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JAMES P. JONES & SON LIMITED
FILED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 1994

ERNST & YOUNG

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FILED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1994

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

REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The company operates as a shipping agent and air-freight forwarder.

During 1994, the company's turnover increased by 19%, partly due to the opening of a new branch in the United Kingdom.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 1994

The profit and loss account for the year ended 31 December 1994 and the balance sheet at 31 December 1994 are set out on pages 6 and 7. The loss on ordinary activities before taxation amounted to IR£28,467, compared with a loss of IR£103,799 in 1993.

DIVIDENDS

The directors recommended an interim dividend of IR£15,000. After making provision for the dividend, IR£37,467 is deducted from reserves.

CAPITAL REDEMPTION

On 20 May 1994, 90,000 ordinary shares in the authorised and issued share capital of the company, were converted into redeemable shares pursuant to section 210 of the Companies Act, 1990. On the same date the shares, so converted, were redeemed for cash at par out of revenue reserves.

HEALTH AND SAFETY AT WORK

The well-being of the company's employees is safeguarded through strict adherence to health and safety standards. The company meets the requirements of the Safety, Health and Welfare at Work Act, 1989.

GROUP UNDERTAKINGS

A list of the company's subsidiaries is set out in note 11.

FUTURE DEVELOPMENTS IN THE BUSINESS

The company plans to continue developing as a shipping agent and air-freight forwarder.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1994 (Continued)

DIRECTORS

The directors are listed on page 2, and are not required to retire by rotation.

Mr. S. A. Cloonan was deemed to have vacated his office as director under Article 29(d) of the company's Articles of Association on 13 May 1994.

Mr. R. Anderson was appointed to the board of directors on 11 October 1994.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF
THE FINANCIAL STATEMENTS**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 1990 and the European Communities (Companies: Group Accounts) Regulations, 1992. 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.

AUDITORS

The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors

J. C. de BRUYN
N. A. KASSAM
Directors

17 October 1995

AUDITORS' SPECIAL REPORT TO THE DIRECTORS OF JAMES P. JONES & SON LIMITED PURSUANT TO SECTION 18(3) OF THE COMPANIES (AMENDMENT) ACT, 1986

On 17 November 1995, we reported, as auditors of James P. Jones & Son Limited, to the directors of the company on the copy of the abridged financial statements for the year ended 31 December 1994 on pages 6 to 17, and our report was as follows:

"We have examined:

- (i) the abridged financial statements for the year ended 31 December 1994 on pages 6 to 17 which the directors of James P. Jones & Son Limited propose to annex to the annual return of the company; and
- (ii) the financial statements to be laid before the annual general meeting, which form the basis for those abridged financial statements.

Respective responsibilities of directors and auditors

It is the responsibility of the directors to prepare properly the abridged financial statements. It is our responsibility to form an independent opinion on those abridged financial statements and to report our opinion to you.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to annex abridged financial statements to the annual return and that those abridged financial statements have been properly prepared, pursuant to Sections 10 to 12 of the Companies (Amendment) Act, 1986, from the financial statements to be laid before the annual general meeting.

Opinion

In our opinion the directors are entitled under Section 18 of the Companies (Amendment) Act, 1986 to annex to the annual return of the company abridged financial statements and those abridged financial statements have been properly prepared pursuant to the provisions of Sections 10 to 12 of that Act (exemptions available to small and medium-sized companies)."

On 17 November 1995, we reported, as auditors of James P. Jones & Son Limited, to the members on the company's financial statements for the year ended 31 December 1994 to be laid before its annual general meeting, and our report was as follows (the page numbers referred to are those in the shareholders' financial statements):

"We have audited the financial statements on pages 6 to 19 which have been prepared under the historical cost convention, as modified by the revaluation of certain leasehold property, and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of the 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.

Continued /...

AUDITORS' SPECIAL REPORT TO THE DIRECTORS OF JAMES P. JONES & SON LIMITED PURSUANT TO SECTION 18(3) OF THE COMPANIES (AMENDMENT) ACT, 1986 (Continued)

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 the company's affairs as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Acts, 1963 to 1990 and the European Communities (Companies: Group Accounts) Regulations, 1993.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 3 and 4 is consistent with the financial statements.

