

Bulkhaul Limited
Annual report and accounts
for the year ended 31 December 2002

Registered Number 1603021



Bulkhaul Limited

Annual report and accounts

for the year ended 31 December 2002

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Bulkhaul Limited

Directors and advisors

Executive directors

S Gibson

M O'Neill

S M Coleby

T Jackson

J G Trenholm

Secretary

T Jackson

Registered Office

Brignell Road

Riverside Park Industrial Estate

Middlesbrough

TS2 1PS

Auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE99 1PL

Solicitors

Addlestone Keane

Carlton Tower

34 St Pauls Street

Leeds

LS1 2QB

Bankers

Barclays Bank plc

Banco Popolare Commercio e Industrie

Bank of Tokyo/Mitsubishi

Deutsche Bank AG

Development Bank of Singapore

First Union Bank

Fortis Bank

Woori Bank

Korean Exchange Bank

Mees Pierson

Banco Real

HSBC

Bulkhaul Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the group for the year ended 31 December 2002.

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 for the year and the year end financial position of the group was satisfactory.

It is the opinion of the directors that the progress and development of the group can be continued throughout the forthcoming year.

Results and dividends

The group profit for the year before taxation amounted to £15,904,020 (2001: £16,002,669).

The directors have paid an interim dividend of £114 (2001: £100) per share in respect of the year ended 31 December 2001. They recommend that no further dividend be declared in respect of the year.

Directors and their interests

The directors of the company at 31 December 2002, all of whom have been directors for the whole of the year ended on that date unless otherwise stated, were:

S Gibson (Chairman)
M O'Neill (Managing Director)
D B Beattie (resigned 30 April 2002)
S M Coleby
T Jackson
J G Trenholm

No director had any interest in the share capital of the company either at 31 December 2002 or at any time during the year ended on that date. The interests of the directors in The Gibson O'Neill Company Limited, the ultimate parent company, are disclosed in the financial statements of that company.

Charitable donations

The donations made by the group during the year for charitable purposes amounted to £29,075 (2001: £26,950).

Employees

Information on matters of concern to employees is communicated on a regular basis to seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

It is the group's policy that disabled people should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The group is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individuals abilities.

Bulkhaul Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of changes resulting from the change in accounting policy for deferred taxation as set out on page 10. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 14 February 2003 and the directors reappointed its successor, PricewaterhouseCoopers LLP as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board



T Jackson
Secretary
26 March 2004

Bulkhaul Limited

Independent auditors' report to the members of Bulkhaul Limited

We have audited the financial statements which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement and the related notes which have been prepared under the historic cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

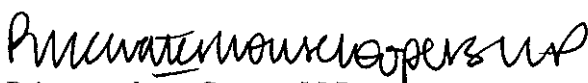
Basis of audit opinion

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 affairs of the company and the group at 31 December 2002 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

26 March 2004

Bulkhaul Limited

Consolidated profit and loss account for the year ended 31 December 2002

	Note	2002 £	2001 As restated £
Turnover	1	94,650,838	88,369,504
Cost of sales		(56,672,246)	(52,379,762)
Gross profit		37,978,592	35,989,742
Other operating expenses	2	(20,913,648)	(18,249,448)
Exceptional operating expenses	2	-	(338,789)
Operating profit		17,064,944	17,401,505
Share of operating profit of associates		34,614	18,890
Interest receivable and similar income	5	58,558	189,721
Interest payable and similar charges	6	(1,254,096)	(1,607,447)
Profit on ordinary activities before taxation	7	15,904,020	16,002,669
Taxation	8	(4,713,443)	(4,707,109)
Profit on ordinary activities after taxation		11,190,577	11,295,560
Dividend paid	10	(2,850,000)	(2,500,000)
Retained profit for the financial year	21, 22	8,340,577	8,795,560

All of the group's operations are continuing.

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.

