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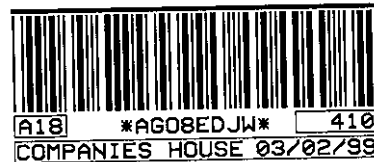
**JAMES P. JONES & SON LIMITED**

**FILED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 1996**

**ERNST & YOUNG**



**AUDITORS' SPECIAL REPORT TO THE DIRECTORS OF JAMES P. JONES & SON  
LIMITED PURSUANT TO SECTION 18(4) OF THE COMPANIES (AMENDMENT) ACT,  
1986**

We have examined:

- (i) the abridged financial statements for the year ended 31 December 1996 on pages 6 to 16 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***

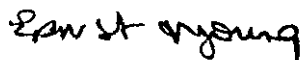
It is the responsibility of the directors to prepare properly the abridged financial statements. It is our responsibility to form an independent opinion on those abridged financial statements and to report our opinion to you.

***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).



Ernst & Young,  
Registered Auditors

Dublin

10 June 1998

**JAMES P. JONES & SON LIMITED**

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**FILED FINANCIAL STATEMENTS**  
**for the year ended 31 December 1996**

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## **JAMES P. JONES & SON LIMITED**

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### **DIRECTORS' REPORT**

**for the year ended 31 December 1996**

The directors present herewith their report and audited financial statements for the year ended 31 December 1996.

#### **REVIEW OF THE DEVELOPMENT OF THE BUSINESS**

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

During 1996, the company's turnover increased by 9%, due to the expansion of its various activities.

#### **RESULTS FOR THE YEAR AND STATE OF AFFAIRS AT 31 DECEMBER 1996**

The profit and loss account for the year ended 31 December 1996 and the balance sheet at 31 December 1996 are set out on pages 6 and 7. The profit on ordinary activities before taxation amounted to IR£50,277 compared with a profit of IR£12,952 in 1995. After charging taxation of IR£25,162, an amount of IR£25,115 is available for dividends and retention.

#### **DIVIDENDS**

The directors do not recommended the payment of a dividend.

#### **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 9.

#### **FUTURE DEVELOPMENTS IN THE BUSINESS**

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

#### **DIRECTORS**

The directors are not required to retire by rotation.

**JAMES P. JONES & SON LIMITED**

**DIRECTORS' REPORT**

**for the year ended 31 December 1996 (Continued)**

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

Company law requires the directors to prepare financial statements for each financial period 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**

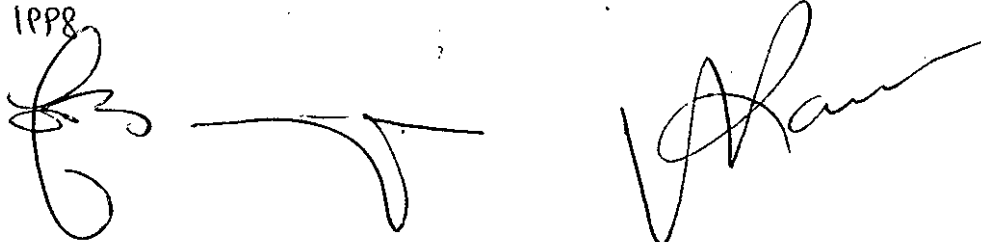
The auditors, Ernst & Young, Chartered Accountants, will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Directors

Directors

Date:

4<sup>th</sup> June 1998



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

On 10 June 1998, 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 1996 on pages 6 to 16 and our report was as follows:

"We have examined:

- (i) the abridged financial statements for the year ended 31 December 1996 on pages 6 to 16 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 10 June 1998, 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 1996 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 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.

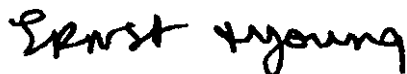
***Opinion***

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit 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, 1992.

