

Bulkhaul Limited

1603021

Annual report for the year ended 31 December 1994

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Bulkhaul Limited

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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 1994**

The directors present their report and the audited financial statements for the year ended 31 December 1994.

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.

The directors feel that the ability of manufacturers to satisfy the increasing demand for tank containers from the group and its competitors potentially represents a limiting factor to growth. The directors have acted to secure the future supply of the major operating assets of the group by the construction of its own tank container manufacturing facilities.

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 4, "Capital Instruments", the presentation of the financial statements has been amended to conform with the new requirements. Shareholders' funds have been analysed as entirely equity interests.

Results and dividends

The group profit for the year before taxation was £3,857,740 (1993: £3,150,626).

The directors have paid an interim dividend of £19.02 (1993: £19.76) per share in respect of the year ended 31 December 1994. 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 £3,086,112 (1993: £2,411,926) be transferred to the group's reserves.

Group research and development activities

The group continues to be involved in research and development activities in order to secure its position as a market leader in the international tank container market. Development expenditure is set out in note 12 to the financial statements.

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.

Charitable donations

The donations made by the group during the year for charitable purposes amounted to £14,230.

Directors

The directors of the company at 31 December 1994, 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, M O'Neill and T Jackson 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 1994 in the shares of the company were as follows:

	Number of ordinary shares of £1 each	
	31 December 1994	1 January 1994
S Gibson	18,750	19,444
M O'Neill	6,250	5,556
	<u>25,000</u>	<u>25,000</u>

Directors' responsibilities

The directors are required by UK company law 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 as at the end of the financial year and of the profit or loss of the group for that period.

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The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1994. The directors also confirm that applicable accounting standards have been followed [and that the statements have been prepared on the going concern basis*].

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and of the group 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

**Report of the auditors to the members of
Bulkhaul Limited**

We have audited the financial statements on pages 6 to 26.

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.

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 1994 and of the profit, total recognised gains and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne

7 April 1995

**Consolidated profit and loss account
for the year ended 31 December 1994**

	Notes	1994 £	1993 £
Turnover	2	29,373,126	23,238,395
Cost of sales		(15,146,867)	(11,464,201)
Gross profit		14,226,259	11,774,194
Other operating expenses	3	(9,670,979)	(8,096,592)
Operating profit		4,555,280	3,677,602
Income from interests in associated undertakings		8,724	13,139
Interest receivable and similar income	6	33,712	139,560
Interest payable and similar charges	7	(739,976)	(679,675)
Profit on ordinary activities before taxation	8	3,857,740	3,150,626
Taxation	9	(296,178)	(244,620)
Profit on ordinary activities after taxation		3,561,562	2,906,006
Dividend paid	11	(475,450)	(494,080)
Retained profit for the financial year	23	3,086,112	2,411,926

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.

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Balance sheets at 31 December 1994

		Group		Company	
	Notes	1994 £	1993 £	1994 £	1993 £
Fixed assets					
Intangible assets	12	250,748	149,462	120,000	-
Tangible assets	13	22,487,081	15,578,240	21,100,890	14,487,948
Investments	14	25,311	289,686	707,026	1,724,070
		<u>22,763,140</u>	<u>16,017,388</u>	<u>21,927,916</u>	<u>16,212,018</u>
Current assets					
Stocks	15	54,006	34,746	54,006	34,746
Debtors	16	5,667,758	3,931,477	5,872,381	4,072,298
Investments	17	268,545	-	1,041,773	-
Cash at bank and in hand		1,102,421	1,958,618	940,181	1,929,787
		<u>7,092,730</u>	<u>5,924,841</u>	<u>7,908,341</u>	<u>6,036,831</u>
Creditors: amounts falling due within one year	18	11,534,972	9,137,459	11,927,291	9,795,812
Net current liabilities		<u>(4,442,242)</u>	<u>(3,212,618)</u>	<u>(4,018,950)</u>	<u>(3,758,981)</u>
Total assets less current liabilities		<u>18,320,898</u>	<u>12,804,770</u>	<u>17,908,966</u>	<u>12,453,037</u>
Creditors: amounts falling due after more than one year	19	8,222,595	5,792,579	7,907,497	5,637,836
Net assets		<u>10,098,303</u>	<u>7,012,191</u>	<u>10,001,469</u>	<u>6,815,201</u>
Capital and reserves					
Called-up share capital	22	25,000	25,000	25,000	25,000
Capital reserve	23	440	440	-	-
Profit and loss account	23	10,072,863	6,986,751	9,976,469	6,790,201
Equity shareholders' funds	24	<u>10,098,303</u>	<u>7,012,191</u>	<u>10,001,469</u>	<u>6,815,201</u>