Bulkhaul Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2002

	Note	2002 £	2001 As restated £
Profit for the financial year		8,340,577	8,795,560
Total recognised gains for the year		8,340,577	8,795,560
Prior year adjustment	18	(7,200,381)	-
Total recognised gains and losses recognised since last annual report		1,140,196	8,795,560

Bulkhaul Limited

Balance sheets as at 31 December 2002

		Group		Company	
	Note	2002	2001 As restated	2002	2001 As restated
		£	£	£	£
Fixed assets					
Tangible assets	12	81,009,408	79,186,330	75,628,745	75,153,125
Investments	13	67,033	52,623	1,078,212	1,077,997
		81,076,441	79,238,953	76,706,957	76,231,122
Current assets					
Stocks	14	511,209	401,011	496,248	390,500
Debtors	15	18,311,383	15,768,251	23,160,106	18,430,624
Cash at bank and in hand		1,696,529	2,300,626	1,228,823	2,070,821
		20,519,121	18,469,888	24,885,177	20,891,945
Creditors: amounts falling due within one year	16	(32,555,725)	(28,549,662)	(33,267,539)	(28,967,241)
Net current liabilities		(12,036,604)	(10,079,774)	(8,382,362)	(8,075,296)
Total assets less current liabilities		69,039,837	69,159,179	68,324,595	68,155,826
Creditors : amounts falling due after more than one year	17	(10,238,978)	(17,743,418)	(10,238,978)	(17,704,956)
Deferred taxation	18	(6,244,902)	(7,200,381)	(6,244,902)	(7,200,381)
Net assets		52,555,957	44,215,380	51,840,715	43,250,489
Capital and reserves					
Called up equity share capital	20	25,000	25,000	25,000	25,000
Capital reserve	21	440	440	-	-
Profit and loss account	21	52,530,517	44,189,940	51,815,715	43,225,489
Equity shareholders' funds	22	52,555,957	44,215,380	51,840,715	43,250,489

The financial statements on pages 5 to 29 were approved by the board of directors on 26 March 2004 and were signed on its behalf by:

Director

SEP
C. P. S.

Bulkhaul Limited

Consolidated cash flow statement for the year ended 31 December 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	23	22,015,246	21,958,835
Dividends received from associated companies		12,150	17,550
Returns on investments and servicing of finance			
Interest received		60,665	181,103
Interest paid		(131,167)	(56,012)
Interest paid on finance leases		(1,044,006)	(1,541,252)
Net cash outflow from returns on investments and servicing of finance		(1,114,508)	(1,416,161)
Taxation			
UK corporation tax paid		(2,950,000)	(6,799,000)
Net overseas tax paid		(87,420)	(78,725)
Tax paid		(3,037,420)	(6,877,725)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(8,162,312)	(10,614,878)
Sale of tangible fixed assets		165,002	291,274
Net cash outflow from capital expenditure		(7,997,310)	(10,323,604)
Equity dividends paid		(2,850,000)	(2,500,000)
Net cash inflow before financing		7,028,158	858,895
Financing			
Inception of finance leases		121,905	9,538,449
Repayment of loans		(508,226)	(495,731)
Payment of principal under finance leases		(9,524,272)	(9,683,358)
Net cash outflow from financing		(9,910,593)	(640,640)
(Decrease)/increase in cash	25	(2,882,435)	218,255

Bulkhaul Limited

Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

A summary of the more important accounting policies, which have been applied consistently with the exception of deferred taxation as explained below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

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 and 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.

Goodwill

Purchased goodwill, representing the excess of the purchase consideration given for subsidiaries acquired over the fair value ascribed to the net tangible assets at the date of acquisition, is included within intangible assets, and amortised over its useful economic life, which does not exceed 15 years. In accordance with the provisions of FRS 10 previously written off goodwill has not been reinstated onto the balance sheet, and would be written back to the profit and loss account in the event of a subsequent disposal.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition or the cost of any subsequent enhancement. 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
Long leasehold land	125 years
Buildings	50 years
Commercial vehicles and tanks	5 – 15 years
Motor vehicles	4 years
Fixtures and fittings	5 – 10 years

Bulkhaul Limited

Development expenditure

Development expenditure relating to specific projects intended for commercial exploitation is carried forward where the ultimate commercial viability has been assessed with reasonable certainty. Such expenditure is amortised over the period expected to benefit. Expenditure on pure and applied research is written off as incurred.

