

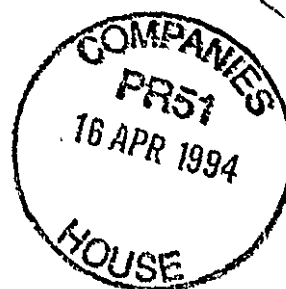
Bulkhaul Limited

Annual report

for the year ended 31 December 1993

Registered no: 1603021

Coopers
& Lybrand



Bulkhaul Limited

Annual report for the year ended 31 December 1993

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Directors and advisers

Executive directors

S Gibson
M O'Neill
T Jackson
J G Trenholm
D B Beattie

Secretary and registered office

T Jackson
Brignell Road
Riverside Park Industrial Estate
Middlesbrough
Cleveland
TS2 1PS

Registered Auditors

Coopers & Lybrand
Hadrian House
Higham Place
Newcastle upon Tyne
NE1 8BP

Solicitors

Castle Sanderson
Coronet House
Queens Street
Leeds
LS1 2TW

Addlestone Keane
27 Park Cross Street
Leeds
LS1 2QH

Bankers

Lloyds Bank plc
Deutsche Bank AG
Generale Bank
United Counties Trust Company

Directors' report for the year ended 31 December 1993

The directors present their report and the audited financial statements for the year ended 31 December 1993.

Principal activities

The principal activity of the group continues to be the provision of international tank container services.

Review of business and future developments

The directors feel that the trading performance and financial position of the group during a time of unfavourable economic conditions was satisfactory.

It is the opinion of the directors that the progress and development of the group can be continued throughout the forthcoming year and that it is in a strong position to take advantage of any upturn in economic conditions as and when these occur.

Changes in presentation of the financial statements

Following the introduction of Financial Reporting Standard No 3, "Reporting Financial Performance", the following changes in the presentation of the financial statements have been made to conform with the new requirements.

- (a) Turnover and operating profit have been categorised as relating to continuing activities.
- (b) A note of total recognised gains and losses has been presented together with a reconciliation of movements in shareholders' funds.
- (c) A note of historical cost profits has been presented.

Results and dividends

The group profit for the year before taxation was £3,150,626.

The directors have paid an interim dividend of £19.76 per share in respect of the year ended 31 December 1993. They recommend that no further dividend be declared in respect of the year and that the remaining profit after dividends and taxation for the year of £2,411,926 be transferred to the group's reserves.

Changes in fixed assets

The changes in fixed assets during the year are set out in notes 12, 13 and 14 to the financial statements. In the opinion of the directors the current open market values of the leasehold land and freehold buildings are not materially different to the amounts at which they are stated in the financial statements.

Directors

The directors of the company at 31 December 1993, all of whom have been directors for the whole of the year ended on that date, were:

S Gibson (Chairman)
M O'Neill (Managing Director)
T Jackson
J G Trenholm
D B Beattie

In accordance with the Articles of Association, D B Beattie and S Gibson retire by rotation and, being eligible, offer themselves for re-election.

Directors' interests in shares of the company

The interests of the directors of the company at 31 December 1993 in the shares of the company were as follows:

	Number of ordinary shares of £1 each	
	31 December 1993	1 January 1993
S Gibson	19,444	19,444
M O'Neill	5,556	5,556
	<u>25,000</u>	<u>25,000</u>

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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 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.

Close company status

In the opinion of the directors, the company is a close company within the terms of the Income and Corporation Taxes Act 1988. There has been no change in this respect since the end of the financial year.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



Secretary
29 March 1994

Report of the auditors to the members of Bulkhaul Limited

We have audited the financial statements on pages 7 to 27.

Respective responsibilities of directors and auditors

As described on pages 3 and 4 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.

Qualified opinion arising from disagreement about accounting treatment

As stated in note 14 on page 19, the balance sheets include an investment of £268,545 in Middlesbrough Football and Athletic Company (1986) Limited which is an associated undertaking of the group. This investment has been stated at cost in the group balance sheet. This is not in accordance with Statement of Standard Accounting Practice 1 and Schedule 4A of the Companies Act 1985 which require associated undertakings to be stated at an amount equal to the group's share of the net assets of the undertaking and to include the group's share of the undertaking's profit or loss in the group profit and loss account.

