

Company Registration No. 269634 (England and Wales)

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

**FINANCIAL STATEMENTS
31 DECEMBER 1998**



EDWARDS SHIPPING & TRANSPORT CO. LIMITED

COMPANY INFORMATION

Directors	K E Williams C S Lowe J L Williams
Secretary	J L Williams
Company number	269634
Registered office	Apple Tree Cottage 38 Rushett Close Long Ditton Surrey KT7 0UT
Auditors	Charles Stuart 32-36 Bath Road Hounslow TW3 3EF
Business address	Apple Tree Cottage 38 Rushett Close Long Ditton Surrey KT7 0UT

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

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EDWARDS SHIPPING & TRANSPORT CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report and financial statements for the year ended 31 December 1998.

Principal activities

The principal activity of the company in the year under review was that of leasing motor vehicles to the road haulage industry.

The company's subsidiary, Williams & Hodge Limited, provides contract hire of motor cars.

Directors

The following directors have held office since 1 January 1998:

K E Williams
C S Lowe
J L Williams

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 1998	1 January 1998
K E Williams	1	1
C S Lowe	2,459	2,459
J L Williams	2,501	2,501

Year 2000 compliance

Many computer systems store two digits for the year of a transaction rather than all four digits and, unless they have been recently modified, are not programmed to deal with the start of a new century. The directors have assessed the potential impact and extent of this problem on the company's business and operations and do not consider it will be material.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Charles Stuart be reappointed as auditors of the company will be put to the Annual General Meeting.

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998

Directors' responsibilities

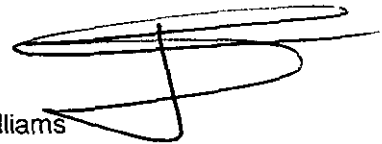
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



J L Williams

Director

25 October 1999

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF EDWARDS SHIPPING & TRANSPORT CO. LIMITED

We have audited the financial statements on pages 4 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

32-36 Bath Road
Hounslow
TW3 3EF



Charles Stuart
Chartered Accountants
and Registered Auditor

25 October 1999

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	1998 £	1997 £
Turnover		30,600	43,788
Cost of sales		(6,284)	2,260
Gross profit		24,316	46,048
Administrative expenses		(48,834)	(63,211)
Other operating income		69,033	59,186
Operating profit	2	44,515	42,023
Investment income		13,730	1,213
Other interest receivable and similar income	3	8,218	7,176
Interest payable and similar charges	4	(9,897)	(12,133)
Profit on ordinary activities before taxation		56,566	38,279
Tax on profit on ordinary activities	5	(8,382)	(3,787)
Profit on ordinary activities after taxation		48,184	34,492
Dividends		(30,000)	(10,000)
Retained profit for the year	15	18,184	24,492

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

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
	£	£
Profit for the financial year	48,184	34,492
Unrealised (deficit)/surplus on revaluation of properties	-	243,199
Total recognised gains and losses relating to the year	<u>48,184</u>	<u>277,691</u>

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	6 and 7	544,645		553,059	
Investments	8	2,610		52,610	
		<u>547,255</u>		<u>605,669</u>	
Current assets					
Stocks	9	878,528		-	
Debtors	10	9,726		4,829	
Cash at bank and in hand		55,124		142,256	
		<u>943,378</u>		<u>147,085</u>	
Creditors: amounts falling due within one year	11	<u>(839,854)</u>		<u>(93,421)</u>	
Net current assets		<u>103,524</u>		<u>53,664</u>	
Total assets less current liabilities		<u>650,779</u>		<u>659,333</u>	
Creditors: amounts falling due after more than one year	12	<u>(50,673)</u>		<u>(77,411)</u>	
		<u>600,106</u>		<u>581,922</u>	
Capital and reserves					
Called up share capital	14	5,000		5,000	
Revaluation reserve	15	243,199		243,199	
Other reserves	15	7,500		7,500	
Profit and loss account	15	344,407		326,223	
Shareholders' funds - equity interests	16	<u>600,106</u>		<u>581,922</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 25 October 1999


 J L Williams
 Director

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

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 has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets 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	Nil. The directors consider the market value to be in excess of the book value.
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	Over lease period, of between one and five years

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Investments

Fixed asset investments are stated at cost.

1.6 Stock

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

1.8 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.9 Leasing - Rental receivable

Rentals received under an operating lease contract are recognised on a straight line basis over the period of lease.

2	Operating profit	1998 £	1997 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	10,943	7,745
	Operating lease rentals		
	- Plant and machinery	291	795
	Auditors' remuneration	2,200	1,475
	Directors' emoluments	29,275	30,525
		<u>29,275</u>	<u>30,525</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1997 - 2).