In our opinion, the balance sheet on page 7 does not disclose a financial situation which, under the provisions of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the company."

Ernst & Young,
Registered Auditors

Dublin

17 November 1995

JAMES P. JONES & SON LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994 IR£	1993 IR£
Gross profit		1,096,723	884,301
Administrative expenses		(1,125,237)	(986,957)
Income from financial assets	3	4,524	4,378
Interest (payable) less receivable and (similar charges)	4	(4,477)	(5,521)
Loss on ordinary activities before taxation	5	(28,467)	(103,799)
Tax (credit) charge on loss on ordinary activities	6	(6,000)	-
Loss on ordinary activities after taxation		(22,467)	(103,799)
Extraordinary income	7	-	500,000
Transfer from revaluation reserve	16	-	1,600
(Loss) profit for year		(22,467)	397,801
Dividend	8	(15,000)	-
(Loss) profit retained for the financial year		(37,467)	397,801
Balance at beginning of year		523,472	125,671
Transfer to capital redemption reserve fund	15	(90,000)	-
Balance at end of year		396,005	523,472

There are no recognised gains or losses in either year other than the (loss) profit attributable to shareholders of the company.

Approved by the Board on 17 October 1995

J. C. de BRUYN
N. A. KASSAM
Directors

JAMES P. JONES & SON LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Note	1994 IR£	1993 IR£
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible assets	9	210,982	85,165
Financial assets	10	120,890	120,890
		<u>331,872</u>	<u>206,055</u>
CURRENT ASSETS			
Debtors	11	1,151,343	891,344
Cash at bank and in hand		475,838	180,708
		<u>1,627,181</u>	<u>1,072,052</u>
CREDITORS (amounts falling due within one year)	12	1,331,038	588,635
		<u>296,143</u>	<u>483,417</u>
NET CURRENT ASSETS			
		<u>628,015</u>	<u>689,472</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
FINANCED BY			
CREDITORS (amounts falling due after more than one year)	13	72,010	-
PROVISIONS FOR LIABILITIES AND CHARGES	14	-	6,000
		<u>72,010</u>	<u>6,000</u>
CAPITAL AND RESERVES			
Called up share capital	15	70,000	160,000
Revaluation reserve	16	-	-
Capital redemption reserve fund	15	90,000	-
Profit and loss account		396,005	523,472
		<u>556,005</u>	<u>683,472</u>
TOTAL SHAREHOLDERS' FUNDS			
(all equity interests)	17	556,005	683,472
		<u>628,015</u>	<u>689,472</u>

We have relied on specified exemptions contained in Sections 11 and 12 of the Companies (Amendment) Act, 1986 on the ground that the company is entitled to the benefit of those exemptions as a medium-sized company.

Approved by the Board on 17 October 1995

J. C. de BRUYN
N. A. KASSAM
Directors

NOTES TO THE FILED FINANCIAL STATEMENTS

31 DECEMBER 1994

1. ACCOUNTING POLICIES

(a) *Accounting convention*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain leasehold property.

(b) *Depreciation*

Depreciation is calculated on fixed assets in order to write off the original cost or valuation of the assets over their expected useful lives by equal annual instalments as follows:

Leasehold buildings	2% and 8%
Office and warehouse furniture, fittings and equipment	10% to 20%
Motor vehicles	20%

Leasehold buildings are amortised over the last fifty years of the lease, or the length of the lease, if shorter. Assets are depreciated from the month following acquisition.

(c) *Debtors*

Known bad debts are written off and provision is made for any considered doubtful for collection.

(d) *Foreign currencies*

The financial statements are expressed in Irish pounds (IR£).

Transactions during the year have been translated at the rate of exchange ruling at the date of settlement of the transaction. Assets and liabilities in foreign currencies are translated into Irish pounds at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in arriving at the trading results.

(e) *Deferred taxation*

Provision is made for deferred taxation, using the liability method, on timing differences which are not expected to continue for the foreseeable future.

(f) *Leased assets*

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Operating lease rentals are charged to the profit and loss account as incurred.