The effect of the above departure from standard accounting practice has not been quantified. The last available financial statements of Middlesbrough Football and Athletic Company (1986) Limited made available to us are for the year ended 31 July 1992 and accordingly it has not been possible for us assess the financial effect of the departure on the group's financial statements.

Except for accounting for its associated undertaking in the manner described above and the failure to quantify the effect of this departure, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1993 and of the profit and total recognised gains of the group for the year then ended.

In our opinion the cash flow statement gives a true and fair view of the cash flows of the group for the year ended 31 December 1993 and in all other respects the financial statements have been properly prepared in accordance with the Companies Act 1985.

Coppers & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
29 March 1994

Consolidated profit and loss account for the year ended 31 December 1993

	Notes	1993 £	1992 £
Turnover	2	23,238,395	16,781,463
Cost of sales		(11,464,201)	(8,968,930)
Gross profit		11,774,194	7,812,533
Other operating expenses	3	(8,096,592)	(5,674,330)
Operating profit		3,677,602	2,138,203
Income from interests in associated undertakings		13,139	(793)
Interest receivable and similar income	6	139,560	17,743
Interest payable and similar charges	7	(679,675)	(954,723)
Profit on ordinary activities before taxation	8	3,150,626	1,200,430
Taxation	9	(244,620)	121,340
Profit on ordinary activities after taxation		2,906,006	1,321,770
Dividend paid	11	(494,080)	(241,750)
Retained profit for the financial year	22	2,411,926	1,080,020

All of the group's operations are continuing.


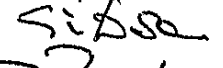

The group has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

**Balance sheets
at 31 December 1993**

	Notes	Group		Company	
		1993 £	1992 £	1993 £	1992 £
Fixed assets					
Intangible assets	12	149,462	168,175	-	-
Tangible assets	13	15,578,240	13,128,785	14,487,948	12,203,214
Investments	14	289,686	283,728	1,724,070	1,724,070
		<u>16,017,388</u>	<u>13,580,688</u>	<u>16,212,018</u>	<u>13,932,284</u>
Current assets					
Stocks	15	34,746	38,901	34,746	38,901
Debtors	16	3,931,477	3,262,233	4,072,298	3,394,980
Cash at bank and in hand		1,958,618	774,953	1,929,787	684,463
		<u>5,924,841</u>	<u>4,076,087</u>	<u>6,036,831</u>	<u>4,118,344</u>
Creditors: amounts falling due within one year	17	9,137,459	7,366,440	9,795,812	7,980,058
Net current liabilities		<u>(3,212,618)</u>	<u>(3,290,353)</u>	<u>(3,758,981)</u>	<u>(3,861,714)</u>
Total assets less current liabilities		<u>12,804,770</u>	<u>10,290,335</u>	<u>12,453,037</u>	<u>10,070,570</u>
Creditors: amounts falling due after more than one year	18	5,792,579	5,690,070	5,637,836	5,587,994
Net assets		<u>7,012,191</u>	<u>4,600,265</u>	<u>6,815,201</u>	<u>4,482,576</u>
Capital and reserves					
Called-up share capital	21	25,000	25,000	25,000	25,000
Capital reserve	22	440	440	-	-
Profit and loss account	22	6,986,751	4,574,825	6,790,201	4,457,576
	23	<u>7,012,191</u>	<u>4,600,265</u>	<u>6,815,201</u>	<u>4,482,576</u>

The financial statements on pages 7 to 27 were approved by the board of directors on 29 March 1994 and were signed on its behalf by:

} Directors

Consolidated cash flow statement for the year ended 31 December 1993

	Notes	1993 £	1992 £
Net cash inflow from continuing operating activities	24	5,839,177	2,400,224
Returns on investments and servicing of finance			
Interest received		18,600	17,073
Interest paid		(317,090)	(350,795)
Interest paid on finance leases		(362,408)	(314,940)
Dividends paid		(494,080)	(241,750)
Dividends received from associated companies		1,405	-
Net cash outflow from returns on investments and servicing of finance		(1,153,573)	(890,412)
Taxation			
UK corporation tax paid		(152,578)	(42,677)
Net overseas tax (paid)/received		(10,527)	18,530
Tax paid		(163,105)	(24,147)
Investment activities			
Purchase of tangible fixed assets		(1,445,088)	(620,165)
Sale of tangible fixed assets		27,645	75,152
Purchase of subsidiary (net of cash acquired)		-	(4,561)
Net cash outflow from investing activities		(1,417,443)	(549,574)
Net cash inflow before financing		3,105,056	936,091
Financing			
Loans received		1,245,747	2,457,304
Repayment of loan		(957,912)	(283,473)
Payment of principal under finance leases		(2,190,520)	(1,774,031)
Net cash (outflow)/inflow from financing		(1,902,685)	399,800
Increase in cash and cash equivalents	25	1,202,371	1,335,891

Notes to the financial statements for the year ended 31 December 1993

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom with the exception of SSAP 1 "Accounting for Associated Companies".