The financial statements on pages 6 to 26 were approved by the board of directors on 3rd April 1995 and were signed on its behalf by:

Stephen
 S. Lee
 T. Jones
) Directors

**Consolidated cash flow statement
for the year ended 31 December 1994**

	Notes	1994 £	1993 £
Net cash inflow from continuing operating activities	25	<u>6,655,490</u>	<u>5,839,177</u>
Returns on investments and servicing of finance			
Interest received		32,147	18,600
Interest paid		(360,568)	(317,090)
Interest paid on finance leases		(436,128)	(362,408)
Dividends paid		(475,450)	(494,080)
Dividends received from associated companies		<u>1,800</u>	<u>1,405</u>
Net cash outflow from returns on investments and servicing of finance		<u>(1,238,199)</u>	<u>(1,153,573)</u>
Taxation			
UK corporation tax paid		(264,722)	(152,578)
Net overseas tax paid		<u>(7,428)</u>	<u>(10,527)</u>
Tax paid		<u>(272,150)</u>	<u>(163,105)</u>
Investment activities			
Development costs		(120,000)	-
Purchase of tangible fixed assets		(3,177,033)	(1,445,088)
Sale of tangible fixed assets		<u>239,556</u>	<u>27,645</u>
Net cash outflow from investing activities		<u>(3,057,477)</u>	<u>(1,417,443)</u>
Net cash inflow before financing		<u>2,087,664</u>	<u>3,105,056</u>
Financing			
Loans received		773,999	1,245,747
Repayment of loans		(1,040,445)	(957,912)
Payment of principal under finance leases		<u>(2,671,193)</u>	<u>(2,190,520)</u>
Net cash outflow from financing		<u>(2,937,639)</u>	<u>(1,902,685)</u>
(Decrease)/increase in cash and cash equivalents	26	<u><u>(849,975)</u></u>	<u><u>1,202,371</u></u>

Notes to the financial statements for the year ended 31 December 1994

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. However 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 departure is given in the note relating to investment properties below.

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.

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. The cost of land and buildings includes interest paid on funds specifically taken out to finance assets in the course of construction. 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	5 - 7 years
Motor vehicles	4 years
Tank containers	10 years
Fixtures and fittings	5 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.

Development expenditure

Development expenditure relating to specific projects intended for commercial exploitation is carried forward. Such expenditure is amortised over the period expected to benefit. Expenditure on pure and applied research is written off as incurred.

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.

Bank loans and overdrafts

Bank loans and overdrafts are stated after adjusting for uncleared banking items.

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 five 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

	1994 £	1993 £
Administrative expenses	9,717,883	8,119,708
Less: other operating income	(46,904)	(23,116)
	<u>9,670,979</u>	<u>8,096,592</u>

4 Directors' emoluments

The remuneration paid to the directors of Bulkhaul Limited was:

	1994 £	1993 £
Fees for management services	332,524	316,073
Other emoluments (including pension contributions and benefits in kind)	113,615	116,001
	<u>446,139</u>	<u>432,074</u>

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

	1994 £	1993 £
The chairman	<u>94,346</u>	<u>80,464</u>
The highest-paid director	<u>118,351</u>	<u>113,935</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:

	1994 Number	1993 Number
£50,001 to £55,000	-	1
£55,001 to £60,000	1	1
£65,001 to £70,000	1	-
£70,001 to £75,000	-	1
£80,001 to £85,000	-	1
£85,001 to £90,000	1	-
£90,001 to £95,000	1	-
£110,001 to £115,000	-	1
£115,001 to £120,000	1	-