3	Other interest receivable and similar income	1998 £	1997 £
	Bank interest	8,088	7,176
	Other interest	130	-
		<u>8,218</u>	<u>7,176</u>

4	Interest payable	1998 £	1997 £
	Hire purchase interest	2,574	3,885
		<u>2,574</u>	<u>3,885</u>

5	Taxation	1998 £	1997 £
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 22%)	8,384	3,931
	Prior years		
	U.K. Corporation tax	(2)	(144)
		<u>8,382</u>	<u>3,787</u>

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

6 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 1998	14,441	227,455	241,896
Additions	3,817	-	3,817
Disposals	(7,948)	(69,513)	(77,461)
	<hr/>	<hr/>	<hr/>
At 31 December 1998	10,310	157,942	168,252
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1998	11,229	177,608	188,837
On disposals	(6,661)	(69,513)	(76,174)
Charge for the year	1,750	9,194	10,944
	<hr/>	<hr/>	<hr/>
At 31 December 1998	6,318	117,289	123,607
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 1998	3,992	40,653	44,645
	<hr/>	<hr/>	<hr/>
At 31 December 1997	3,212	49,847	53,059
	<hr/>	<hr/>	<hr/>

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

	Motor vehicles £
Net book values	
At 31 December 1998	40,653
	<hr/>
At 31 December 1997	49,847
	<hr/>
Depreciation charge for the year	
31 December 1998	9,194
	<hr/>
31 December 1997	6,745
	<hr/>

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

7 Tangible fixed assets

	Freehold investment properties £
Cost or valuation	
At 1 January 1998 & at 31 December 1998	500,000

The valuations of investment properties were made as at 5 April 1995 by Messrs Martin Campbell, Chartered Surveyors, on an open market basis at £500,000. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £256,801 (1997 - £256,801), and aggregate depreciation of £nil (1997 - £nil).

8 Fixed asset investments

	Listed investments £	Shares in group undertakings and participating interests £	Total £
Cost or valuation			
At 1 January 1998	50,000	2,610	52,610
Disposals	(50,000)	-	(50,000)
At 31 December 1998	-	2,610	2,610

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

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	Shares held Class	%
Subsidiary undertakings			
Williams & Hodge Limited	England	Ordinary	100

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

	Capital and reserves	Profit for the year
Williams & Hodge Limited	249,276	9,252

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

9	Stocks	1998	1997
		£	£
	Stocks	878,528	-
		<u>878,528</u>	<u>-</u>
	Stock consists of a freehold property purchased during the year for resale.		
10	Debtors	1998	1997
		£	£
	Trade debtors	8,400	-
	Other debtors	1,326	4,829
		<u>9,726</u>	<u>4,829</u>
		<u>9,726</u>	<u>4,829</u>
11	Creditors: amounts falling due within one year	1998	1997
		£	£
	Bank loans and overdrafts	776,307	33,813
	Net obligations under finance lease and hire purchase contracts	13,116	14,700
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	30,907	30,989
	Taxation and social security	3,655	3,681
	Other creditors	15,869	10,238
		<u>839,854</u>	<u>93,421</u>
		<u>839,854</u>	<u>93,421</u>

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

12 Creditors: amounts falling due after more than one year	1998 £	1997 £
Bank loans	47,173	60,795
Net obligations under finance leases and hire purchase agreements	3,500	16,616
	<u>50,673</u>	<u>77,411</u>
Analysis of loans		
Not wholly repayable within five years by instalments	-	2,955
Wholly repayable within five years	818,073	72,300
Included in current liabilities	(770,900)	(14,460)
	<u>47,173</u>	<u>60,795</u>
Loan maturity analysis		
Between one and two years	13,400	14,460
Between two and five years	33,773	14,460
In five years or more	-	31,875
	<u></u>	<u></u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	13,116	14,700
Repayable between one and five years	3,500	16,616
	<u>16,616</u>	<u>31,316</u>
Included in liabilities falling due within one year	(13,116)	(14,700)
	<u>3,500</u>	<u>16,616</u>

The aggregate amount of creditors for which security has been given amounted to £823,480 (1997 - £75,255).

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,733 (1997 - £ 4,620).

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

14 Share capital	1998	1997	
	£	£	
Authorised			
5,000 Ordinary shares of £1 each	5,000	5,000	
	<u>5,000</u>	<u>5,000</u>	
Allotted, called up and fully paid			
5,000 Ordinary shares of £1 each	5,000	5,000	
	<u>5,000</u>	<u>5,000</u>	
15 Statement of movements on reserves			
	Revaluation reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 January 1998	243,199	7,500	326,223
Retained profit for the year	-	-	18,184
	<u>243,199</u>	<u>7,500</u>	<u>344,407</u>
Balance at 31 December 1998	243,199	7,500	344,407
	<u>243,199</u>	<u>7,500</u>	<u>344,407</u>
16 Reconciliation of movements in shareholders' funds	1998	1997	
	£	£	
Profit for the financial year	48,184	34,492	
Dividends	(30,000)	(10,000)	
	<u>18,184</u>	<u>24,492</u>	
Other recognised gains and losses	-	243,199	
	<u>18,184</u>	<u>267,691</u>	
Net addition to shareholders' funds	18,184	267,691	
Opening shareholders' funds	581,922	314,231	
	<u>581,922</u>	<u>314,231</u>	
Closing shareholders' funds	600,106	581,922	
	<u>600,106</u>	<u>581,922</u>	
17 Financial commitments			
At 31 December 1998 the company had annual commitments under non-cancellable operating leases as follows:			
	1998	1997	
	£	£	
Expiry date:			
In over five years	-	145	
	<u>-</u>	<u>145</u>	

EDWARDS SHIPPING & TRANSPORT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998

18 Control

The company was under the control of J L Williams, a director, and members of her close family throughout the year.

19 Related party transactions

The company charged its subsidiary, Williams & Hodge Limited, management charges in respect of office space and administration services. The management charge amounted to £15,000 (1997: £ 17,000) for the year under review.

The company also received loans amounting to £25,000 (1997: £ 989) during the year from Williams & Hodge Limited.

At the balance sheet date, £30,907 (1997: £ 30,989) was owed to the subsidiary.