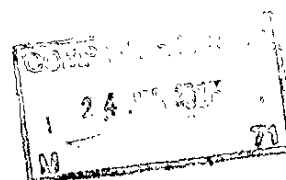


Bulkhaul Limited
Annual report
for the year ended 31 December 1992

Registered no: 1603021

Coopers
& Lybrand



Bulkhaul Limited

Annual report for the year ended 31 December 1992

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Directors and advisers

Executive directors

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

Registered auditors

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

Secretary and registered office

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

Solicitors

Castle Sanderson
Coronet House
Queens Street
Leeds
LS1 2TW

Bankers

Lloyds Bank plc
137 Albert Road
Middlesbrough
Cleveland
TS1 1PP

**Directors' report
for the year ended 31 December 1992**

The directors present their report and the audited financial statements for the year ended 31 December 1992.

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.

During the year the tank container and commercial vehicle fleets were further increased and to assist with the high standards of maintenance of these operating assets a second maintenance workshop was built.

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.

Results and dividends

The group profit for the year before taxation was £1,200,430.

The directors have paid an interim dividend of £9.67 per share in respect of the year ended 31 December 1992. 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 £1,080,020 be transferred to the group's reserves.

Changes in fixed assets

The changes in fixed assets during the year are set out in notes 11, 12 and 13 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 1992, 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, T Jackson and J G Trenholm 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 1992 in the shares of the company were as follows:

	Number of ordinary shares of £1 each	
	31 December 1992	1 January 1992
S Gibson	19,444	19,444
M O'Neill	5,556	5,556
	<u>25,000</u>	<u>25,000</u>

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. Until 1 June 1992 the Firm practised in the name of Coopers & Lybrand Deloitte.

By order of the board



Secretary
31 March 1993

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

We have audited the financial statements on pages 5 to 25 in accordance with Auditing Standards.

As set out in note 13, 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 a 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 have 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 1991 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 and subject to any adjustment which may be required following the disclosure of recent financial information relating to the associated undertaking, 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 1992 and of the profit 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 1992 and except for the matter referred to in the second paragraph above the financial statements have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
31 March 1993

**Consolidated profit and loss account
for the year ended 31 December 1992**

	Notes	1992 £	1991 £
Turnover	2	16,781,463	14,829,926
Cost of sales		(8,968,930)	(8,026,426)
Gross profit		7,812,533	6,803,500
Other operating expenses	3	(5,674,330)	(5,091,497)
Operating profit		2,138,203	1,712,003
Income from interests in associated undertakings		(793)	5,468
Interest receivable and similar income		17,743	18,630
Interest payable and similar charges	6	(954,723)	(727,883)
Profit on ordinary activities before taxation	7	1,200,430	1,008,218
Taxation	8	121,340	(229,214)
Profit on ordinary activities after taxation		1,321,770	779,004
Dividends paid	10	(241,750)	(104,500)
Retained profit for the financial year	21	1,080,020	674,504

**Balance sheets
at 31 December 1992**

	Notes	1992 £	Group 1991 £	1992 £	Company 1991 £
Fixed assets					
Intangible assets	11	168,175	187,807	-	-
Tangible assets	12	13,128,785	9,390,445	12,208,214	8,529,563
Investments	13	283,728	285,928	1,724,070	1,711,569
		<u>13,580,688</u>	<u>9,864,180</u>	<u>13,932,284</u>	<u>10,241,132</u>
Current assets					
Stocks	14	38,901	35,259	38,901	35,259
Debtors	15	3,262,233	2,380,141	3,394,980	2,488,529
Cash at bank and in hand		774,953	237,844	684,463	149,138
		<u>4,076,087</u>	<u>2,653,244</u>	<u>4,118,344</u>	<u>2,672,926</u>
Creditors: amounts falling due within one year	16	7,366,440	6,575,202	7,980,058	7,034,140
Net current liabilities		<u>(3,290,353)</u>	<u>(3,921,958)</u>	<u>(3,861,714)</u>	<u>(4,361,214)</u>
Total assets less current liabilities		<u>10,290,335</u>	<u>5,942,222</u>	<u>10,070,570</u>	<u>5,879,918</u>
Creditors: amounts falling due after more than one year	17	5,690,070	2,422,417	5,587,994	2,382,595
		<u>(5,690,070)</u>	<u>(2,422,417)</u>	<u>(5,587,994)</u>	<u>(2,382,595)</u>
		<u>4,600,265</u>	<u>3,519,805</u>	<u>4,482,576</u>	<u>3,497,323</u>
Capital and reserves					
Called-up share capital	20	25,000	25,000	25,000	25,000
Capital reserve	21	440	-	-	-
Profit and loss account	21	4,574,825	3,494,805	4,457,576	3,472,323
		<u>4,600,265</u>	<u>3,519,805</u>	<u>4,482,576</u>	<u>3,497,323</u>