(g) *Pension costs*

Pension benefits are funded over the employees' period of service by way of contributions to a managed fund. The company's annual contributions are based on actuarial advice and are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FILED FINANCIAL STATEMENTS

31 DECEMBER 1994 (Continued)

2.	EMPLOYEES AND REMUNERATION	1994 IR£	1993 IR£
	The staff costs comprise:		
	Wages and salaries	519,322	507,349
	Social welfare costs	56,915	53,880
	Other pension costs	24,931	28,979
		<u>601,168</u>	<u>590,208</u>
	The average number of persons employed by the company in the financial year is analysed into the following categories:		
	Operations	21	22
	Administration	12	12
		<u>33</u>	<u>34</u>
3.	INCOME FROM FINANCIAL ASSETS	1994 IR£	1993 IR£
	Interest on group loan	4,380	4,378
	Dividends from listed investment	144	-
		<u>4,524</u>	<u>4,378</u>
4.	INTEREST PAYABLE (LESS RECEIVABLE) AND SIMILAR CHARGES (all non-group)	1994 IR£	1993 IR£
	Bank loans and overdrafts repayable within one year	696	8,936
	Finance lease charges	9,334	3,785
	Interest receivable	(5,553)	(7,200)
		<u>4,477</u>	<u>5,521</u>

NOTES TO THE FILED FINANCIAL STATEMENTS
31 DECEMBER 1994 (Continued)

5.	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1994 IR£	1993 IR£
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The loss on ordinary activities before taxation is stated after charging:

Directors' remuneration:

Fees	5,000	3,000
Consultancy fees rendered by a director	-	15,000
Other emoluments including pension contributions:		
From the company	67,877	80,197
From the subsidiaries	57,428	49,138
Auditors' remuneration	7,900	6,500
Depreciation	53,430	26,960
Operating lease rentals:		
Plant and machinery	-	-
Premises and vehicles	109,312	95,984

6.	TAX (CREDIT) CHARGE ON LOSS ON ORDINARY ACTIVITIES	1994 IR£	1993 IR£
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The (credit) charge based on the loss on ordinary activities comprises:

Corporation tax at 40%	-	-
Movement in deferred taxation	(6,000)	-
Adjustments relating to prior years	-	-
	(6,000)	-

7.	EXTRAORDINARY INCOME	1994 IR£	1993 IR£
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Proceeds of a Keyman insurance policy	-	500,000
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8.	DIVIDEND	1994 IR£	1993 IR£
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Interim dividend of 21.4p (1993: nil) per ordinary share -- of which IR£11,250 was paid on 31 December 1994 and IR£3,750 was paid on 20 August 1995.

15,000	-
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NOTES TO THE FILED FINANCIAL STATEMENTS
31 DECEMBER 1994 (Continued)

9. TANGIBLE FIXED ASSETS	Leasehold land and buildings IR£	Office and warehouse furniture, fittings and equipment IR£	Vehicles IR£	Total IR£
<i>Cost or valuation</i>				
At beginning of year	40,000	325,649	26,220	391,869
Additions in year	-	146,247	33,000	179,247
Disposals / scrapped	(40,000)	(84,298)	-	(124,298)
At end of year	-	387,598	59,220	446,818
Cost	-	387,598	59,220	446,818
Valuation	-	-	-	-
<i>Depreciation</i>				
At beginning of year	40,000	246,760	19,944	306,704
Charge for year	-	40,584	12,846	53,430
Disposals / scrapped	(40,000)	(84,298)	-	(124,298)
At end of year	-	203,046	32,790	235,836
<i>Net book amounts</i>				
31 December 1994	-	184,552	26,430	210,982
30 December 1993	-	78,889	6,276	85,165

The net book amounts of office and warehouse furniture, fittings and equipment and vehicles includes IR£104,705 (1993: IR£9,928) and IR£24,555 (1993: IR£4,032) respectively, in respect of assets acquired under lease and hire purchase agreements. The depreciation charge for the year on these assets amounted to IR£20,097 (1993: IR£10,188) and IR£9,997 (1993: IR£11,261) respectively.

The leasehold interest was valued at open market value on an existing use basis at 31 December 1981 by the directors. The leasehold interest was acquired at a nil cost to the company. The leasehold interest expired during 1994.