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

10 June 1998

# JAMES P. JONES & SON LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1996

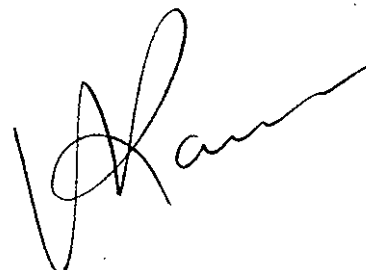
	Note	1996 IR£	1995 IR£
Gross profit		1,708,344	1,289,995
Administrative expenses		(1,648,691)	(1,316,368)
Income from financial assets	3	1,490	4,399
Profit on sale of listed investments		698	44,184
Interest receivable and similar income		5,612	9,100
Interest payable and similar charges	4	(17,176)	(18,358)
Profit on ordinary activities before taxation	5	50,277	12,952
Tax on profit on ordinary activities	6	25,162	2,830
Profit on ordinary activities after taxation		25,115	10,122
Dividends:			
Proposed	7	-	(15,000)
Profit (loss) for the financial year		25,115	(4,878)
Balance at beginning of year		391,127	396,005
Balance at end of year		416,242	391,127

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

Approved by the Board on 4<sup>th</sup> June 1998.

Directors





# JAMES P. JONES & SON LIMITED

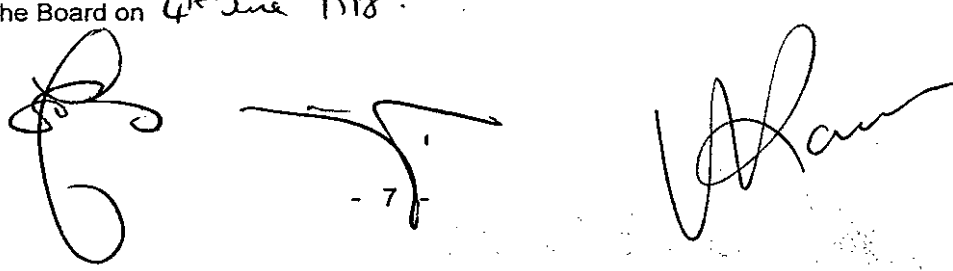
## BALANCE SHEET at 31 December 1996

ASSETS EMPLOYED	Note	1996 IR£	1995 IR£
FIXED ASSETS			
Tangible assets	8	195,288	230,438
Financial assets	9	81,392	106,192
		<u>276,680</u>	<u>336,630</u>
CURRENT ASSETS			
Debtors	10	1,771,886	1,640,313
Cash at bank and in hand		100,991	278,695
		<u>1,872,877</u>	<u>1,919,008</u>
CREDITORS (amounts falling due within one year)	11	1,552,473	1,660,707
NET CURRENT ASSETS		<u>320,404</u>	<u>258,301</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>597,084</u>	<u>594,931</u>
FINANCED BY			
CREDITORS (amounts falling due after more than one year)	12	20,842	43,804
CAPITAL AND RESERVES			
Called up share capital	13	70,000	70,000
Capital redemption reserve fund		90,000	90,000
Profit and loss account		416,242	391,127
TOTAL SHAREHOLDERS' FUNDS (all equity interests)	14	<u>576,242</u>	<u>551,127</u>
		<u>597,084</u>	<u>594,931</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 4<sup>th</sup> June 1998.

Directors



NOTES TO THE FILED FINANCIAL STATEMENTS

31 December 1996

1. ACCOUNTING POLICIES

(a) *Accounting convention*

The financial statements have been prepared under the historical cost convention.

(b) *Depreciation*

Depreciation is calculated on fixed assets in order to write off such cost over their estimated useful lives by equal annual instalments as follows:

Office and warehouse furniture, fittings and equipment	10% to 33%
Motor vehicles	20% to 33%

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.

# **JAMES P. JONES & SON LIMITED**

## **NOTES TO THE FILED FINANCIAL STATEMENTS** **31 December 1996 (Continued)**

<b>2. EMPLOYEES AND REMUNERATION</b>	<b>1996</b>	<b>1995</b>
	<b>IR£</b>	<b>IR£</b>
The staff costs comprise:		
Wages and salaries	717,860	599,749
Social welfare costs	74,635	65,361
Other pension costs	19,127	19,448
	<u>811,622</u>	<u>684,558</u>

The average number of persons employed by the company in the financial year is analysed into the following categories:

	<b>1996</b>	<b>1995</b>
	<b>Number</b>	<b>Number</b>
Operations	29	24
Administration	14	14
	<u>43</u>	<u>38</u>

<b>3. INCOME FROM FINANCIAL ASSETS</b>	<b>1996</b>	<b>1995</b>
	<b>IR£</b>	<b>IR£</b>
Interest on group loan	1,490	4,103
Dividends from listed investment	-	296
	<u>1,490</u>	<u>4,399</u>

