

WEST CORNWALL STORAGE AND DISTRIBUTION LTD.

STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 1997

WALKER MOYLE
CHARTERED ACCOUNTANTS
PENZANCE, CORNWALL



REPORT OF THE DIRECTORS

The Directors present their Report with the Accounts of the Company for the year ended 31st March, 1997.

PRINCIPAL ACTIVITIES

The Company during the year continued its activities of road haulage and general distribution. The Company also supplies management services to a larger Company of hauliers based elsewhere in the country.

REVIEW OF BUSINESS

A summary of the results for the year's trading is given on page 4 of the Accounts.

Although extremely difficult trading conditions still exist in the haulage industry, the Company has achieved an operating profit of £8,785 and is considered satisfactory in view of the trading conditions which exist.

DIVIDENDS

The Directors do not recommend a dividend for the period.

DIRECTORS

The Directors and their beneficial interests in the share capital of the Company during the period were as follows:

	<u>At 31st March 1996</u>	<u>At 31st March 1997</u>
	<u>Ordinary Shares</u>	<u>Ordinary Shares</u>
R.L. Cargeeg	1	1
M.J. Richards	1	1

DIRECTORS' RESPONSIBILITIES

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

(i) select suitable accounting policies and then apply them consistently;

(ii) make judgements and estimates that are reasonable and prudent;

(iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the Accounts.

By Order of the Board

M.J. RICHARDS

Secretary

Calloose, Fraddam,
HAYLE, Cornwall.

17th October, 1997



WEST' CORNWALL STORAGE AND DISTRIBUTION LIMITED
INDEPENDENT ACCOUNTANTS' REPORT UNDER S.249A(2)
OF THE COMPANIES ACT 1985

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS
OF WEST CORNWALL STORAGE AND DISTRIBUTION LIMITED

We report on the Accounts for the year ended 31st March, 1997 set out on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the Company's Directors are responsible for the preparation of the Accounts, and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION


Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the Accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) The Accounts are in agreement with the accounting records kept by the Company under section 221 of the Companies Act 1985;
- (b) Having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) the Accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the Company satisfied the conditions for exemption from an audit of the Accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

PENZANCE
17TH OCTOBER 1997


WALKER MOYLE
CHARTERED ACCOUNTANTS

WEST CORNWALL STORAGE AND DISTRIBUTION LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR TO 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TURNOVER	1(b) & 2	133,326	148,569
Cost of Sales		93,997	114,448
		<hr/>	<hr/>
Gross Profit		39,329	34,121
Administration Expenses		30,544	24,079
		<hr/>	<hr/>
OPERATING PROFIT ON ORDINARY ACTIVITIES	3	8,785	10,042
Interest Received		34	18
		<hr/>	<hr/>
		8,819	10,060
Interest Payable	5	6,599	7,424
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,220	2,636
TAXATION	6	-	(33)
		<hr/>	<hr/>
SURPLUS FOR YEAR ON ORDINARY ACTIVITIES		2,220	2,669
Deficit Brought Forward		(23,343)	(26,012)
		<hr/>	<hr/>
DEFICIT CARRIED FORWARD		£(21,123) =====	£(23,343) =====

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit or loss from the above two financial years.

The notes on pages 6 to 9 form part of these Accounts.

BALANCE SHEET AS AT 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
TANGIBLE FIXED ASSETS	7	85,393	86,086
CURRENT ASSETS			
Stocks	1(c) & 8	1,000	6,635
Debtors	9	32,644	26,406
Cash at Bank and in Hand		6,642	4,493
		<hr/>	<hr/>
		40,286	37,534
CREDITORS: Amounts Falling Due			
Within One Year	10	96,921	91,089
		<hr/>	<hr/>
CURRENT ASSETS LESS			
CURRENT LIABILITIES		(56,635)	(53,555)
		<hr/>	<hr/>
		28,758	32,531
CREDITORS: Amounts Falling Due After			
More Than One Year			
Bank Loan	11	49,878	55,871
		<hr/>	<hr/>
NET ASSETS		£(21,120)	£(23,340)
		=====	=====
CAPITAL RESERVES			
Called up Share Capital	12	3	3
Profit and Loss Account		(21,123)	(23,343)
		<hr/>	<hr/>
SHAREHOLDERS' DEFICIENCY	14	£(21,120)	£(23,340)
		=====	=====

For the year in question the Company was entitled to exemption from an audit under Section 249A(2) of the Companies Act 1985. No notice has been deposited under Section 249B(2) of the Act in relation to the Accounts for the financial year. The Directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing Accounts which give a true and fair view of the state of affairs of the Company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to Accounts, so far as applicable to the Company.

R.L. CARGEEG

.....) DIRECTOR

Approved by the Board on 17th October 1997

The notes on pages 6 to 9 form part of these Accounts.