Operating leases, hire purchase and finance lease agreements

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the group substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as hire purchase and finance lease obligations. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting year. Assets held under hire purchase and finance lease agreements are depreciated over the useful lives of equivalent owned assets.

Cash at bank, overdrafts and bank loans

Cash at bank, overdrafts and bank loans are stated after adjusting for uncleared banking items.

Stocks

Stocks are stated at the lower of cost and net realisable value. In general cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow moving or defective stocks.

Deferred taxation

With effect from 1 January 2002, the company changed its accounting policy on deferred tax in line with FRS 19 "Deferred Taxation". FRS 19 introduces a form of full provision accounting for deferred tax called the incremental liability approach.

Deferred tax is now provided on timing differences where the company has an obligation to pay more or less tax in the future as a result of the reversal of those timing differences. Previously deferred tax was provided only where it was probable that a liability for deferred taxation would crystallise in the foreseeable future.

A prior year adjustment has been implemented by the change in accounting policy and the comparatives restated. As a result a deferred tax liability of £7,200,381 has been recognised at 1 January 2002, with a corresponding decrease in the profit and loss reserve. The prior year tax charge has decreased by £352,716 and the current year tax charge has decreased by £955,479 as a result of the new policy.

The company does not discount deferred tax assets and liabilities.

Bulkhaul Limited

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 group operates several defined contribution schemes. The employer's contributions are charged to the profit and loss account in the year in which the liability to pay arises.

Turnover

Turnover, which excludes value added tax, trade discounts and sales between group companies, represents the value of goods and services supplied. Turnover and associated operating costs are recognised in full at the onset of a freight movement.

Bulkhaul Limited

Notes to the financial statements for the year ended 31 December 2002

1 Turnover

A segmental analysis of turnover and operating profit has not been given on the grounds that the directors consider that such disclosure would be seriously prejudicial to the interests of the group.

2 Other operating expenses

	2002	2001
	£	£
Administrative expenses	20,959,719	18,392,464
Less: other operating income	(46,071)	(143,016)
	20,913,648	18,249,448

Exceptional operating expenses of £Nil (2001: £338,789) relate to costs incurred in respect of the closure of the manufacturing department.

3 Directors' emoluments

	2002	2001
	£	£
Fees for management services	1,597,707	865,531
Contributions to money purchase pension schemes	85,435	81,114
	1,683,142	946,645

Retirement benefits are accruing to 5 directors under money purchase pension schemes (2001: 6).

Directors emoluments include £514,000 (2001: £Nil) payable as compensation for loss of office.

Included above are the following amounts paid to the highest paid director:

Highest paid director	2002	2001
	£	£
Aggregate emoluments	353,932	190,555
Contributions to money purchase pension schemes	29,844	21,659
	383,776	212,214

Bulkhaul Limited

4 Employee information

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

	2002	2001
Office and management	196	187
Drivers and mechanics	124	171
	320	358

Staff cost for the above persons comprise:

	2002	2001
	£	£
Wages and salaries	7,507,898	7,978,173
Social security costs	804,286	871,866
Other pensions costs (see note 19)	417,299	487,074
	8,729,483	9,337,113

5 Interest receivable and similar income

	2002	2001
	£	£
Interest receivable	58,335	182,193
Exchange gain on foreign currency loans	223	7,528
	58,558	189,721

Bulkhaul Limited

6 Interest payable and similar charges

	2002	2001
	£	£
On bank loans, overdrafts and other loans	139,172	54,691
On finance leases and hire purchase contracts	1,112,886	1,552,756
Exchange loss on foreign currency loans	2,038	-
	1,254,096	1,607,447