<b>4. INTEREST PAYABLE AND SIMILAR CHARGES</b>	<b>1996</b>	<b>1995</b>
(all non-group)	<b>IR£</b>	<b>IR£</b>
Bank loans and overdrafts repayable within one year	472	213
Finance lease charges	16,704	18,145
	<u>17,176</u>	<u>18,358</u>

**JAMES P. JONES & SON LIMITED**

**NOTES TO THE FILED FINANCIAL STATEMENTS**

**31 December 1996 (Continued)**

5.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1996 IR£	1995 IR£
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The profit on ordinary activities before taxation is stated after charging:

Directors' remuneration:

Fees

-

-

Other emoluments including pension contributions:

From the company

72,982

72,071

From the subsidiaries

65,700

64,478

Auditors' remuneration

11,566

8,200

Depreciation

102,580

80,967

Operating lease rentals:

Premises

131,302

119,081

6.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1996 IR£	1995 IR£
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The charge based on the profit on ordinary activities comprises:

Corporation tax at 38.5% (1995: 40%)

384

7,896

Adjustments relating to prior years

24,778

(5,066)

25,162

2,830

7.	DIVIDENDS	1996 IR£	1995 IR£
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*Proposed*

Interim dividend of 21.4p per ordinary share

-

15,000

8.	TANGIBLE FIXED ASSETS	Office and warehouse furniture, fittings and equipment IR£	Motor Vehicles IR£	Total IR£
	Cost			
	At beginning of year	434,861	88,336	523,197
	Additions in year	33,487	34,443	67,930
	Disposals / scrapped	-	(6,000)	(6,000)
	At end of year	468,348	116,779	585,127

# JAMES P. JONES & SON LIMITED

## NOTES TO THE FILED FINANCIAL STATEMENTS 31 December 1996 (Continued)

8. TANGIBLE FIXED ASSETS (Continued)	Office and warehouse furniture, fittings and equipment IR£	Motor Vehicles IR£	Total IR£
<i>Depreciation</i>			
At beginning of year	262,034	30,725	292,759
Charge for year	65,605	36,975	102,580
Disposals / scrapped	-	(5,500)	(5,500)
At end of year	327,639	62,200	389,839
<i>Net book amounts</i>			
31 December 1996	140,709	54,579	195,288
31 December 1995	172,827	57,611	230,438

The net book amounts of office and warehouse furniture, fittings and equipment and vehicles includes IR£36,421 (1995: IR£68,863) and IR£45,648 (1995: IR£50,900) respectively, in respect of assets acquired under lease and hire purchase agreements. The depreciation charge for the year on these assets amounted to IR£36,442 (1995: IR£35,842) and IR£36,677 (1995: IR£20,627) respectively.

9. FINANCIAL FIXED ASSETS	1996 IR£	1995 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	41,602	34,640
Additions during year	-	6,962
At end of year	41,602	41,602
<i>Provision for diminution in value</i>		
At beginning and end of year	11,500	11,500
Net book value at end of year	30,102	30,102

# JAMES P. JONES & SON LIMITED

## NOTES TO THE FILED FINANCIAL STATEMENTS

31 December 1996 (Continued)

9.	FINANCIAL FIXED ASSETS (Continued)	1996 IR£	1995 IR£
(b)	Other investments		
	(ii) Listed at cost		
	At beginning of year	290	6,950
	Disposals during the year	-	(6,660)
	At end of year	290	290
	(iii) Long term loan to subsidiary undertaking		
	At beginning and end of year	24,800	39,800
	Repaid during year	(24,800)	(15,000)
	At end of year	-	24,800
		<u>81,392</u>	<u>106,192</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 1996 was IR£2,100 (1995: IR£2,350).

(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.

(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%	711	114,908
Container Agencies & Shipping Limited	Shipping agency	45.9%	160,823	226,539
Hartrodt Jones Limited	Freight forwarding	45.7%	(181,384)	(152,077)

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.