5 Employee information

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

	1994 Number	1993 Number
Office and management	80	70
Drivers and mechanics	86	72
	<u>166</u>	<u>142</u>
	<u>166</u>	<u>142</u>
	1994	1993
	£	£
Staff costs (for the above persons):		
Wages and salaries	3,261,262	2,618,888
Social security costs	315,002	270,115
Other pension costs (see note 21)	176,178	139,310
	<u>3,752,442</u>	<u>3,028,313</u>
	<u>3,752,442</u>	<u>3,028,313</u>

6 Interest receivable and similar income

	1994 £	1993 £
Interest receivable	32,275	18,457
Exchange gain on foreign currency loans	1,437	121,103
	<u>33,712</u>	<u>139,560</u>
	<u>33,712</u>	<u>139,560</u>

7 Interest payable and similar charges

	1994 £	1993 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	24,982	3,914
Repayable within 5 years, by instalments	337,992	279,984
Repayable wholly or partly in more than 5 years	25,433	33,389
Exchange loss on foreign currency loans	20,868	-
	<u>409,275</u>	<u>317,287</u>
On finance leases and hire purchase contracts	435,701	362,388
	<u>844,976</u>	<u>679,675</u>
Less interest capitalised (see note 13)	(105,000)	-
	<u>739,976</u>	<u>679,675</u>
	<u>739,976</u>	<u>679,675</u>

8 Profit on ordinary activities before taxation

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Rent receivable	(28,976)	(23,116)
Foreign exchange loss/(profit)	85,254	(85,406)
Goodwill amortisation	18,714	18,713
Depreciation of tangible fixed assets:		
Tangible fixed assets under finance leases	712,495	490,422
Tangible owned fixed assets	802,675	873,934
Auditors' remuneration for:		
Audit (company £13,500; 1993: £12,800)	13,500	13,300
Other services to the group	8,767	6,380
Hire of plant and machinery - operating leases	1,086,082	558,691
(Profit)/loss on disposal of tangible fixed assets	(19,103)	1,760
	<u> </u>	<u> </u>

9 Taxation

	1994 £	1993 £
United Kingdom corporation tax at 33% (1993: 33%):		
Current	286,500	261,619
Prior	(5,196)	(25,527)
Overseas taxation charge:		
Current	13,346	3,721
Prior	(1,175)	(694)
Tax credits on franked investment income	-	898
	<u> </u>	<u> </u>
	293,475	240,017
Associated undertakings	2,703	4,603
	<u> </u>	<u> </u>
Taxation charge for the year	296,178	244,620
	<u> </u>	<u> </u>

The taxation charge for the year has been reduced by £1,040,000 (1993: £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 £3,661,718 (1993: £2,826,705).

11 Dividend

	1994 £	1993 £
Ordinary:		
Interim paid of £19.02 per share (1993: £19.76 per share)	475,450	494,080
	<u> </u>	<u> </u>

12 Intangible fixed assets

	Company & Group	Group	Group
	Development costs	Goodwill	Total
	£	£	£
Cost			
At 1 January 1994	-	280,456	280,456
Additions	120,000	-	120,000
	<u>120,000</u>	<u>280,456</u>	<u>400,456</u>
At 31 December 1994			
	<u>120,000</u>	<u>280,456</u>	<u>400,456</u>
Amortisation			
At 1 January 1994	-	130,994	130,994
Charge for year	-	18,714	18,714
	<u>-</u>	<u>149,708</u>	<u>149,708</u>
At 31 December 1994			
	<u>-</u>	<u>149,708</u>	<u>149,708</u>
Net book value			
At 31 December 1994	<u>120,000</u>	<u>130,748</u>	<u>250,748</u>
	<u>120,000</u>	<u>130,748</u>	<u>250,748</u>
Net book value			
At 31 December 1993	-	149,462	149,462
	<u>-</u>	<u>149,462</u>	<u>149,462</u>

Development costs relate to a project to manufacture demountable tank containers. The production of tank containers has commenced in 1995 and the related development expenditure will be written off over the period expected to benefit.

In the directors' opinion the above circumstances justify their decision to defer the costs and not to treat them as a realised revenue loss.