7 Profit on ordinary activities before taxation

	2002	2001
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Foreign exchange gain	(433,547)	(120,484)
Development cost amortisation	-	59,724
Goodwill amortisation	-	18,697
Depreciation of tangible fixed assets		
- owned assets	3,850,725	2,666,479
- under finance leases	2,369,556	2,101,933
Auditors' remuneration for:		
- audit (company £21,600 (2001: £20,200))	22,400	21,000
- other services to the group	4,400	3,100
Hire of plant and machinery - operating leases	913,079	740,918
Profit on disposal of tangible fixed assets	(46,049)	(42,117)

Bulkhaul Limited

8 Taxation

(a) Analysis of charge in the period

	2002 £	2001 As restated £
Current tax		
UK corporation tax at 30% (2001: 30%)	5,025,000	4,975,000
Adjustments in respect of prior periods	558,804	-
Foreign tax	77,064	79,906
Share of associates	8,054	4,919
Total current tax	5,668,922	5,059,825
Deferred tax		
Origination and reversal of timing differences	(364,893)	(352,986)
Adjustments in respect of prior periods	(590,586)	270
	4,713,443	4,707,109

(b) Factors affecting tax charge for the period

	2002 £	2001 As restated £
Profit on ordinary activities before tax	15,904,020	16,002,669
Profit on ordinary activities before tax multiplied by standard rate of corporation tax of 30%	4,771,206	4,800,801
Effects of:		
Expenses not deductible for tax purposes	2,493	99,673
Depreciation in excess of capital allowances	364,893	352,986
Unrelieved overseas tax losses and excess foreign tax	136,808	25,203
Lower tax rates on associate profits	(2,330)	(748)
Group relief not paid	(162,952)	(218,090)
Prior year adjustments	558,804	-
Current tax charge	5,668,922	5,059,825

Bulkhaul Limited

(c) Factors that may affect future tax charges

Future current tax charges are likely to be affected by differences between the level of capital allowances claimed and depreciation charged and total tax charges by the surrender of group relief free of charge by the parent company.

9 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 £11,440,226 (2001: £10,815,645).

10 Dividends

	2002	2001
	£	£
<hr/>		
Ordinary		
Interim paid of £114 per share (2001: £100 per share)	2,850,000	2,500,000
<hr/>		

Bulkhaul Limited

11 Intangible fixed assets

	Company and group	Group	
	Development costs	Goodwill	Total
	£	£	£
Cost			
At 1 January 2002	147,350	280,456	427,806
Disposals	(147,350)	(280,456)	(427,806)
At 31 December 2002	-	-	-
Amortisation			
At 1 January 2002	147,350	280,456	427,806
Eliminated in respect of disposals	(147,350)	(280,456)	(427,806)
At 31 December 2002	-	-	-
Net book amount			
At 31 December 2002	-	-	-
At 31 December 2001	-	-	-

The development costs and goodwill have no value left to the group and accordingly have been fully written off.

Bulkhaul Limited

12 Tangible fixed assets

Group

	Long leasehold land and freehold buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2002	7,908,235	90,345,640	1,459,142	4,246,526	103,959,543
Additions	1,334,320	5,919,864	406,737	501,391	8,162,312
Disposals	(5,700)	(1,756,814)	(484,216)	(23,123)	(2,269,853)
At 31 December 2002	9,236,855	94,508,690	1,381,663	4,724,794	109,852,002
Depreciation					
At 1 January 2002	1,253,604	19,503,353	790,294	3,225,962	24,773,213
Charge for the year	217,001	5,302,752	274,038	426,490	6,220,281
Eliminated in respect of disposals	-	(1,735,694)	(396,343)	(18,863)	(2,150,900)
At 31 December 2002	1,470,605	23,070,411	667,989	3,633,589	28,842,594
Net book amount					
At 31 December 2002	7,766,250	71,438,279	713,674	1,091,205	81,009,408
At 31 December 2001	6,654,631	70,842,287	668,848	1,020,564	79,186,330

The net book value of tangible fixed assets includes an amount of £38,048,626 (2001: £45,300,528) 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 £284,342 (2001: £286,926).

Long leasehold land and freehold buildings includes investment properties with a market value of £1,334,320 (2001: £Nil).

