

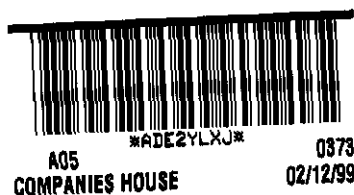
POWELL DUFFRYN PURFLEET LIMITED

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED

31 MARCH 1999



REGISTERED NUMBER 241985

POWELL DUFFRYN PURFLEET LIMITED

REPORT OF THE DIRECTORS

The directors submit their annual report together with the financial statements of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company derives income from the renting of office property and land.

RESULT FOR THE YEAR

The loss for the year after taxation is shown on page 5. An interim dividend of £1,000,000 (1998 - £1,000,000) was paid for the year ended 31 March 1999.

FIXED ASSETS

The company's interests in land and buildings were revalued as at 31 December 1983, by Richard Ellis, Chartered Surveyors, and the results incorporated into the balance sheet for the year ended 31 March 1984. The directors are of the opinion that the present market value of those interests which will continue to be used on an existing basis, does not differ materially from that shown in the financial statements. The directors are of the opinion that land which is surplus to current requirements has a value substantially greater than book value.

DIRECTORS:

The directors who held office during the year were:

J R C Lloyd (resigned 01/03/99)
A E Darling
D C J Munns
I J Pratt (appointed 01/03/99)

The interests of the directors in the shares of Powell Duffryn plc, the company's ultimate parent company, were as follows:

Interest in ordinary 50p shares of Powell Duffryn plc

	31 March 1999	31 March 1998
J R C Lloyd	-	24,253
D C J Munns	92	92

POWELL DUFFRYN PURFLEET LIMITED

DIRECTORS : (continued)

Share Options in 50p Ordinary Shares of Powell Duffryn plc

	31 March 1999	31 March 1998	Exercise Price	Date from which exercisable	Expiry Date
D C J Munns	7,268	7,268	415.1p	21/12/95	20/12/2002
	7,000	-	434.5p	03/12/2001	02/12/2002
	-----	-----			
	14,268	7,268			
I J Pratt	6,346	-	472.67p	11/12/2000	11/12/2007
	8,654	-	472.67p	11/12/2000	11/12/2007
	13,000	-	434.5p	02/12/2001	02/12/2008
	-----	-----			
	28,000	-			

The interest of Mr A E Darling in the ordinary 50p shares of Powell Duffryn plc is disclosed in the financial statements of Powell Duffryn plc.

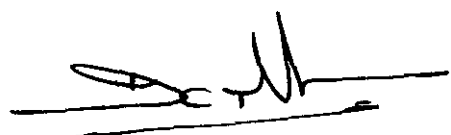
YEAR 2000

The directors continue to assess the risks to the company's business arising from the year 2000 issue and they believe sufficient work has been conducted to ensure that internally the company will be year 2000 compliant. The costs of this work have been expensed to the profit and loss account as part of normal expenditure.

AUDITORS

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By Order of the Board



D C J Munns
Company Secretary

Registered Office: Dated:
Parker Avenue
Felixstowe
Suffolk
IP11 8HF

POWELL DUFFRYN PURFLEET LIMITED

Statement of directors' responsibilities

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

POWELL DUFFRYN PURFLEET LIMITED

Auditors' report

To the Shareholders of Powell Duffryn Purfleet Limited:

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 3 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.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1999 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ARTHUR ANDERSEN

Chartered Accountants & Registered Auditors
Betjeman House
104 Hills Road
Cambridge CB2 1LH

Dated:

8 June 1999

POWELL DUFFRYN PURFLEET LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999**

	<u>Notes</u>	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Turnover	1(b)	135	140
Cost of sales		(42)	(74)
Gross Profit		93	66
Other operating income		75	-
Operating profit		168	66
Gain arising on disposal of operations	2	-	838
Profit on ordinary activities before interest		168	904
Interest receivable	3	380	337
Profit on ordinary activities before taxation	4	548	1,241
Taxation on profit on ordinary activities	7	(147)	(69)
Profit on ordinary activities after taxation and profit for the financial year		401	1,172
Dividends paid	8	(1,000)	(1,000)
Retained (loss)/profit for the year		(599)	172

There are no recognised gains and losses in either year other than the profit for each year shown above. Therefore no separate statement of total recognised gains and losses has been prepared.