The financial statements on pages 5 to 25 were approved by the board of directors on 31 March 1993 and were signed on its behalf by:

Stephen
S. Allen } Directors
M. O. Reilly }

**Consolidated cash flow statement
for the year ended 31 December 1992**

	Notes	1992 £	1991 £
Net cash inflow from operating activities	22	2,400,224	2,703,616
Returns on investments and servicing of finance			
Interest received		17,073	19,055
Interest paid		(350,795)	(333,442)
Interest paid on finance leases		(314,940)	(367,486)
Dividends paid		(241,750)	(104,500)
Net cash (outflow)/inflow from returns on investments and servicing of finance		(890,412)	(786,373)
Taxation			
UK corporation tax paid		(42,677)	(34,365)
Net overseas tax received/(paid)		18,530	(896)
Tax received/(paid)		(24,147)	(35,261)
Investment activities			
Purchase of tangible fixed assets		(620,165)	(218,029)
Sale of tangible fixed assets		75,152	226,990
Purchase of fixed asset investments		-	(60,000)
Purchase of subsidiary (net of cash acquired)		(4,561)	-
Net cash outflow from investing activities		(549,574)	(51,039)
Net cash inflow before financing		936,091	1,830,943
Financing			
Loans received		2,457,304	15,846
Repayment of loan		(283,473)	(161,589)
Payment of principal under finance leases		(1,774,031)	(1,561,532)
Net cash inflow/(outflow) from financing		399,800	(1,707,275)
Increase in cash and cash equivalents	23	1,335,891	123,668

**Notes to the financial statements
for the year ended 31 December 1992****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".

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.

The Companies Act 1985 stipulates that associated undertakings should be accounted for by the equity method of accounting. As explained in note 13 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.

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.

Cash flow

The company has adopted the provisions of FRS 1 in these financial statements. Accordingly, a cash flow statement has replaced the statement of source and application of funds presented last year.

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 on the liability method, to the extent that there is a reasonable probability that a liability will arise in the foreseeable future.

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 by geographical area of the group's turnover is set out below:

	1992 £	1991 £
Geographical segment		
Between UK and Europe	10,137,444	9,731,618
Between UK/Europe and the rest of the world	6,644,019	5,098,308
	<u>16,781,463</u>	<u>14,829,926</u>

3 Other operating expenses

	1992 £	1991 £
Administrative expenses	5,688,230	5,122,731
Less: other operating income	(13,900)	(31,234)
	<u>5,674,330</u>	<u>5,091,497</u>

4 Directors' emoluments

The remuneration paid to the directors of Bulkhaul Limited was:

	1992 £	1991 £
Fees for management services	270,883	255,124
Other emoluments (including pension contributions and benefits in kind)	75,538	80,856
Compensation for loss of office as subsidiary company director	-	15,000
	<u>346,421</u>	<u>350,980</u>

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

	1992 £	1991 £
The chairman	<u>77,943</u>	<u>81,190</u>
The highest-paid director	<u>105,573</u>	<u>89,024</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:

	1992 Number	1991 Number
£35,001 to £40,000	1	1
£40,001 to £45,000	1	1
£50,001 to £55,000	1	-
£55,001 to £60,000	-	1
£75,001 to £80,000	1	-
£80,001 to £85,000	-	1
£85,001 to £90,000	-	1
£105,001 to £110,000	1	-

5 Employee information

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

	1992 Number	1991 Number
Office and management	65	61
Drivers and mechanics	<u>55</u>	<u>45</u>
	<u>120</u>	<u>106</u>
	1992 £	1991 £
Staff costs (for the above persons):		
Wages and salaries	1,893,176	1,695,713
Social security costs	205,820	177,618
Other pension costs	<u>119,088</u>	<u>89,467</u>
	<u>2,218,084</u>	<u>1,962,798</u>

6 Interest payable and similar charges

	1992 £	1991 £
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	136,648	332,676
Repayable within 5 years, by instalments	69,476	710
Repayable wholly or partly in more than 5 years	123,539	25,663
Exchange loss on foreign currency loans	315,961	-
	<u>645,624</u>	<u>359,049</u>
On finance leases and hire purchase contracts	309,099	368,834
	<u>954,723</u>	<u>727,883</u>