Bulkhaul Limited

Company

	Long leasehold land and freehold buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2002	4,083,672	90,332,304	1,148,925	3,422,775	98,987,676
Additions	-	5,919,864	392,232	114,276	6,426,372
Disposals	(5,700)	(1,743,478)	(484,216)	(9,042)	(2,242,436)
At 31 December 2002	4,077,972	94,508,690	1,056,941	3,528,009	103,171,612
Depreciation					
At 1 January 2002	875,603	19,490,017	694,901	2,774,030	23,834,551
Charge for the year	74,126	5,302,752	212,243	244,084	5,833,205
Eliminated in respect of disposals	-	(1,722,358)	(396,343)	(6,188)	(2,124,889)
At 31 December 2002	949,729	23,070,411	510,801	3,011,926	27,542,867
Net book amount					
At 31 December 2002	3,128,243	71,438,279	546,140	516,083	75,628,745
At 31 December 2001	3,208,069	70,842,287	454,024	648,745	75,153,125

The net book value of tangible fixed assets includes an amount of £38,015,712 (2001: £45,254,874) 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 £284,342 (2001: £286,926).

Bulkhaul Limited

13 Fixed asset investments

Group

	Associated undertakings £
Cost or valuation	
At 1 January 2002	52,623
Share of retained profit	14,410
At 31 December 2002	67,033

Company

	Interest in group undertakings £	Other investments £	Total £
Cost or valuation			
At 1 January 2002	1,481,298	8,440	1,489,738
Additions	215	-	215
At 31 December 2002	1,481,513	8,440	1,489,953
Amounts written off			
At 1 January 2002 and 31 December 2002	409,361	2,380	411,741
Net book value			
At 31 December 2002	1,072,152	6,060	1,078,212
At 31 December 2001	1,071,937	6,060	1,077,997

Bulkhaul Limited

Interests in group undertakings

Name of undertaking	Country of incorporation or registration	Proportion of nominal value of issued shares held %	Activity
Held by the company:			
Bulkhaul International Limited	England and Wales	100	Holding company
Bulkhaul Belgium NV	Belgium	100	Tank container services
Bulkhaul (Italia) SRL	Italy	100	Tank container services
Bulkhaul (Singapore) PTE Limited	Singapore	100	Tank container services
Bulkhaul Korea Co Ltd	Korea	100	Tank container services
Bulkhaul Japan KK	Japan	100	Tank container services
Bulkhaul Brasil Ltda	Brazil	100	Tank container services
Teesside Leasing Limited	England and Wales	100	Dormant
Teesside Transport Services Limited	England and Wales	51	Dormant
Fernando Holdings Limited	Jersey	100	Holding company
Held by subsidiaries:			
Bulkhaul (Germany) GmbH	Germany	100	Tank container services
Bulkhaul (USA) Incorporated	USA	100	Tank container services
Chakalak Limited	Jersey	100	Property company

Associated undertakings

Name of undertaking	Country of incorporation or registration	Proportion of nominal value of ordinary shares held %	Accounting year end
Teesside Insurance Consultants Limited	England and Wales	30	31 December
Teesside Financial Services Limited	England and Wales	30	31 December

Teesside Insurance Consultants Limited provides insurance services.

Teesside Financial Services Limited provides financial services.

Bulkhaul Limited

14 Stocks

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials and consumables	511,209	401,011	496,248	390,500

15 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	15,335,328	13,863,296	15,335,328	13,863,296
Amounts owed by parent, fellow subsidiaries and subsidiary undertakings	814	-	5,066,317	2,823,034
Corporation tax	-	73,603	-	73,603
Other debtors	1,971,270	1,205,006	1,797,948	1,083,454
Prepayments and accrued income	1,003,971	626,346	960,513	587,237
	18,311,383	15,768,251	23,160,106	18,430,624

During the year the company provided a director, M O'Neill, with a loan of £1,104,195 in cash. The loan bears no interest and is repayable upon demand although as at the date of these accounts the amount remains unpaid. The loan advanced at 1 January 2002 was £Nil. The maximum amount and year end balance was £1,104,195. The loan is included within other debtors