13 Tangible fixed assets

Group

	Long leasehold land and freehold buildings £	Investment properties (see note 14) £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Assets in course of construction £	Total £
Cost							
At 1 January 1994	1,684,214	713,682	16,203,013	793,556	1,055,922	-	20,450,387
Additions	2,141,078	-	4,707,475	643,359	856,101	296,451	8,644,464
Disposals	-	-	(129,193)	(437,928)	-	-	(567,121)
Transfer	-	-	(20,004)	20,004	-	-	-
At 31 December 1994	3,825,292	713,682	20,761,291	1,018,991	1,912,023	296,451	28,527,730
Depreciation							
At 1 January 1994	161,177	-	3,715,020	299,329	696,621	-	4,872,147
Charge for year	49,256	-	1,144,277	185,264	136,373	-	1,515,170
Eliminated in respect of disposals	-	-	(88,501)	(258,167)	-	-	(346,668)
Transfer	-	-	(1,171)	1,171	-	-	-
At 31 December 1994	210,433	-	4,769,625	227,597	832,994	-	6,040,649
Net book value							
At 31 December 1994	3,614,859	713,682	15,991,666	791,394	1,079,029	296,451	22,487,081
Net book value							
At 31 December 1993	1,523,037	713,682	12,487,993	494,227	359,301	-	15,578,240

The net book value of tangible fixed assets includes an amount of £11,798,572 (1993: £7,692,934) 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 1994 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 £455,903 (1993: £301,794).

Additions include £105,000 (1993: £Nil) in respect of interest capitalised. The interest was charged on borrowings relating directly to the funding of freehold building construction in the construction period.

Company

	Long leasehold land and freehold buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Assets in course of construction £	Total £
Cost						
At 1 January 1994	1,684,214	15,877,105	736,871	931,601	-	19,229,791
Additions	2,141,078	4,322,140	631,286	818,339	296,451	8,209,294
Disposals	-	(129,193)	(437,928)	-	-	(567,121)
Transfer	-	(20,004)	20,004	-	-	-
At 31 December 1994	3,825,292	20,050,048	950,233	1,749,940	296,451	26,871,964
Depreciation						
At 1 January 1993	161,177	3,644,827	280,096	655,743	-	4,741,843
Charge for year	49,256	1,041,302	171,297	114,044	-	1,375,899
Eliminated in respect of disposals	-	(88,501)	(258,167)	-	-	(346,668)
Transfer	-	(1,171)	1,171	-	-	-
At 31 December 1994	210,433	4,596,457	194,397	769,787	-	5,771,074
Net book value						
At 31 December 1994	3,614,859	15,453,591	755,836	980,153	296,451	21,100,890
Net book value						
At 31 December 1993	1,523,037	12,232,278	456,775	275,858	-	14,487,948

The net book value of tangible fixed assets includes an amount of £11,322,219 (1993: £7,520,449) 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 £455,903 (1993: £301,794).

Additions include £105,000 (1993: £Nil) in respect of interest capitalised. The interest was charged on borrowings relating directly to the funding of freehold building construction in the construction period.

14 Fixed asset investments

Group

	Associated undertakings £	Other investments £	Total £
Cost or valuation			
At 1 January 1994	289,635	51	289,686
Share of retained profit	4,221	-	4,221
Transfer to current asset investments	(268,545)	-	(268,545)
Reclassification	-	(51)	(51)
At 31 December 1994	25,311	-	25,311

Company

	Interests in group undertakings £	Other investments £	Total £
Cost or valuation			
At 1 January 1994	1,893,317	278,476	2,171,793
Additions	6,154	-	6,154
Transfer to current asset investments	(773,228)	(268,545)	(1,041,773)
Reclassification of subsidiary holding	51	(51)	-
At 31 December 1994	1,126,294	9,880	1,136,174
Amounts written off			
At 1 January 1994	445,343	2,380	447,723
Previous provision written back	(18,575)	-	(18,575)
At 31 December 1994	426,768	2,380	429,148
Net book value			
At 31 December 1994	699,526	7,500	707,026
Net book value			
At 31 December 1993	1,447,974	276,096	1,724,070

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
Bulkhaul Belgium NV	Belgium	1,000 Ordinary 3,400 BFr shares	100	Tank Container services
Bulkhaul (Italia) SRL	Italy	14,970 Ordinary 1,000 lire shares	100	Tank Container services
Teeside Leasing Limited	England and Wales	12,502 Ordinary £1 shares	100	Dormant
Teeside 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

Teesside Insurance Consultants Limited provides insurance services.