The accompanying notes are an integral part of this profit and loss account.

POWELL DUFFRYN PURFLEET LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
For the year ended 31 March 1999**

	<u>1999</u>	<u>1998</u>
	£'000	£'000
Reported profit on ordinary activities before taxation	548	1,241
Realisation of property revaluation gains of previous years	-	240
<i>Difference between historical cost depreciation charge and actual depreciation charge for the year</i>	<u>4</u>	<u>4</u>
Historical cost profit on ordinary activities before taxation	<u>552</u>	<u>1,485</u>
Historical cost (loss)/profit for the year retained after taxation and dividends	<u>(595)</u>	<u>416</u>

The accompanying notes form an integral part of this note of historical cost profits and losses

POWELL DUFFRYN PURFLEET LIMITED

BALANCE SHEET 31 MARCH 1999

	<u>Notes</u>	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Fixed assets			
Tangible assets	9	1,939	1,946
Current assets			
Debtors	10	5,888	6,174
Cash in hand		12	25
		<u>5,900</u>	<u>6,199</u>
Creditors:			
Amounts falling due within one year	11	(393)	(91)
Net current assets		<u>5,507</u>	<u>6,108</u>
Total assets less current liabilities		7,446	8,054
Provisions for liabilities and charges	12	<u>(241)</u>	<u>(250)</u>
Net assets		<u>7,205</u>	<u>7,804</u>
Capital and reserves			
Called up share capital	13	1,500	1,500
Revaluation reserve	14	752	756
Profit and loss account	15	<u>4953</u>	<u>5,548</u>
Equity shareholders' funds	16	<u>7,205</u>	<u>7,804</u>

The financial statements on pages 6 – 16 were approved by the Board of Directors

AEDarling Director.....

DCJ Munns Director.....

Dated:..... 7.6.99

The accompanying notes are an integral part of this balance sheet.

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

(a) Basis of Accounting

The financial statements have been prepared on the historical cost convention, modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of VAT.

All turnover arises from operations within the UK.

(c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is provided using the liability method only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its estimated useful life, as follows:

Freehold buildings	2-2.5%
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Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

1. ACCOUNTING POLICIES (Continued)

(e) Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

(f) Pension Costs

The company is a participant in the Powell Duffryn pension plan which is a funded, defined benefit scheme of the Powell Duffryn group. Contributions to the scheme are based on pension costs across the group as a whole and are charged to the profit and loss account so as to spread the costs of pensions over the employees working lives with the company. The contributions are determined by Bacon & Woodrow, a professionally qualified independent actuary.

Prepaid pension contributions totalling £127,000 (1998: £119,000) are included in the balance sheet in "Debtors falling due after more than one year".

(g) Cash Flow Statement

The company is exempt from the requirement of Financial Reporting Standard no.1 (Revised) "Cash Flow Statements" to produce cash flow statements, as its ultimate parent company, Powell Duffryn plc, prepares consolidated financial statements which include the cash flows of the company and which are publicly available.

(h) Related Party Disclosures

The company has taken advantage of the exemption in Financial Reporting Standard no.8 "Related Party Disclosures," not to disclose transactions with other members of the group headed by Powell Duffryn plc.

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

2 EXCEPTIONAL INCOME

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Profit on disposal of freehold land and buildings, leasehold land and buildings, plant and machinery and motor vehicles		
less costs associated with disposal of business	<u>-</u>	<u>838</u>

3. INTEREST

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Interest receivable	8	9
Interest receivable on inter-group loan	372	328
	<u>-----</u>	<u>-----</u>
	<u>380</u>	<u>337</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is arrived at after charging:

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Depreciation on owned tangible fixed assets	7	6
Auditors' remuneration-audit	-	10
	<u>-----</u>	<u>-----</u>

Audit fees are borne by Powell Duffryn Storage Limited, a fellow undertaking, which makes no recharge to the company.

5. STAFF COSTS

The company employs no staff (1998: nil).

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

6. DIRECTORS REMUNERATION

The remuneration of the following directors, J R C Lloyd, D C J Munns and I J Pratt, are borne by a fellow group undertaking.

The remuneration of A E Darling are disclosed in the financial statements of Powell Duffryn plc which are publicly available.