Bulkhaul Limited

16 Creditors – Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans, overdrafts and other loans	2,321,702	516,833	2,287,312	125,000
Hire purchase and finance lease obligations	7,710,740	9,641,609	7,705,219	9,624,829
Trade creditors	7,443,548	7,433,588	7,396,649	7,381,032
Amounts owed to parent, fellow subsidiaries and subsidiary undertakings	4,510,085	2,182,129	5,699,291	3,399,768
Corporation tax	232,083	-	232,083	-
Overseas taxation payable	43,944	55,630	-	-
Other taxation and social security	341,990	283,050	324,294	273,233
Other creditors	848,322	894,975	636,416	741,976
Accruals and deferred income	9,103,311	7,541,848	8,986,275	7,421,403
	32,555,725	28,549,662	33,267,539	28,967,241

17 Creditors – Amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and other loans	-	32,719	-	-
Hire purchase and finance lease obligations	10,238,978	17,710,699	10,238,978	17,704,956
	10,238,978	17,743,418	10,238,978	17,704,956

Bulkhaul Limited

Bank loans, overdrafts and other loans

Bank loans, overdrafts and other loans are repayable as follows:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
One year or less or on demand	2,321,702	516,833	2,287,312	125,000
Between one and two years	-	32,719	-	-
Between two and five years	-	-	-	-
	2,321,702	549,552	2,287,312	125,000

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

The main loans carry fixed interest rates of between 4.75% and 10% and variable rates of between 0.75% and 1.75% above the base rate.

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	
	2002	2001	2002	2001
	£	£	£	£
In one year or less	7,710,740	9,641,609	7,705,219	9,624,829
Between one and five years	10,238,978	17,710,699	10,238,978	17,704,956
	17,949,718	27,352,308	17,944,197	27,329,785

18 Deferred taxation

	Group	Company
	£	£
At 1 January 2002 as previously reported	-	-
Prior year adjustment - FRS 19	7,200,381	7,200,381
At 1 January 2002 as restated	7,200,381	7,200,381
Amount credited to profit and loss account (Note 8)	(955,479)	(955,479)
At 31 December 2002	6,244,902	6,244,902

Bulkhaul Limited

The provision for deferred taxation comprises:

	Group		Company	
	2002 £	2001 As restated £	2002 £	2001 As restated £
Excess of capital allowances over depreciation	6,243,071	7,198,550	6,243,071	7,198,550
Short term timing differences	1,831	1,831	1,831	1,831
	6,244,902	7,200,381	6,244,902	7,200,381

There is no unprovided deferred taxation.

19 Pension and similar commitments

The group operates one 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 employer's contributions to these schemes. The total pension cost for the group was £417,299 (2001: £487,074). At 31 December 2002 £Nil (2001: £6,103) is included in prepayments in respect of advance contributions to pension schemes.

20 Called up equity share capital

Group and company	2002 £	2001 £
Authorised		
25,000 (2001: 25,000) ordinary shares of £1 each	25,000	25,000
Allotted, called up and fully paid		
25,000 (2001: 25,000) ordinary shares of £1 each	25,000	25,000

Bulkhaul Limited

21 Reserves

Group

	Capital reserve	Profit and loss account
	£	£
At 1 January 2002 as previously reported	440	51,390,321
Prior year adjustment - FRS 19 (note 18)	-	(7,200,381)
At 1 January 2002 as restated	440	44,189,940
Retained profit for the financial year	-	8,340,577
At 31 December 2002	440	52,530,517

Company

	Profit and loss account
	£
At 1 January 2002 as previously reported	50,425,870
Prior year adjustment - FRS 19	(7,200,381)
At 1 January 2002 as restated	43,225,489
Retained profit for the financial year	8,590,226
At 31 December 2002	51,815,715