The directors intend to dispose of the group's interest in the property investment companies (see note 17) and Middlesbrough Football and Athletic Club (1986) Limited. These have therefore been disclosed at the year end as current asset investments.

15 Stocks

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Raw materials and consumables	<u>54,006</u>	<u>34,746</u>	<u>54,006</u>	<u>34,746</u>

16 Debtors

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Amounts falling due within one year				
Trade debtors	4,547,856	3,510,195	4,547,856	3,510,195
Amounts owed by subsidiary undertakings	-	-	238,219	152,916
Corporation tax	6,938	6,938	6,938	6,938
Other debtors	806,869	300,095	793,568	294,900
Prepayments and accrued income	306,095	114,249	285,800	107,349
	<u>5,667,758</u>	<u>3,931,477</u>	<u>5,872,381</u>	<u>4,072,298</u>

17 Current asset investments

Group

	Other investments £
Cost or valuation	
As 1 January 1994	-
Transfer from fixed asset investments	268,545
At 31 December 1994	<u>268,545</u>

Company

	Interests in group undertakings £	Other investments £	Total £
Cost or valuation			
As 1 January 1994	-	-	-
Transfer from fixed asset investments	773,228	268,545	1,041,773
At 31 December 1994	<u>773,228</u>	<u>268,545</u>	<u>1,041,773</u>

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:			%	
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

Included in other investments is a holding of 20% (1993: 20%) of the Ordinary £1 shares of Middlesbrough Football and Athletic Company (1986) Limited, with a cost of £268,545 (1993: £268,545).

18 Creditors: amounts falling due within one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans, overdrafts and other loans	1,308,592	1,129,146	1,258,845	1,085,009
Hire purchase and finance lease obligations	2,946,863	2,436,659	2,808,796	2,389,286
Trade creditors	4,687,226	3,430,525	4,685,926	3,430,098
Amounts owed to subsidiary undertakings	-	-	646,592	837,832
Corporation tax	160,103	97,945	160,103	97,945
ACT payable	25,350	70,926	25,350	70,926
Overseas taxation payable	8,210	4,642	-	-
Other taxation and social security	199,313	161,073	196,982	159,723
Other creditors	143,796	124,508	136,606	85,353
Accruals and deferred income	2,055,519	1,682,035	2,008,091	1,639,640
	<u>11,534,972</u>	<u>9,137,459</u>	<u>11,927,291</u>	<u>9,795,812</u>

19 Creditors: amounts falling due after more than one year

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans and other loans	2,941,085	3,391,630	2,922,059	3,330,897
Hire purchase and finance lease obligations	5,281,510	2,400,949	4,985,438	2,306,939
	<u>8,222,595</u>	<u>5,792,579</u>	<u>7,907,497</u>	<u>5,637,836</u>

Bank loans, overdrafts and other loans

	Group		Company	
	1994	1993	1994	1993
	£	£	£	£
Bank loans, overdrafts and other loans are repayable as follows:				
One year or less or on demand	1,308,592	1,129,146	1,258,845	1,085,009
Between one and five years	2,566,085	3,304,130	2,547,059	3,243,397
In five years or more	375,000	87,500	375,000	87,500
	<u>4,249,677</u>	<u>4,520,776</u>	<u>4,180,904</u>	<u>4,415,906</u>
Repayable by instalments wholly or partly in more than five years:	<u>500,000</u>	<u>350,000</u>	<u>500,000</u>	<u>350,000</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 between 1.75% and 2.5% above the base rate. These loans are repayable over periods varying from 3 to 8 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	
	1994	1993	1994	1993
	£	£	£	£
In one year or less	2,946,863	2,436,659	2,808,796	2,389,286
Between one and five years	5,281,510	2,400,949	4,985,438	2,306,939
	<u>8,228,373</u>	<u>4,837,608</u>	<u>7,794,234</u>	<u>4,696,225</u>

20 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 1994 amounts to approximately £3,660,000 (1993: £2,426,000).