The Companies Act 1985 stipulates that associated undertakings should be accounted for by the equity method of accounting. As explained in note 14 the directors consider that the application of this method in respect of the group's investment in Middlesbrough Football and Athletic Company (1986) Limited would not result in the financial statements showing a true and fair view. Accordingly the directors have departed from the requirements of the Act. The effect of the departure has not been quantified.

Compliance with SSAP19 "Accounting for Investment Properties", requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the result of the departure is given in the note relating to tangible fixed assets.

A summary of the more important group accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of investment properties.

Basis of consolidation

The consolidated financial statements include the results of the company and its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to the date of their disposal. Intra group sales and profits are eliminated fully on consolidation.

Associated undertakings

Associated undertakings are accounted for in the consolidated financial statements under the equity method of accounting except where the directors believe that to do so would not show a true and fair view. In such circumstances the investment in the associated undertaking is stated at cost. This latter method is a departure from the Companies Act 1985.

Goodwill

Goodwill, representing the excess of the purchase consideration of subsidiaries acquired over the fair value ascribed to the net tangible assets at the date of acquisition, is written off in full against reserves in the year of acquisition.

Purchased goodwill arising in subsidiaries is amortised over its expected useful economic life of 15 years from the date of acquisition.

Negative goodwill is credited to a capital reserve.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of fixed assets to their estimated residual values on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

	Estimated useful economic life
Leasehold land	125 years
Buildings - workshop	25 years
- office	50 years
Commercial vehicles	7 years
Motor vehicles	4 years
Tank containers	10 years
Fixtures and fittings	5 years
Licences	3 years

Leasehold land and buildings are amortised over the life as shown above or, if shorter, the period of the lease. Assets in the course of construction are not depreciated.

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and no depreciation or amortisation is provided in respect of freehold investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principles set out in SSAP 19. The directors consider that this accounting policy results in the financial statements giving a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Hire purchase and finance lease agreements

Assets financed under hire purchase and finance lease agreements are capitalised in the balance sheet and depreciated over their estimated useful lives. Hire and lease repayments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account using the actuarial method.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Foreign currencies

Where overseas subsidiaries act as selling agents for the company the financial statements are translated to sterling on the following basis:

- (a) Fixed assets are translated into sterling at the rates ruling on the date of acquisition as adjusted for any profits or losses from related financial instruments.
- (b) Monetary assets and liabilities denominated in a foreign currency are translated into sterling at the foreign exchange rates ruling at the balance sheet date.
- (c) Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions.
- (d) Any gains or losses arising on translation are reported as part of profit.

All other exchange differences are dealt with in the profit and loss account.

Pension costs

The company operates four defined contribution schemes. The employer's contributions are charged to the profit and loss account in the period in which the liability to pay arises.

Turnover

Turnover is the total of all sales to customers, net of value added tax and sales between group companies.

2 Turnover

The analysis of turnover by geographical market has not been given.

3 Other operating expenses

	1993 £	1992 £
Administrative expenses	8,119,708	5,688,230
Less: other operating income	(23,116)	(13,900)
	<u>8,096,592</u>	<u>5,674,330</u>

4 Directors' emoluments

The remuneration paid to the directors of Bulkhaul Limited was:

	1993 £	1992 £
Fees for management services	316,073	270,883
Other emoluments (including pension contributions and benefits in kind)	116,001	75,538
	<u>432,074</u>	<u>346,421</u>

Fees and other emoluments (excluding pension contributions) include amounts paid to:

	1993 £	1992 £
The chairman	<u>80,464</u>	<u>77,943</u>
The highest-paid director	<u>113,935</u>	<u>105,573</u>