7. TAXATION

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
UK corporation tax at current rates	169	112
Adjustments in respect of prior years	(22)	(43)
	<u>147</u>	<u>69</u>

8. DIVIDENDS

A dividend was paid to the parent company Powell Duffryn plc of £1,000,000 for year ended 31 March 1999 at 66.7p per ordinary share. (1998: £1,000,000, at 66.7p per ordinary share)

NOTES TO FINANCIAL STATEMENTS (Continued)

6. FIXED ASSETS

	Freehold Property£'000	TOTAL£'000
Cost		
At 1 April 1998	2,035	2,035
At 31 March 1999	2,035	2,035
Depreciation		
At 1 April 1998	89	89
Charge for Year	7	7
At 31 March 1999	96	96
Net Book Value		
At 31 March 1999	1,939	1,939
At 31 March 1998	1,946	1,946

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

9 FIXED ASSETS (Continued)

Analysis between cost and valuation of fixed assets

	£'000
Valuation 1984	2,487
Cost	—
	<u>2,487</u>

The 1984 revaluation was based on the open market value for existing use.
On an historical cost basis, properties would have been:

	<u>1999</u> £'000	<u>1998</u> £'000
Cost	1,015	1,015
Aggregate depreciation based on cost	(88)	(86)
	-----	-----
Net book value	<u>927</u>	<u>929</u>

10. DEBTORS

	<u>1999</u> £'000	<u>1998</u> £'000
Amounts falling due within one year:		
Trade debtors	164	17
Amounts owed by group undertakings	5,513	5,913
Corporation tax repayable	-	13
Other debtors	4	7
Prepayments and accrued income	80	105
	-----	-----
	5,761	6,055
Amounts falling due after more than one year:		
Other debtors	127	119
	-----	-----
Total	<u>5,888</u>	<u>6,174</u>

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1999</u> £'000	<u>1998</u> £'000
Trade creditors	13	66
Amounts due to group undertakings	-	2
Other creditors	162	5
Accruals and deferred income	49	18
Corporation tax payable	169	-
	<u>393</u>	<u>91</u>

12. PROVISION FOR LIABILITIES AND CHARGES

	<u>1999</u> £'000	<u>1998</u> £'000
Repairs provisions	<u>241</u>	<u>250</u>

The movement on the repair provisions was as follows:

	<u>£'000</u>	<u>£'000</u>
At 1 April 1998	250	250
(Released) to profit and loss account	(9)	-
	<u>-----</u>	<u>-----</u>
At 31 March 1999	<u>241</u>	<u>250</u>

Deferred taxation not provided is as follows:

	<u>1999</u> £'000	<u>1998</u> £'000
Accelerated capital allowances	<u>29</u>	<u>27</u>

13. SHARE CAPITAL

	<u>1999</u> £'000	<u>1998</u> £'000
Authorised:		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>
 Called up, issued and fully paid:		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

14. <u>REVALUATION RESERVE</u>	£'000
At 1 April 1998	756
Amortisation of surplus revaluation	(4)

At 31 March 1999	<u>752</u>

15. <u>PROFIT AND LOSS ACCOUNT</u>	£'000
At 1 April 1998	5,548
Retained loss for the year	(599)
Amortisation of surplus revaluation	4

At 31 March 1999	<u>4,953</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u>	<u>1998</u>
	£'000	£'000
Profit for the financial year	401	1,172
Dividend paid	(1,000)	(1,000)
	-----	-----
Net (reduction)/addition to shareholders' funds	(599)	172
Opening shareholders' funds	<u>7,804</u>	<u>7,632</u>
Closing shareholders' funds	<u>7,205</u>	<u>7,804</u>

POWELL DUFFRYN PURFLEET LIMITED

NOTES TO FINANCIAL STATEMENTS (Continued)

17. PENSION AND SIMILAR OBLIGATIONS

The actuaries advised that no company contributions should be paid in the year ended 31 March 1999 due to surpluses in the group scheme.

Full particulars of the actuarial valuation of the Powell Duffryn group scheme are contained in the financial statements of Powell Duffryn plc.

18. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Powell Duffryn plc, registered in England and Wales. The consolidated financial statements of the group can be obtained from Powell Duffryn House, London Road, Bracknell, Berkshire RG12 2AQ.