

*The envelope, which contained this paper, will have been cut open in front of you.*

---

**Examination Details:**

<b>Paper Title:</b>	<b>September 2022 Series R2 (Road Haulage) Case Study</b>
<b>Paper No:</b>	<b>CPCR20922</b>
<b>Date of Examination:</b>	<b>09/09/2022 13:00 - 15:15</b>

**Time allowed: 2 hours 15 minutes****You must have:**

- This case study
- A question/answer booklet

**You may use:**

- a calculator
- a dictionary
- any permitted written materials

**Instructions**

- Use the case study information to answer all the questions.
- Write your answer to each question in the space provided in the question/answer booklet. If you need extra space, use the lined page(s) at the end of the question/answer booklet. The question numbers must be clearly shown.
- Additional paper may be used if required but you must clearly show your name, date of birth and question number(s).
- Answer all the questions.

**Information**

- The total mark for this paper is 60.
- The marks for each question are shown in brackets () in the question/answer booklet.
- This document has 4 pages.
- Assessment material has been prepared in line with legislation current at the time of production. Any subsequent changes to legislation have not been taken into account, however, responses that refer to amended legislation will be credited.
- Covid-19: Candidates will not be questioned on any temporary rules introduced due to Covid-19. Answers that reflect such measures will not be credited.

### Background

Jan, Jakob and Jedrick Janick are brothers who recently inherited a large sum of money from their father. They intend to invest in a number of new business ventures. The brothers engaged Sara McGarry to create six limited liability companies, employ appropriate staff and get the projects started.

### Company details, plans and progress

The six companies have been formed and Jan, Jakob, Jedrick and Sara have been appointed as the directors of them all. Sara believes that all of the companies will be able to start trading at the beginning of 2023, as required by the owners. She will write policies and procedures and buy appropriate insurance policies for all the companies.

Sara will apply for the minimum number of operator licences required and she will be nominated as the Transport Manager for all of the companies, where necessary.

#### **Janick Express Ltd**

This company is owned by Jan (60%) and Jedrick (40%).

It will employ 10 staff.

It will operate three 3,500kg GVW vans, to be used for collections and deliveries of parcels and light goods. A lease for premises in Cardiff (Welsh Traffic Area) has been agreed.

Sara has agreements in principle for the following work:

- A number of companies will use the company for regular local deliveries.
- One potential customer requires weekly collections from its Cardiff warehouse, with the goods to be delivered to Lille, in France.

#### **Janick Continental (Bristol) Ltd**

This company is owned by Jedrick (60%) and Jan (40%).

It will employ 11 staff, including Jan's 17 year-old son, who will work for the company as a removal operative.

It will operate two 18,000kg GVW rigid removal lorries. A lease for premises in Bristol (West of England Traffic Area) has been agreed.

Sara has identified excellent opportunities for the following work:

- Household removals to and from Poland, using the brothers' contacts in that country.
- Household and business removals within the UK, to and from the Bristol area.

#### **Janick Continental (Oxford) Ltd**

This company is 100% owned by Janick Continental (Bristol) Ltd.

It will employ 11 staff.

It will operate two 18,000kg GVW rigid removal lorries. A lease for premises on the outskirts of Oxford (West of England Traffic Area) has been agreed.

Sara has identified excellent opportunities for the following work:

- Household and business removals within the UK, to and from the Oxford area.
- Household removals to and from mainland Europe. There has been particular interest shown by contacts in France and Belgium.

### **Janick Removals (Milton Keynes) Ltd**

This company is owned by Jan (60%) and Jedrick (40%).

It will employ 10 staff.

It will operate two 18,000kg GVW rigid removal lorries. A lease for premises in Milton Keynes (East of England Traffic Area) has been agreed.

Sara has identified excellent opportunities for the following work:

- Household and business removals within the UK, to and from the Milton Keynes area.

### **Janick Removals (Birmingham) Ltd**

This company is 100% owned by Janick Removals (Milton Keynes) Ltd.

It will employ 10 staff.

It will operate two 18,000kg GVW rigid removal lorries. A lease for premises in Birmingham (West Midlands Traffic Area) has been agreed.

Sara has identified excellent opportunities for the following work:

- Household and business removals within the UK, to and from the Birmingham area.

### **Janick Furniture Ltd**

This company is owned by the three brothers, in equal shares.

It will employ 6 staff.

Jakob has identified an office furniture supplier in Poland who can deliver items to this company at a low price.

Janick Furniture Ltd will operate one 7,500kg GVW lorry, to be used to deliver the goods to its own UK customers.

Sara has agreed a lease for warehouse premises in Birmingham (West Midlands Traffic Area)

Sara has met with the Polish supplier and agreed the following:

- Janick Furniture will take ownership of the goods immediately on delivery to its Birmingham warehouse.

## **Driver scheduling**

Sara wishes to establish a template for scheduling drivers. The template is to be based on the following journey, using one of Janick Continental (Oxford) Ltd.'s 18,000kg GVW removal lorries.

### Journey assumptions

- All drivers must complete a 15-minute vehicle check, at the start of every day.
- All driver breaks are to be taken as late as possible, for the shortest possible time.
- The vehicle will carry one driver and two removal operatives.
- The driver is required to assist with loading and unloading the vehicle, when drivers hours rules allow it.
- Journey details:
  - Drive to customer premises in Farringdon, 15km from the operating centre, at an average speed of 50kph.
  - Load client's furniture etc. for 1 hour 30 minutes. This activity must start at 09.00hrs.
  - Drive to Fareham, 120km from Farringdon, at an average speed of 60kph.
  - Unload clients' furniture etc. for 3 hours.
  - Drive to operating centre, 117km from Fareham, using an average speed of 65kph.
  - Complete paperwork for 15 minutes and then finish for the day.

**Vehicle information (per vehicle)**

	<b>Van</b>	<b>Lorry</b>	<b>Removal lorry</b>
Gross vehicle weight (GVW)	3,500kg	7,500kg	18,000kg
Vehicle unladen weight (ULW)	1,900kg	4,700kg	7,100kg
Vehicle kerbside weight	1,990kg	4,820kg	8,500kg
Number of drivers per vehicle	1	1	1
Number of removal operatives per vehicle	0	0	2
Average weight of each driver/passenger	80kg	80kg	80kg
Purchase price, excluding tyres	£22,000	£35,000	£90,000
Estimated residual value, after 3 years	£7,500	£15,000	£42,000
Other standing costs, per year	£20,000	£20,000	£20,000
Driver wages, per working day	£120	£130	£140
Removal operatives wages, per working day	n/a	n/a	£100
Tyre set	£1,200	£2,800	£3,600
Expected tyre life	60,000km	50,000km	40,000km
Fuel consumption	13kpl	11kpl	10kpl
Fuel price	£1.20 per litre		
Maintenance	£0.15 per km	£0.17 per km	£0.2 per km
Expected days in use, per year	260	200	250