7 Profit on ordinary activities before taxation

	1992 £	1991 £
Profit on ordinary activities before taxation is stated after (crediting)/charging:		
Rent receivable	(13,900)	(27,387)
Foreign exchange loss	249,077	27,245
Amortisation of government grants	-	(3,847)
Goodwill amortisation	18,713	18,781
Depreciation of tangible fixed assets:		
Tangible fixed assets under finance leases	389,765	378,139
Tangible owned fixed assets	641,165	517,491
Auditors' remuneration for audit (company £12,500 (1991: £12,500))	13,000	13,000
Hire of plant and machinery - operating leases	277,749	267,094
Loss on disposal of fixed assets	12,660	4,425
	<u>2,711,569</u>	<u>2,551,112</u>

Remuneration of the company's auditors for provision of non audit services to the company and group was £6,710.

8 Taxation

	1992 £	1991 £
United Kingdom corporation tax at 33% (1991: 33.25%):		
Current	(188,159)	225,000
ACT irrecoverable	86,558	-
Overseas taxation charge	6,599	2,351
Overprovision of overseas taxation in respect of prior years	(26,338)	-
	<u>(121,340)</u>	<u>227,351</u>
Associated undertakings	-	1,863
Taxation (credit)/charge for the year	<u>(121,340)</u>	<u>229,214</u>

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 £1,227,003 (1991: £749,053).

10 Dividends

	1992 £	1991 £
Ordinary:		
Interim paid of £9.67 per share (1991: £4.18 per share)	<u>241,750</u>	<u>104,500</u>

11 Intangible fixed assets**Group**

	Goodwill £
Cost	
At 1 January 1992	281,710
Foreign exchange adjustment	(1,254)
At 31 December 1992	<u>280,456</u>
Amortisation	
At 1 January 1992	93,903
Foreign exchange adjustment	(335)
Charge for year	18,713
At 31 December 1992	<u>112,281</u>
Net book value	
At 31 December 1992	<u>168,175</u>
Net book value	
At 31 December 1991	<u>187,807</u>

12 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 1992	873,793	773,228	9,011,668	674,418	773,064	12,106,171
Exchange adjustment	-	-	(2,055)	(752)	(580)	(3,387)
Additions	564,855	-	4,032,583	226,189	35,905	4,859,492
Disposals	-	-	(24,742)	(173,859)	(19,839)	(218,440)
Transfers	-	(59,546)	-	-	59,546	-
At 31 December 1992	1,438,648	713,682	13,017,414	725,996	848,096	16,743,836
Depreciation						
At 1 January 1992	91,805	-	1,972,018	169,445	482,458	2,715,726
Exchange adjustment	-	-	(206)	(445)	(326)	(977)
Charge for year	23,840	-	732,159	127,074	147,857	1,030,930
Eliminated in respect of disposals	-	-	(12,122)	(99,791)	(18,715)	(130,628)
At 31 December 1992	115,645	-	2,691,849	196,283	611,274	3,615,051
Net book value						
At 31 December 1992	1,323,003	713,682	10,325,565	529,713	236,822	13,128,785
Net book value						
At 31 December 1991	781,988	773,228	7,039,650	504,973	290,606	9,390,445

Long leasehold land and freehold buildings includes an amount of £562,755 in respect of assets in the course of construction.

The net book value of tangible fixed assets includes an amount of £6,443,356 (1991: £3,752,676) 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 1992 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 £67,760 (1991: £68,320).

Company

	Long leasehold land and freehold buildings £	Commercial vehicles and tanks £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 1992	873,793	8,943,673	638,422	749,073	11,204,961
Additions	564,855	3,925,202	226,189	30,453	4,746,699
Disposals	-	(24,742)	(173,859)	(19,839)	(218,440)
At 31 December 1992	1,438,648	12,844,133	690,752	759,687	15,733,220
Depreciation					
At 1 January 1992	91,805	1,964,556	150,524	468,513	2,675,398
Charge for year	23,840	710,592	119,933	125,871	980,236
Eliminated in respect of disposals	-	(12,122)	(99,791)	(18,715)	(130,628)
At 31 December 1992	115,645	2,663,026	170,666	575,669	3,525,006
Net book value					
At 31 December 1992	1,323,003	10,181,107	520,086	184,018	12,208,214
Net book value					
At 31 December 1991	781,988	6,979,117	487,898	280,560	8,529,563

Long leasehold land and freehold buildings includes an amount of £562,755 in respect of assets in the course of construction.

The net book value of tangible fixed assets includes an amount of £6,400,335 (1991: £3,701,262) 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 £67,760 (1991: £68,320).