The number of directors (including the chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1993 Number	1992 Number
£35,001 to £40,000	-	1
£40,001 to £45,000	-	1
£50,001 to £55,000	1	1
£55,001 to £60,000	1	-
£70,001 to £75,000	1	-
£75,001 to £80,000	-	1
£80,001 to £85,000	1	-
£105,001 to £110,000	-	1
£110,001 to £115,000	1	-

5 Employee information

The average number of persons (including executive directors) employed by the group during the year was:

	1993 Number	1992 Number
Office and management	70	65
Drivers and mechanics	72	55
	<u>142</u>	<u>120</u>

	1993 £	1992 £
Staff costs (for the above persons):		
Wages and salaries	2,618,888	1,893,176
Social security costs	270,115	205,820
Other pension costs (See note 20)	139,310	119,088
	<u>3,028,313</u>	<u>2,218,084</u>

6 Interest receivable and similar income

	1993 £	1992 £
Interest receivable	18,457	17,743
Exchange gain on foreign currency loans	121,103	-
	<u>139,560</u>	<u>17,743</u>

7 Interest payable and similar charges

	1993 £	1992 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	3,914	136,648
Repayable within 5 years, by instalments	279,984	69,476
Repayable wholly or partly in more than 5 years	33,389	123,539
Exchange loss on foreign currency loans	-	315,961
	<u>317,287</u>	<u>645,624</u>
On finance leases and hire purchase contracts	362,388	309,099
	<u>679,675</u>	<u>954,723</u>

8 Profit on ordinary activities before taxation

	1993 £	1992 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Rent receivable	(23,116)	(13,900)
Foreign exchange (profit)/loss	(85,406)	249,077
Goodwill amortisation	18,713	18,713
Depreciation of tangible fixed assets:		
Tangible fixed assets under finance leases	490,422	389,765
Tangible owned fixed assets	873,934	641,165
Auditors' remuneration for:		
Audit (company £12,800; 1992: £12,500)	13,300	13,000
Other services to the group	6,380	6,710
Hire of plant and machinery - operating leases	558,691	277,749
Loss on disposal of tangible fixed assets	1,760	12,660

9 Taxation

	1993 £	1992 £
United Kingdom corporation tax at 33% (1992: 33%):		
Current	261,619	(188,159)
Prior	(25,527)	-
ACT irrecoverable	-	86,558
Overseas taxation charge:		
Current	3,721	6,599
Prior	(694)	(26,338)
Tax credits on franked investment income	898	-
	<u>240,017</u>	<u>(121,340)</u>
Associated undertakings	4,603	-
	<u>244,620</u>	<u>(121,340)</u>

The taxation charge for the year has been reduced by £630,000 (1992: £663,000) in respect of the excess of tax allowances over depreciation and other timing differences on which, in accordance with the group's accounting policy, no deferred taxation has been provided.

10 Profit for the financial year

As permitted by s230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The holding company's profit for the financial year was £2,826,705 (1992: £1,227,003).

11 Dividend

	1993 £	1992 £
Ordinary:		
Interim paid of £19.76 per share (1992: £9.67 per share)	<u>494,080</u>	<u>241,750</u>

12 Intangible fixed assets

Group

	Goodwill £
Cost	
At 1 January 1993 and at 31 December 1993	<u>280,456</u>
Amortisation	
At 1 January 1993	<u>112,281</u>
Charge for year	<u>18,713</u>
At 31 December 1993	<u>130,994</u>
Net book value	
At 31 December 1993	<u>149,462</u>
Net book value	
At 31 December 1992	<u>168,175</u>

13 Tangible fixed assets

Group

	Long leasehold land and freehold buildings	Investment properties	Commercial vehicles and tanks	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost						
At 1 January 1993	1,438,648	713,682	13,017,414	725,996	848,096	16,743,836
Additions	245,566	-	3,238,574	127,181	231,895	3,843,216
Disposals	-	-	(52,975)	(59,621)	(24,069)	(136,665)
At 31 December 1993	1,684,214	713,682	16,203,013	793,555	1,055,922	20,450,387
Depreciation						
At 1 January 1993	115,645	-	2,691,849	196,283	611,274	3,615,051
Charge for year	45,532	-	1,062,678	147,788	108,358	1,364,356
Eliminated in respect of disposals	-	-	(39,507)	(44,742)	(23,011)	(107,260)
At 31 December 1993	161,177	-	3,715,020	299,329	696,621	4,872,147
Net book value						
At 21 December 1993	1,523,037	713,682	12,487,993	494,227	359,301	15,578,240
Net book value						
At 31 December 1992	1,323,003	713,682	10,325,565	529,713	236,822	13,128,785

The net book value of tangible fixed assets includes an amount of £7,692,934 (1992: £6,443,356) in respect of assets held under finance leases and hire purchase contracts.