22 Reconciliation of movements in group equity shareholders' funds

	2002 £	2001 As restated £
Profit for the financial year	11,190,577	11,295,560
Dividends	(2,850,000)	(2,500,000)
	8,340,577	8,795,560
Opening equity shareholders' funds as previously reported	51,415,761	42,972,917
Prior year adjustment - FRS19	(7,200,381)	(7,553,097)
Opening equity shareholders' funds as restated	44,215,380	35,419,820
Closing equity shareholders' funds	52,555,957	44,215,380

Bulkhaul Limited

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

	2002	2001
	£	£
Operating profit	17,064,944	17,401,505
Amortisation of intangible fixed assets	-	78,421
Depreciation on tangible fixed assets	6,220,281	4,768,412
Profit on sale of tangible fixed assets	(46,049)	(42,117)
Increase in stocks	(110,198)	(163,111)
(Increase)/decrease in debtors	(2,616,735)	946,583
Increase/(decrease) in creditors	1,503,003	(1,030,858)
Net cash inflow from continuing operations	22,015,246	21,958,835

24 Reconciliation of net cash flow to movement in net debt

	2002	2001
	£	£
(Decrease)/increase in cash	(2,882,435)	218,255
Cash flow from movement in debt and lease financing	9,910,593	640,640
Change in net debt resulting from cash flows	7,028,158	858,895
New finance leases	-	(925,163)
Adjustment for exchange rate movements	(1,815)	7,528
Movement in net debt	7,026,343	(58,740)
Net debt at 1 January	(25,601,234)	(25,542,494)
Net debt at 31 December	(18,574,891)	(25,601,234)

Bulkhaul Limited

25 Analysis of changes in net debt

	At 1 January 2002 £	Cash flow £	Exchange movement £	At 31 December 2002 £
Net cash				
Cash at bank and in hand	2,300,626	(604,097)		1,696,529
Bank overdrafts	(8,974)	(2,278,338)		(2,287,312)
	2,291,652	(2,882,435)		(590,783)
Debt				
Finance leases	(27,352,308)	9,402,367	223	(17,949,718)
Loans	(540,578)	508,226	(2,038)	(34,390)
	(27,892,886)	9,910,593	(1,815)	(17,984,108)
Net debt	(25,601,234)	7,028,158	(1,815)	(18,574,891)
Analysed in balance sheet				
Cash at bank and in hand	2,300,626			1,696,529
Bank loans/overdrafts payable within one year	(516,833)			(2,321,702)
Bank loans/overdrafts payable after one year	(32,719)			-
Finance leases payable within one year	(9,641,609)			(7,710,740)
Finance leases payable after one year	(17,710,699)			(10,238,978)
At 31 December 2002	(25,601,234)			(18,574,891)

26 Capital and other commitments

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	5,311,300	3,342,560	5,311,300	3,342,560

Bulkhaul Limited

27 Financial commitments

At 31 December 2002 the group and company had no annual commitments under non-cancellable operating leases (2001: £Nil).

28 Ultimate parent undertaking

The directors regard The Gibson O'Neill Company Limited, as the ultimate parent undertaking. According to the register kept by the company, The Gibson O'Neill Company Limited has a 100% interest in the equity share capital of Bulkhaul Limited. Copies of the parent's consolidated financial statements may be obtained from The Secretary, The Gibson O'Neill Company Limited, Brignell Road, Riverside Park Industrial Estate, Middlesbrough, TS2 1PS.

29 Ultimate controlling party

The directors regard Mr S Gibson, the chairman of the company as the ultimate controlling party by virtue of his 75% interest in the equity capital of The Gibson O'Neill Company Limited.

30 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard No. 8 "Related Party Disclosures" from the requirement to disclose transactions with its parent and fellow subsidiary undertakings.

Other than as described in Note 15, there are no further related party transactions which fall to be disclosed under Financial Reporting Standard No. 8.

31 Contingent liabilities

At 31 December 2003, Bulkhaul Limited has guaranteed bank and other borrowings of other group undertakings amounting to £34,364,390 (2001: £12,015,578).

The group is involved in various legal proceedings arising out of the normal course of business. It is not believed that the outcome of these proceedings will have a material effect on the group's financial position.