13 Fixed asset investments

Group

Cost or valuation	Associated undertakings £	Other investments £	Total £
At 1 January 1992	285,876	52	285,928
Converted to subsidiary holding	-	(1)	(1)
Share of retained loss	(2,199)	-	(2,199)
At 31 December 1992	<u>283,677</u>	<u>51</u>	<u>283,728</u>

The above includes an investment in Middlesbrough Football and Athletic Club (1986) Limited of £268,545 (1991: £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 1992	1,880,815	278,477	2,159,292
Additions	12,502	(1)	12,501
At 31 December 1992	<u>1,893,317</u>	<u>278,476</u>	<u>2,171,793</u>
Amounts written off			
At 1 January 1992 and 31 December 1992	445,343	2,380	447,723
Net book value			
At 31 December 1992	<u>1,447,974</u>	<u>276,096</u>	<u>1,724,070</u>
Net book value			
At 31 December 1991	<u>1,435,472</u>	<u>276,097</u>	<u>1,711,569</u>

Included in other investments is a holding of 20% (1991: 20%) of the Ordinary £1 shares of Middlesbrough Football and Athletic Company (1986) Limited, with a cost of £268,545 (1991: £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 117,931 £1 redeemable preference shares	100	Property investment
Portadown Limited	Gibraltar	1,000 Ordinary £1 shares and 138,700 £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	100 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

On 1 July 1992 the company acquired the whole of the share capital of Teesside Leasing Limited. The company has been accounted for using the acquisition method of accounting. More extensive disclosure has not been given as the acquisition is not material.

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.

14 Stocks

	Group		Company	
	1992 £	1991 £	1992 £	1991 £
Raw materials and consumables	<u>38,901</u>	<u>35,259</u>	<u>38,901</u>	<u>35,259</u>

15 Debtors

	Group		Company	
	1992 £	1991 £	1992 £	1991 £
Amounts falling due within one year				
Trade debtors	2,623,860	2,059,882	2,616,793	2,059,882
Amounts owed by subsidiary undertakings	-	-	171,513	141,824
Corporation tax	6,938	-	6,938	-
Section 419 taxation recoverable	-	7,275	-	7,275
Other debtors	494,251	209,797	474,310	198,691
Prepayments and accrued income	137,184	85,993	125,426	80,857
Overseas taxation receivable	-	17,244	-	-
	<u>3,262,233</u>	<u>2,380,141</u>	<u>3,394,980</u>	<u>2,488,529</u>

A loan to M O'Neill (Managing Director) with a maximum balance outstanding and opening balance of £21,824 was paid off during the year.

16 Creditors: amounts falling due within one year

	Group		Company	
	1992	1991	1992	1991
	£	£	£	£
Bank loans and overdrafts	953,668	1,021,201	920,644	1,012,969
Hire purchase and finance lease obligations	1,894,438	1,532,455	1,879,886	1,522,494
Trade creditors	3,077,265	2,604,393	3,067,125	2,586,443
Amounts owed to subsidiary undertakings	-	-	735,214	544,293
Amounts due to pension scheme	-	146,879	-	146,879
Corporation tax	6,411	190,635	6,411	190,635
ACT payable	80,114	34,365	80,114	34,365
Overseas taxation payable	10,967	29,420	-	-
Other taxation and social security	119,942	110,239	119,942	110,239
Other creditors	72,846	80,513	60,868	88,973
Accruals and deferred income	1,150,789	817,827	1,109,854	789,575
Section 419 liability	-	7,275	-	7,275
	<u>7,366,440</u>	<u>6,575,202</u>	<u>7,980,058</u>	<u>7,034,140</u>

17 Creditors: amounts falling due after more than one year

	Group		Company	
	1992	1991	1992	1991
	£	£	£	£
Bank loans	3,407,466	1,648,923	3,334,350	1,647,466
Hire purchase and finance lease obligations	2,282,604	773,494	2,253,644	735,129
	<u>5,690,070</u>	<u>2,422,417</u>	<u>5,587,994</u>	<u>2,382,595</u>

Bank loans and overdrafts

	Group		Company	
	1992	1991	1992	1991
	£	£	£	£
Bank loans and overdrafts are repayable as follows:				
One year or less or on demand	953,668	1,021,201	920,644	1,012,969
Between one and five years	3,013,367	1,251,457	2,940,251	1,250,000
In five years or more	394,099	397,466	394,099	397,466
	<u>4,361,134</u>	<u>2,670,124</u>	<u>4,254,994</u>	<u>2,660,435</u>
Repayable by instalments wholly or partly in more than five years:	<u>1,683,915</u>	<u>1,648,923</u>	<u>1,683,915</u>	<u>1,647,466</u>

Instalments amounting to £394,099 are repayable in more than five years.