NOTES TO THE FILED FINANCIAL STATEMENTS
31 DECEMBER 1994 (Continued)

10.	FINANCIAL FIXED ASSETS	1994 IR£	1993 IR£
(a)	Shares in subsidiary undertakings		
	– unlisted shares at cost		
	At beginning and end of year	51,000	51,000
(b)	Other investments		
	(i) <i>Unlisted at cost</i>		
	At beginning of year	34,640	29,640
	Additions during year	-	5,000
	At end of year	34,640	34,640
	<i>Provision for diminution in value</i>		
	At beginning and end of year	11,500	11,500
	Net book value at end of year	23,140	23,140
	(ii) <i>Listed at cost</i>	6,950	6,950
	(iii) <i>Long term loan to subsidiary undertaking</i>		
	At beginning and end of year	39,800	39,800
		<u>120,890</u>	<u>120,890</u>
(c)	In the opinion of the directors the value to the company of the unlisted investments is not less than the book amounts shown above.		
(d)	The market value of the listed investments at 31 December 1994 was IR£50,400 (1993: IR£34,800).		
(e)	The company has relied on specified exemptions in paragraph 7 of the European Communities (Companies: Group Accounts) Regulations, 1992 on the grounds that the group is entitled to the benefit of those exemptions as a medium sized group. These financial statements present information about the company as an individual undertaking and not about its group.		

NOTES TO THE FILED FINANCIAL STATEMENTS
31 DECEMBER 1994 (Continued)

10. FINANCIAL FIXED ASSETS (Continued)

(f) Details of subsidiary undertakings

Name	Nature of business	Group share	Profit (loss) for year IR£	Capital and reserves IR£
Jonhart (Holdings) Limited	Holding company	51%	(967)	111,276
Container Agencies & Shipping Limited	Shipping agency	45.9%	3,744	72,084
Hartrodt Jones Limited	Freight forwarding	45.7%	(2,260)	25,517

All of the above subsidiaries have their registered office at 36 Airways Industrial Estate, Cloghran, Dublin 17. All shareholdings in subsidiaries consist of ordinary shares. All subsidiaries are incorporated in the Republic of Ireland.

11. DEBTORS	1994 IR£	1993 IR£
<i>Amounts falling due within one year</i>		
Trade debtors	911,177	609,450
Prepayments	70,069	72,843
Other debtors	50,418	35,461
Amounts owed by group undertakings	119,679	173,590
	<u>1,151,343</u>	<u>891,344</u>

12. CREDITORS (amounts falling due within one year)	1994 IR£	1993 IR£
Trade and other creditors	1,056,312	473,742
Amounts owed to group undertakings	41,461	61,854
PAYE	12,099	10,097
Social welfare	9,105	8,690
Accruals and deferred income	95,611	37,147
	<u>1,214,588</u>	<u>591,530</u>
Dividend due	3,750	-
Corporation tax	789	(32,432)
Bank loans and overdrafts	65,197	18,338
Obligations under finance leases (note 18)	46,714	11,199
	<u>1,331,038</u>	<u>588,635</u>

NOTES TO THE FILED FINANCIAL STATEMENTS

31 DECEMBER 1994 (Continued)

13.	CREDITORS (amounts falling due after more than one year)	1994 IR£	1993 IR£
	Obligations under finance leases (note 18)	<u>72,010</u>	<u>-</u>
14.	PROVISIONS FOR LIABILITIES AND CHARGES	1994 IR£	1993 IR£
	<i>Deferred taxation</i>		
	At beginning of year	6,000	6,000
	Transfer (to) profit and loss account	(6,000)	-
	At end of year	<u>-</u>	<u>6,000</u>
	Provision has been made in respect of the full potential tax liabilities due to accelerated capital allowances.		
15.	CALLED UP SHARE CAPITAL	1994 IR£	1993 IR£
	<i>Authorised</i>		
	Ordinary shares of IR£1 each	160,000	250,000
	Redeemable shares of IR£1 each	90,000	-
		<u>250,000</u>	<u>250,000</u>
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of IR£1 each:		
	At beginning of year	160,000	160,000
	Converted to redeemable shares	(90,000)	-
	At end of year	<u>70,000</u>	<u>160,000</u>
	Redeemable shares of IR£1 each:		
	At beginning of year	-	-
	Converted from ordinary shares	90,000	-
	Redeemed at par for cash	(90,000)	-
	At end of year	<u>-</u>	<u>-</u>

On 20 May 1994, 90,000 ordinary shares in the authorised and issued share capital of the company, were converted into redeemable shares pursuant to section 210 of the Companies Act, 1990. On the same date the converted shares were redeemed for cash at par out of revenue reserves.