NOTES TO THE ACCOUNTS - 31ST MARCH 1997

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The Accounts have been prepared under the historical cost convention.

(b) Turnover

The turnover represents net invoiced sales of goods, excluding Value Added Tax.

(c) Stocks

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

(d) Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Buildings	- 2% on cost
Plant and Machinery	- 10% on cost
Motor Vehicles	- 20% on cost

No depreciation is provided on freehold land.

(e) Deferred Taxation

Amounts are set aside under the liability method at 25% for the equalisation of Capital Allowances and depreciation.

(f) Pension Costs

Contributions in respect of the Company's defined contribution pension scheme are charged to the Profit and Loss Account for the year in which they are payable to the scheme.

2. TURNOVER

The turnover and profit for the period is attributed to sales wholly in the United Kingdom from its principal activities.

	<u>1997</u>	<u>1996</u>
Transport, Storage and Distribution	106,026	132,969
Management Services	27,300	15,600
	<hr/>	<hr/>
	£133,326	£148,569
	=====	=====

NOTES TO THE ACCOUNTS - 31ST MARCH 1997

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	<u>1997</u>	<u>1996</u>
Profit on Disposal of Plant and Machinery	-	(800)
Depreciation of Tangible Fixed Assets	693	1,165
Directors' Remuneration (including Benefits)	10,400	7,300
Staff Costs	16,637	15,522
	=====	=====

4. STAFF COSTS (including Directors)

Wages and Salaries	22,740	18,635
Social Security Costs	1,564	1,189
Other Pension Costs	600	600
	-----	-----
	£24,904	£20,424
	=====	=====

The average number of employees during the period was as follows:-

Office and Management	2	2
Distribution	1	1
	-----	-----
	3	3
	==	==

5. INTEREST PAYABLE

Interest on Bank Loans and Other Loans

Repayable within 5 years by instalments	6,597	7,424
Repayable within 5 years not by instalments	2	-
	-----	-----
	£6,599	£7,424
	=====	=====

6. TAXATION

Corporation Tax at 24% (1996: 25%) based on the profit for the year	-	-
Overprovision in previous year	-	(33)
	-----	-----
	-	£(33)
	=====	=====

The Company is a "close company" within the meaning of the Income and Corporation Taxes Act 1988.

NOTES TO THE ACCOUNTS - 31ST MARCH 1997

7. TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>TOTAL</u>
Cost:				
As at 31st March 1996				
and 31st March 1997	85,208	21,476	6,000	112,684
Depreciation:				
As at 31st March 1996	295	20,303	6,000	26,598
Charge for Year	79	614	-	693
As at 31st March 1997	374	20,917	6,000	27,291
Written Down Value:				
As at 31st March 1997	£84,834	£559	-	£85,393
As at 31st March 1996	£84,913	£1,173	-	£86,086

The cost of freehold buildings on which depreciation is charged is £3,937 (1996: £3,937).

8. STOCKS

This represents raw materials and consumables.

9. DEBTORS	<u>1997</u>	<u>1996</u>
Trade Debtors	32,621	26,384
Prepayments	23	22
	£32,644	£26,406

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade Creditors	29,806	25,259
Accruals	2,709	3,450
Social Security and Other Taxes	4,132	3,507
Directors' Current Accounts	36,647	32,216
Bank Loans	54,045	54,045
Bank Overdraft	4,801	4,111
	1,428	717
	£96,921	£91,089

NOTES TO THE ACCOUNTS - 31ST MARCH 1997

	<u>1997</u>	<u>1996</u>
11. BANK LOANS AND OVERDRAFTS		
The aggregate amount of bank loans and overdrafts was as follows:-		
(a) Amounts falling due within one year		
Bank Loan - current portion	4,801	4,111
Overdraft	1,429	717
	<hr/>	<hr/>
	6,230	4,828
(b) Falling due after more than one year		
Bank Loan - repayable within five years	49,878	55,871
	<hr/>	<hr/>
Aggregate Amounts	£56,108 =====	£60,699 =====

The bank borrowing is secured by a fixed charge on the freehold property and a floating charge over the Company's other assets.

12. CALLED UP SHARE CAPITAL

Authorised:

100 Ordinary Shares of £1 each	£100	£100
	=====	=====

Allotted, Issued and Fully Paid:

3 Ordinary Shares of £1 each	£3	£3
	==	==

13. COMMITMENTS

Pensions

The Company operates a defined contribution scheme for the benefit of its Directors. The Company contributes an amount each year which is determined by the Directors, depending on the results for the year. The Company contributed £600 in the year (1996: £600)

14. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' DEFICIENCY

	<u>1997</u>	<u>1996</u>
Profit for the financial year after taxation	2,220	2,669
Shareholders' deficiency at 1st April 1996	(23,340)	(26,009)
	<hr/>	<hr/>
Shareholders' deficiency at 31st March 1997	£(21,120) =====	£(23,340) =====