The bank overdraft and loans are secured by a fixed charge over the company's land and buildings, other fixed assets, investments and book debts and by a floating charge over the remaining assets of the company.

The principal terms and conditions of the loans included above are as follows:

Principal outstanding £	Interest rate	Instalments	Commencing
1,333,915	3% above Lloyds short term dollar rate	\$27,643 monthly	January 1991
2,046,151	3% above Lloyds short term dollar rate	\$67,292 monthly	November 1992
500,000	8.75%	£125,000 annual	January 1993
350,000	10.75%	£87,500 annual	October 1996

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	
	1992 £	1991 £	1992 £	1991 £
In one year or less	1,894,438	1,532,455	1,879,886	1,522,494
Between one and five years	2,282,604	773,494	2,253,644	735,129
	<u>4,177,042</u>	<u>2,305,949</u>	<u>4,133,530</u>	<u>2,257,623</u>

18 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 1992 amounts to approximately £1,976,408 (1991: £1,322,577).

19 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 charge to the profit and loss account and the amounts outstanding to the scheme are given in notes 5 and 16 respectively.

20 Called-up share capital

	1992 £	1991 £
Authorised 25,000 (1991: 25,000) ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called-up and fully paid 25,000 (1991: 25,000) ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

21 Reserves

Group

	Capital reserve £	Profit and loss account £
At 1 January 1992	-	3,494,805
Negative goodwill on acquisition of subsidiary	440	-
Retained profit for the year	-	1,080,020
At 31 December 1992	<u>440</u>	<u>4,574,825</u>

Company

	Profit and loss account £
At 1 January 1992	3,472,323
Retained profit for the year	985,253
At 31 December 1992	<u>4,457,576</u>

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

	1992 £	1991 £
Operating profit	2,138,203	1,712,003
Amortisation of intangible fixed assets	18,713	18,781
Depreciation on tangible fixed assets	1,030,930	895,630
Loss on sale of tangible fixed assets	12,660	4,425
Amortisation of government grants	-	(3,847)
(Increase)/decrease in stocks	(3,642)	(7,656)
(Increase) in debtors	(892,443)	14,090
Increase in creditors	89,803	85,256
Adjustment for exchange loss/(gain)	6,000	(15,066)
Net cash inflow from operating activities	<u>2,400,224</u>	<u>2,703,616</u>

23 Cash and cash equivalents

	1992 £	1991 £
Changes during the year		
At 1 January	(585,866)	(709,534)
Net cash inflow	<u>1,335,891</u>	<u>123,668</u>
At 31 December	<u>750,025</u>	<u>(585,866)</u>

	1992 £	1991 £	Change in year £	1991 £	1990 £	Change in year £
Analysis of balances						
Cash at bank and in hand	774,953	237,844	537,109	237,844	63,462	174,382
Bank overdrafts	(24,928)	(823,710)	798,782	(823,710)	(772,996)	(50,714)
At 31 December	<u>750,025</u>	<u>(585,866)</u>	<u>1,335,891</u>	<u>(585,866)</u>	<u>(709,534)</u>	<u>123,668</u>

24 Analysis of changes in financing during the year

	1992		1991	
	Share capital	Loans and finance lease obligations	Share capital	Loans and finance lease obligations
	£	£	£	£
At 1 January	25,000	4,152,363	25,000	4,834,673
Loans received	-	2,457,304	-	15,846
Loan repayment	-	(283,473)	-	(161,589)
Inception of finance lease contracts	-	3,645,124	-	1,029,158
Repayments of principal on finance leases	-	(1,774,031)	-	(1,561,532)
Effect of foreign exchange rates	-	315,961	-	(4,193)
At 31 December	<u>25,000</u>	<u>8,513,248</u>	<u>25,000</u>	<u>4,152,363</u>

25 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 £3,645,124 (1991: £1,029,158).

26 Capital commitments

	Group and Company	
	1992	1991
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	<u>292,902</u>	<u>-</u>
Capital expenditure that has been authorised by the directors but has not yet been contracted for	<u>-</u>	<u>479,000</u>

27 Financial commitments

At 31 December 1992 the company had annual commitments under non-cancellable operating leases as follows:

	1992 £	1991 £
Expiring within one year	328,009	85,984
Expiring between two and five years inclusive	54,707	9,671
	<u>382,716</u>	<u>95,655</u>