The investment properties have been valued by the directors at their estimated market value at 31 December 1993 which they consider to be not significantly different from their cost.

Long leasehold land and freehold buildings includes long leasehold land with a net book value of £301,794 (1992: £67,760).

Company

	Long leasehold land and freehold buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 1993	1,438,648	12,844,133	690,752	759,687	15,733,220
Additions	245,566	3,085,947	87,698	184,116	3,603,327
Disposals	-	(52,975)	(41,579)	(12,202)	(106,756)
At 31 December 1993	1,684,214	15,877,105	736,871	931,601	19,229,791
Depreciation					
At 1 January 1993	115,645	2,663,026	170,666	575,669	3,525,006
Charge for year	45,532	1,021,308	136,464	92,025	1,295,329
Eliminated in respect of disposals	-	(39,507)	(27,034)	(11,951)	(78,492)
At 31 December 1993	161,177	3,644,827	280,096	655,743	4,741,843
Net book value					
At 31 December 1993	1,523,037	12,232,278	456,775	275,858	14,487,948
Net book value					
At 31 December 1992	1,323,003	10,181,107	520,086	184,018	12,208,214

The net book value of tangible fixed assets includes an amount of £7,520,449 (1992: £6,400,335) in respect of assets held under finance leases and hire purchase contracts.

Long leasehold land and freehold buildings includes long leasehold land with a net book value of £301,794 (1992: £67,760).

14 Fixed asset investments

Group

Cost or valuation	Associated undertakings £	Other investments £	Total £
At 1 January 1993	283,677	51	283,728
Share of retained profit	5,958	-	5,958
At 31 December 1993	<u>289,635</u>	<u>51</u>	<u>289,686</u>

The above includes an investment in Middlesbrough Football and Athletic Club (1986) Limited of £268,545 (1992: £268,545) which is valued at cost and has not been accounted for as an associated undertaking using equity accounting. This treatment, which is contrary to the provisions of the Companies Act 1985, has been adopted as the directors believe compliance with the Act would result in the financial statements not showing a true and fair view. The effect of this departure has not been quantified.

Company

Cost or valuation	Interests in group undertakings £	Other investments £	Total £
At 1 January 1993 and at 31 December 1993	<u>1,893,317</u>	<u>278,476</u>	<u>2,171,793</u>
Amounts written off			
At 1 January 1993 and 31 December 1993	<u>445,343</u>	<u>2,380</u>	<u>447,723</u>
Net book value			
At 31 December 1993	<u>1,447,974</u>	<u>276,096</u>	<u>1,724,070</u>
Net book value			
At 31 December 1992	<u>1,447,974</u>	<u>276,096</u>	<u>1,724,070</u>

Included in other investments is a holding of 20% (1992: 20%) of the Ordinary £1 shares of Middlesbrough Football and Athletic Company (1986) Limited, with a cost of £268,545 (1992: £268,545).

Interests in group undertakings

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held	Activity
Held by the company:				
Bulkhaul International Limited	England and Wales	100,000 Ordinary £1 shares	100	Holding company
Cancara Limited	Jersey	9 Ordinary £1 shares and 5,000 £1 preference shares	100	Property investment
Holcroft Limited	Jersey	9 Ordinary £1 shares and 5,000 £1 preference shares	100	Property investment
Mullet Limited	Gibraltar	1,000 Ordinary £1 shares and 138,700 £1 redeemable preference shares	100	Property investment
Portadown Limited	Gibraltar	1,000 Ordinary £1 shares and 117,931 £1 redeemable preference shares	100	Property investment
Bulkhaul Belgium NV	Belgium	1,000 Ordinary 3,400 BFr shares	100	Tank Container services
Teesside Leasing Limited	England and Wales	12,502 Ordinary £1 shares	100	Finance
Teesside Transport Services Limited	England and Wales	51 Ordinary £1 shares	51	Dormant
Held by subsidiaries:				
Bulkhaul Germany GmbH	Germany	50,000 Ordinary 1 Dmk shares	100	Tank Container services
Bulkhaul (USA) Incorporated	USA	1,000 Ordinary \$150 share	100	Tank Container services

