1,580,646)</u>    | <u>500,824</u>     | <u>(517,704)</u>    | <u>(1,597,526)</u>    |