21 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 employer's contributions to this scheme. The total pension cost for the group was £176,178 (1993: £139,310). An amount of £5,806 (1993: £19,592) is included within other creditors (1993: debtors) as at the balance sheet date.

22 Called-up share capital

	1994 £	1993 £
Authorised		
25,000 (1993: 25,000) ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called-up and fully paid		
25,000 (1993: 25,000) ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

23 Reserves

Group

	Capital reserve £	Profit and loss account £
At 1 January 1994	440	6,986,751
Retained profit for the year	-	3,086,112
At 31 December 1994	<u>440</u>	<u>10,072,863</u>

Company

	Profit and loss account £
At 1 January 1994	6,790,201
Retained profit for the year	3,186,268
At 31 December 1994	<u>9,976,469</u>

24 Reconciliation of movements in equity shareholders' funds

	1994 £	1993 £
Profit for the financial year	3,561,562	2,906,006
Dividend	(475,450)	(494,080)
	<u>3,086,112</u>	<u>2,411,926</u>
Opening equity shareholders' funds	7,012,191	4,600,265
	<u>10,098,303</u>	<u>7,012,191</u>

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

	1994 £	1993 £
Continuing activities		
Operating profit	4,555,280	3,677,602
Amortisation of intangible fixed assets	18,714	18,713
Depreciation on tangible fixed assets	1,515,170	1,364,356
Profit on sale of tangible fixed assets	(19,103)	1,760
(Increase)/decrease in stocks	(19,260)	4,155
Increase in debtors	(1,736,281)	(668,962)
Increase in creditors	2,340,970	1,441,553
Net cash inflow from continuing operating activities	<u>6,655,490</u>	<u>5,839,177</u>

26 Cash and cash equivalents

	1994 £	1993 £
Changes during the year		
At 1 January	1,952,396	750,025
Net cash (outflow)/inflow	(849,975)	1,202,371
At 31 December	<u>1,102,421</u>	<u>1,952,396</u>

	1994 £	1993 £	Change in year £	1993 £	1992 £	Change in year £
Analysis of balances						
Cash at bank and in hand	1,102,421	1,958,618	(856,197)	1,958,618	774,953	1,183,665
Bank overdrafts	-	(6,222)	6,222	(6,222)	(24,928)	18,706
At 31 December	<u>1,102,421</u>	<u>1,952,396</u>	<u>(849,975)</u>	<u>1,952,396</u>	<u>750,025</u>	<u>1,202,371</u>

27 Analysis of changes in financing during the year

	1994		1993	
	Share capital £	Loans and finance lease obligations £	Share capital £	Loans and finance lease obligations £
At 1 January	25,000	9,352,162	25,000	8,513,248
Loans received	-	773,999	-	1,245,747
Loan repayment	-	(1,040,445)	-	(957,912)
Inception of finance lease contracts	-	6,044,096	-	2,862,702
Repayments of principal on finance leases	-	(2,671,193)	-	(2,190,520)
Effect of foreign exchange rates	-	19,431	-	(121,103)
At 31 December	<u>25,000</u>	<u>12,478,050</u>	<u>25,000</u>	<u>9,352,162</u>

28 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 £6,044,096 (1993: £2,862,702).

29 Capital commitments

	Group		Company	
	1994 £	1993 £	1994 £	1993 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>37,668</u>	<u>2,726,417</u>	<u>16,068</u>	<u>2,356,837</u>
Capital expenditure that has been authorised by the directors but has not yet been contracted for	<u>-</u>	<u>965,326</u>	<u>-</u>	<u>962,326</u>

30 Financial commitments

At 31 December 1994 the group had annual commitments under non-cancellable operating leases as follows:

	1994 £	1993 £
Expiring within one year	-	84,897
Expiring between two and five years inclusive	-	-
	<u>-</u>	<u>84,897</u>