Associated undertakings

Name of undertaking	Country of incorporation or registration	Description of shares held where applicable	Proportion of nominal value of ordinary shares held	Accounting year end
Teesside Insurance Consultants Limited	England and Wales	Ordinary 50p shares	37.5%	31 December
Middlesbrough Football and Athletic Club (1986) Limited	England and Wales	Ordinary £1 shares	20%	31 July

Teesside Insurance Consultants Limited provides insurance services. Middlesbrough Football and Athletic Club (1986) Limited is a professional football club.

15 Stocks

	Group		Company	
	1993 £	1992 £	1993 £	1992 £
Raw materials and consumables	<u>34,746</u>	<u>38,901</u>	<u>34,746</u>	<u>38,901</u>

16 Debtors

	Group		Company	
	1993 £	1992 £	1993 £	1992 £
Amounts falling due within one year				
Trade debtors	3,510,195	2,623,860	3,510,195	2,616,793
Amounts owed by subsidiary undertakings	-	-	152,916	171,513
Corporation tax	6,938	6,938	6,938	6,938
Other debtors	300,095	494,251	294,900	474,310
Prepayments and accrued income	114,249	137,184	107,349	125,426
	<u>3,931,477</u>	<u>3,262,233</u>	<u>4,072,298</u>	<u>3,394,980</u>

17 Creditors: amounts falling due within one year

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Bank loans, overdrafts and other loans	1,129,146	953,668	1,085,009	920,644
Hire purchase and finance lease obligations	2,436,659	1,894,438	2,389,286	1,879,886
Trade creditors	3,430,525	3,077,265	3,430,098	3,067,125
Amounts owed to subsidiary undertakings	-	-	837,832	735,214
Corporation tax	97,945	6,411	97,945	6,411
ACT payable	70,926	80,114	70,926	80,114
Overseas taxation payable	4,642	10,967	-	-
Other taxation and social security	161,073	119,942	159,723	119,942
Other creditors	124,508	72,846	85,353	60,868
Accruals and deferred income	1,682,035	1,150,789	1,639,640	1,109,854
	<u>9,137,459</u>	<u>7,366,440</u>	<u>9,795,812</u>	<u>7,980,058</u>

18 Creditors: amounts falling due after more than one year

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Bank loans and other loans	3,391,630	3,407,466	3,330,897	3,334,350
Hire purchase and finance lease obligations	2,400,949	2,282,604	2,306,939	2,253,644
	<u>5,792,579</u>	<u>5,690,070</u>	<u>5,637,836</u>	<u>5,587,994</u>

Bank loans, overdrafts and other loans

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Bank loans, overdrafts and other loans are repayable as follows:				
One year or less or on demand	1,129,146	953,668	1,085,009	920,644
Between one and five years	3,304,130	3,013,367	3,243,397	2,940,251
In five years or more	87,500	394,099	87,500	394,099
	<u>4,520,776</u>	<u>4,361,134</u>	<u>4,415,906</u>	<u>4,254,994</u>
Repayable by instalments wholly or partly in more than five years:	<u>350,000</u>	<u>1,683,915</u>	<u>350,000</u>	<u>1,683,915</u>

The bank overdraft and loans are secured by fixed and floating charges over the company's assets

The main loans carry fixed interest rates of between 7.9% and 10.75% and variable rates of 2.5% above the base rate. These loans are repayable over periods varying from 3 to 5 years.

Hire purchase and finance lease obligations

The net hire purchase and finance lease obligations to which the group and the company are committed are as follows:

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
In one year or less	2,436,659	1,894,438	2,389,286	1,879,886
Between one and five years	2,400,949	2,282,604	2,306,939	2,253,644
	<u>4,837,608</u>	<u>4,177,042</u>	<u>4,696,225</u>	<u>4,133,530</u>

19 Deferred taxation

On the basis of the group's planned capital expenditure over the next three years, the amount of capital allowances in respect of eligible additions will exceed the charge for depreciation on existing and new assets on which allowances are claimed. In accordance with the accounting policy set out in note 1, deferred tax is not being provided in respect of such timing differences. The full potential liability for deferred tax (entirely relating to capital allowances) at 31 December 1993 amounts to approximately £2,426,000 (1992: £1,976,000).