JAMES P. JONES & SON LIMITED

NOTES TO THE FILED FINANCIAL STATEMENTS

31 December 1996 (Continued)

10.	DEBTORS	1996 IR£	1995 IR£
	<i>Amounts falling due within one year</i>		
	Trade debtors	1,431,866	1,390,132
	Prepayments	61,339	86,496
	Value added tax	7,736	22,518
	Amounts owed by group undertakings	270,945	141,167
		<u>1,771,886</u>	<u>1,640,313</u>
11.	CREDITORS (amounts falling due within one year)	1996 IR£	1995 IR£
	Trade and other creditors	1,065,239	1,258,534
	Amounts owed to group undertakings	65,830	42,210
	PAYE	14,092	12,169
	Social welfare	11,349	9,315
	Accruals and deferred income	244,682	217,553
		<u>1,401,192</u>	<u>1,539,781</u>
	Dividend due	-	15,000
	Corporation tax	384	(1,658)
	Bank loans and overdrafts	89,382	42,815
	Obligations under finance leases (note 15)	61,515	64,769
		<u>1,552,473</u>	<u>1,660,707</u>
12.	CREDITORS (amounts falling due after more than one year)	1996 IR£	1995 IR£
	Obligations under finance leases (note 15)	<u>20,842</u>	<u>43,804</u>
13.	CALLED UP SHARE CAPITAL	1996 IR£	1995 IR£
	<i>Authorised</i>		
	160,000 ordinary shares of IR£1 each	160,000	160,000
	90,000 redeemable shares of IR£1 each	90,000	90,000
		<u>250,000</u>	<u>250,000</u>
	<i>Allotted, called up and fully paid</i>		
	Ordinary shares of IR£1 each	<u>70,000</u>	<u>70,000</u>

# JAMES P. JONES & SON LIMITED

## NOTES TO THE FILED FINANCIAL STATEMENTS

31 December 1996 (Continued)

14.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1996 IR£	1995 IR£
	Profit on ordinary activities after taxation	25,115	10,122
	Dividends proposed	-	(15,000)
	Opening shareholders' funds	551,127	556,005
		<u>576,242</u>	<u>551,127</u>
	Closing shareholders' funds	<u>576,242</u>	<u>551,127</u>

15.	COMMITMENTS	1996 IR£	1995 IR£
(a)	<i>Finance leases</i>		
	Finance lease obligations, net of interest, are due as follows:		
	Within one year	61,515	64,769
	From two to five years	20,842	43,804
		<u>82,357</u>	<u>108,573</u>

(b)	<i>Operating leases</i>	<i>Land and buildings IR£</i>	<i>Other IR£</i>
	Operating lease commitments payable in the next twelve months in which the commitment expires:		
	Within one year	-	-
	Within two to five years	104,500	-
		<u>104,500</u>	<u>-</u>

## 16. 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. The next actuarial review is due to take place on 1 October 1997. At 31 December 1996, IR£19,963 was payable in pension costs.

NOTES TO THE FILED FINANCIAL STATEMENTS

31 December 1996 (Continued)

17. TRANSACTIONS WITH DIRECTORS AND OTHER OFFICERS

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

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.

18. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and secretary who held office at 31 December 1996 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 1996	Number of shares at 31 December 1995
E. Jones	Ordinary	A	1	1
B. M Jones	Ordinary	A	23,333	23,333
N. A. Kassam	Ordinary	A	23,333	23,333
J. C. de Bruyn	Ordinary	A	23,333	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

19. CONTINGENT LIABILITY

The company has been joined in a lawsuit by a former director for compensation for loss of office and other interests thereon. The claim amounts to IR£266,000.

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.

20. RELATED PARTY TRANSACTIONS

Included in the company's trading account is a management charge of IR£94,634 payable to Hartrodt Jones Limited. Amounts receivable from Hartrodt Jones Limited arise in respect of recoverable overheads.

Amounts payable and receivable from Container Agencies & Shipping Limited arise in respect of administration services rendered and received during the year.

# JAMES P. JONES & SON LIMITED

## NOTES TO THE FILED FINANCIAL STATEMENTS

31 December 1996 (Continued)

### 20. RELATED PARTY TRANSACTIONS (Continued)

The amounts owed to and from related parties at the year end are as follows:

	1996 IR£	1995 IR£
<i>Amounts owed by group undertakings</i>		
Container Agencies and Shipping Limited	125,051	56,821
Hartrodt Jones Limited	144,348	84,346
Jonhart (Holdings) Limited	1,546	-
	<u>270,945</u>	<u>141,167</u>
<i>Amounts owed by group undertakings</i>		
Container Agencies and Shipping Limited	13,252	3,252
Hartrodt Jones Limited	52,578	38,758
	<u>65,830</u>	<u>42,010</u>

There were no other related party transactions during the year.

### 21. APPROVAL OF SHAREHOLDERS' FINANCIAL STATEMENTS

The shareholders' financial statements were approved by the directors on 4 June 1998.