The redeemable shares are redeemable at any time by resolution of the members in general meeting. In all other respects, the shares rank pari passu with the ordinary shares.

NOTES TO THE FILED FINANCIAL STATEMENTS
31 DECEMBER 1994 (Continued)

16.	REVALUATION RESERVE	1994 IR£	1993 IR£
	At beginning of year	-	1,600
	Transfer to profit and loss account	-	(1,600)
	At end of year	-	-
17.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1994 IR£	1993 IR£
	(Loss) profit for the financial year	(22,467)	397,801
	Dividend	(15,000)	-
	Redemption of redeemable shares	(90,000)	-
	Opening shareholders' funds	683,472	285,671
	Closing shareholders' funds	556,005	683,472
18.	COMMITMENTS	1994 IR£	1993 IR£
(a)	<i>Finance leases</i>		
	Finance lease obligations, net of interest, are due as follows:		
	Within one year	46,714	11,199
	From two to five years	72,010	-
		118,724	11,199
(b)	<i>Operating leases</i>	<i>Land and buildings</i> IR£	<i>Other</i> IR£
	Operating lease commitments payable in the next twelve months in which the commitment expires:		
	Within one year	-	-
	Within two to five years	108,122	108,371
		108,122	108,371

NOTES TO THE FILED FINANCIAL STATEMENTS

31 DECEMBER 1994 (Continued)

19. PENSION PLAN

A defined benefit pension scheme, which is externally funded, is operated on behalf of the company for employees and directors. The most recent actuarial valuation was undertaken at 1 October 1994 and confirmed that the value of the fund was sufficient to meet accrued benefits. The actuarial report is not available for public inspection. The advice of a professionally qualified actuary is taken in assessing pension costs and liabilities.

20. TRANSACTIONS WITH DIRECTORS AND OTHER OFFICERS

There were no transactions with directors and their connected parties during the year other than those shown below.

(a)	Name	Principal terms	30/12/1993 IR£	Amount outstanding Maximum in year		31/12/1994 IR£
				IR£	IR£	
	S. A. Cloonan	Interest free loan	49,569	49,569		-

- (b) The company has given guarantees to the Bank of Ireland to secure personal loans, of IR£23,000 each, granted to two directors. These loans are supported by hypothecated cash deposits of a similar amount for each loan.

21. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and secretary who held office at 31 December 1994 had no beneficial interests other than those shown below in the shares of the company and group companies:

Name	Description of shares	Company	Number of shares at 31 December 1994	Number of shares at 30 December 1993
E. Jones	Ordinary	A	1	1,700
B. M Jones	Ordinary	A	23,333	4,000
N. A. Kassam	Ordinary	A	23,333	400
J. C. de Bruyn	Ordinary	A	23,333	-
J. C. de Bruyn	Ordinary	B	5,200	5,200
J. C. de Bruyn	Ordinary	C	2,000	2,000

A = James P. Jones & Son Limited

B = Hartrodt Jones Limited

C = Container Agencies & Shipping Limited

NOTES TO THE FILED FINANCIAL STATEMENTS

31 DECEMBER 1994 (Continued)

22. CONTINGENT LIABILITY

The company has been joined in a lawsuit by a former director. The directors are of the opinion that the case will be successfully defended and will not have a material adverse effect on the financial condition of the company.

23. ACCOUNTING YEAR END

The company changed the date of its accounting year end from 30 to 31 December.

24. APPROVAL OF SHAREHOLDERS' FINANCIAL STATEMENTS

The shareholders' financial statements were approved by the directors on 17 October 1995.