20 Pension and similar commitments

The group operates a self-administered money purchase pension scheme and four fully insured money purchase pension schemes. These are defined contribution pension schemes. The group has no liability other than to pay the employers contributions to this scheme. The total pension cost for the group was £139,310 (1992: £119,022). An amount of £19,592 (1992: £nil) is included within other debtors as at the balance sheet date.

21 Called-up share capital

	1993 £	1992 £
Authorised		
25,000 (1992: 25,000) ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called-up and fully paid		
25,000 (1992: 25,000) ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

22 Reserves
Group

	Capital reserve £	Profit and loss account £
At 1 January 1993	440	4,574,825
Retained profit for the year	-	2,411,926
At 31 December 1993	<u>440</u>	<u>6,986,751</u>

Company

	Profit and loss account £
At 1 January 1993	4,457,576
Retained profit for the year	2,332,625
At 31 December 1993	<u>6,790,201</u>

23 Reconciliation of movements in shareholders' funds

	1993 £	1992 £
Profit for the financial year	2,906,006	1,321,770
Dividend	(494,080)	(241,750)
Opening shareholders' funds	<u>2,411,926</u>	<u>1,080,020</u>
	4,600,265	3,520,245
Closing shareholders' funds	<u>7,012,191</u>	<u>4,600,265</u>

24 Reconciliation of operating profit to net cash inflow from operating activities

	1993 £	1992 £
Continuing activities		
Operating profit	3,677,602	2,138,203
Amortisation of intangible fixed assets	18,713	18,713
Depreciation on tangible fixed assets	1,364,356	1,030,930
Loss on sale of tangible fixed assets	1,760	12,660
Decrease/(increase) in stocks	4,155	(3,642)
(Increase) in debtors	(668,962)	(892,443)
Increase in creditors	1,441,553	89,803
Adjustment for exchange loss	-	6,000
Net cash inflow from continuing operating activities	<u>5,839,177</u>	<u>2,400,224</u>

25 Cash and cash equivalents

	1993 £	1992 £
Changes during the year		
At 1 January	750,025	(585,866)
Net cash inflow	<u>1,202,371</u>	<u>1,335,891</u>
At 31 December	<u>1,952,396</u>	<u>750,025</u>

	1993 £	1992 £	Change in year £	1992 £	1991 £	Change in year £
Analysis of balances						
Cash at bank and in hand	1,958,618	774,953	1,183,665	774,953	237,844	537,109
Bank overdrafts	(6,222)	(24,928)	18,706	(24,928)	(823,710)	798,782
At 31 December	<u>1,952,396</u>	<u>750,025</u>	<u>1,202,371</u>	<u>750,025</u>	<u>(585,866)</u>	<u>1,335,891</u>

26 Analysis of changes in financing during the year

	1993		1992	
	Share capital	Loans and finance lease obligations	Share capital	Loans and finance lease obligations
	£	£	£	£
At 1 January	25,000	8,513,248	25,000	4,152,363
Loans received	-	1,245,747	-	2,457,304
Loan repayment	-	(957,912)	-	(283,473)
Inception of finance lease contracts	-	2,862,702	-	3,645,124
Repayments of principal on finance leases	-	(2,190,520)	-	(1,774,031)
Effect of foreign exchange rates	-	(121,103)	-	315,961
At 31 December	<u>25,000</u>	<u>9,352,162</u>	<u>25,000</u>	<u>8,513,248</u>

27 Major non-cash transactions

During the year the group entered into finance lease arrangements in respect of fixed assets with a total capital value at the inception of the leases of £2,862,702 (1992: £3,645,124).

28 Capital commitments

	Group		Company	
	1993	1992	1993	1992
	£	£	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>2,726,417</u>	<u>292,902</u>	<u>2,356,837</u>	<u>292,902</u>
Capital expenditure that has been authorised by the directors but has not yet been contracted for	<u>965,326</u>	<u>-</u>	<u>962,326</u>	<u>-</u>

29 Financial commitments

At 31 December 1993 the group had annual commitments under non-cancellable operating leases as follows:

	1993 £	1992 £
Expiring within one year	84,897	328,009
Expiring between two and five years inclusive	-	54,707
	<u>84,897</u>	<u>382,716</u>