

# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## REPORT OF THE DIRECTORS

Co. No. 914137

The Directors present their report and the audited financial statements of the Company for the year ended 30 April 1995.

### PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are those of shipping and forwarding agents.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Consolidated Profit and Loss Account for the year is set out on page 5.

Both the level of business and the year end financial position were satisfactory and the Directors expect that the present level of activity will be sustained.

### DIVIDENDS

The Directors do not recommend the payment of a dividend. A retained profit of £664000 is transferred to the Company's reserves.

### FIXED ASSETS

The movements in fixed assets are shown in note 6.

### DIRECTORS AND THEIR INTERESTS

The Directors in office during the year were:-

Mrs. A.M. Sutton

A.M. Sutton

Mrs. D.P. Broadhurst

J.S. Williams

J.M. Wilson

C. Town

G. Lightfoot

R. Hooper (appointed 1 May 1994, resigned 4 April 1995)

D. Kerr (appointed 11 January 1995)

The Company is a wholly owned subsidiary of Thomas Cradley Holdings Limited. Mrs. A.M. Sutton, A.M. Sutton, Mrs. D.P. Broadhurst and J.S. Williams are Directors of the Holding Company and their interests in the Group are shown in the accounts of that Company. No other Director held any interest in the shares of any group company at any time during the year.



# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## REPORT OF THE DIRECTORS - Continued

### STATEMENT OF 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 and the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:-

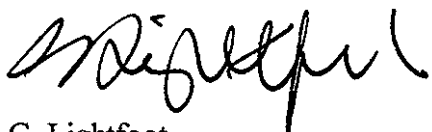
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe-guarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution to reappoint the Auditors, Jackson, Stephen & Co, will be proposed at the annual general meeting.

By Order of the Board



G. Lightfoot

Secretary

17 October 1995

## AUDITORS' REPORT TO THE SHAREHOLDERS OF SUTTONS INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the Company's Directors are responsible for the preparation of 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 mis-statement, 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 and the Group as at 30 April 1995 and of the Profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Jackson, Stephen & Co.,  
Chartered Accountants,  
Registered Auditor.

Broseley House,  
116 Bradshawgate,  
LEIGH,  
Lancs. WN7 4NT

17 October 1995

SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 April 1995

	<u>Note</u>	<u>1995</u> £000's	<u>1994</u> £000's
TURNOVER	3	18660	16362
Cost of sales		<u>15564</u>	<u>11868</u>
GROSS PROFIT		3096	4494
Administrative expenses		<u>2412</u>	( <u>3402</u> )
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	684	1092
Taxation	5	<u>20</u>	<u>344</u>
RETAINED PROFIT FOR THE YEAR	14	<u>664</u>	<u>748</u>

All amounts relate to continuing operations.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>1995</u> £000's	<u>1994</u> £000's
Profit for the financial year	664	748
Exchange differences on foreign currency translation	( <u>134</u> )	( <u>4</u> )
Total recognised gains and losses relating to the year	<u>530</u>	<u>744</u>

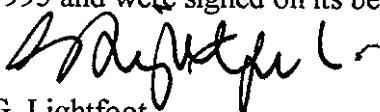
# SUTTONS INTERNATIONAL LIMITED

## BALANCE SHEET

30 April 1995

	Note	1995 £000's	1994 £000's
<b>FIXED ASSETS</b>			
Tangible assets	6	12321	10994
Investments	7	<u>16</u>	<u>16</u>
		12337	11010
<b>CURRENT ASSETS</b>			
Stocks	8	156	130
Debtors	9	2943	4447
Cash at bank and in hand		<u>413</u>	<u>460</u>
		3512	5037
CREDITORS: Amounts falling due within one year	10	<u>2209</u>	<u>2411</u>
NET CURRENT ASSETS		<u>1303</u>	<u>2626</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13640	13636
CREDITORS: Amounts falling due after more than one year	11	<u>4320</u>	<u>4939</u>
		9320	8697
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	<u>1750</u>	<u>1720</u>
NET ASSETS		<u>7570</u>	<u>6977</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	500	500
Profit and loss account	14	<u>7070</u>	<u>6477</u>
SHAREHOLDERS' FUNDS	16	<u>7570</u>	<u>6977</u>

The financial statements on pages 5 to 15 were approved by the Board of Directors on 17 October 1995 and were signed on its behalf by:

  
G. Lightfoot  
Director

SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET

30 April 1995

	Note	1995 £000's	1994 £000's
FIXED ASSETS			
Tangible assets	6	12492	11060
CURRENT ASSETS			
Stocks	8	156	130
Debtors	9	4256	5403
Cash at bank and in hand		<u>743</u>	<u>555</u>
		5155	6088
CREDITORS: Amounts falling due within one year	10	<u>3865</u>	<u>3307</u>
NET CURRENT ASSETS		<u>1290</u>	<u>2781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13782	13841
CREDITORS: Amounts falling due after more than one year	11	<u>4320</u>	<u>4939</u>
		9462	8902
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	12	<u>1750</u>	<u>1720</u>
NET ASSETS		<u>7712</u>	<u>7182</u>
CAPITAL AND RESERVES			
Called up share capital	13	500	500
Profit and loss account	14	7203	6673
Capital and reserves	15	<u>9</u>	<u>9</u>
SHAREHOLDERS' FUNDS	16	<u>7712</u>	<u>7182</u>

The financial statements on pages 5 to 15 were approved by the Board of Directors on 17 October 1995 and were signed on its behalf by:

  
G. Lightfoot  
Director

# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 1995

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### 1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

#### a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention.

#### b) Turnover

Turnover represents the invoiced value of goods and services supplied excluding value added tax and trade discounts.

#### c) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over the expected useful economic lives of the assets as follows:-

Tanks	6.6% per annum (straight line basis)
Trailers	10% per annum (straight line basis)
Other assets	20% per annum (straight line basis)

#### d) Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.

#### e) Deferred Taxation

Deferred taxation is accounted for in respect of all material timing differences which may materialise in the foreseeable future.

#### f) Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. The results of overseas subsidiaries are translated at the average rate of exchange for the year. All exchange differences are taken directly to reserves.

# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS - Continued For the year ended 30 April 1995

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### 1. PRINCIPAL ACCOUNTING POLICIES - Continued

#### g) Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

#### h) Pension Costs

The Company operates a defined benefit pension scheme whose assets are held separately from those of the Company in an independently administered fund.

Pension costs are accounted for on a basis of charging the expected cost of providing pensions over the period during which the Company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

#### i) Cash Flow Statement

No cash flow statement has been presented as the Company is itself a wholly owned subsidiary of a company registered in England.

#### j) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiaries for the year ended 30 April. Goodwill arising on consolidation is written off to reserves on acquisition.

As permitted by Section 230 of the Companies Act 1985, the Company's Profit and Loss Account has not been presented as part of these financial statements.

### 2. DIRECTORS AND EMPLOYEES

#### Employees

The average weekly number of employees (including directors) employed by the Group during the year was:-

	<u>1995</u>	<u>1994</u>
	Number	Number
Forwarding and freight	<u>76</u>	<u>71</u>
	<u>1995</u>	<u>1994</u>
Staff costs for the above persons:	£000's	£000's
Wages and salaries	1377	1019
Social Security costs	127	107
Other pension costs	<u>23</u>	<u>20</u>
	<u>1527</u>	<u>1146</u>



# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS - Continued For the year ended 30 April 1995

### 2. DIRECTORS AND EMPLOYEES - Continued

#### Directors' Emoluments

The remuneration payable to the Directors was:-

	<u>1995</u> £000's	<u>1994</u> £000's
Emoluments (including pension contributions)	210	200

Emoluments (excluding pension contributions) included amounts due to:-

	<u>1995</u> £000's	<u>1994</u> £000's
The Chairman	NIL	NIL
The highest-paid Director	67	84

The emoluments (excluding pension contributions) due to the Directors (including the Chairman and highest-paid Director) were in the following ranges:-

	<u>1995</u> Number	<u>1994</u> Number
£ 0 - £ 5000	5	5
£10001 - £15000	1	-
£45001 - £50000	1	1
£60001 - £65000	1	-
£65001 - £70000	1	1
£80001 - £85000	-	1

### 3. TURNOVER

	<u>1995</u> £000's	<u>1994</u> £000's
Europe	14514	13090
Rest of the World	<u>4146</u>	<u>3272</u>
	18660	16362

SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

4. PROFIT ON ORDINARY ACTIVITIES  
BEFORE TAXATION

	<u>1995</u> £000's	<u>1994</u> £000's
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	1662	1331
Auditors' remuneration	14	9
Loss on disposal of fixed assets	<u>29</u>	<u>6</u>

5. TAXATION

	<u>1995</u> £000's	<u>1994</u> £000's
U.K. Corporation Tax:		
Current year at 33%	-	48
(Over)/Under provision in respect of prior years	( 10)	( 15)
Overseas taxation	-	41
Deferred taxation	<u>30</u>	<u>270</u>
	20	344

6. TANGIBLE FIXED ASSETS

<u>The Group</u>	<u>Plant, Equipment, Fixtures &amp; Fittings</u> £000's	<u>Vehicles, Tanks &amp; Containers</u> £000's	<u>Total</u> £000's
Cost			
At 1 May 1994	1103	16617	17720
Additions	334	2952	3286
Disposals	( 42)	( 367)	( 409)
At 30 April 1995	1395	19202	20597
Depreciation			
At 1 May 1994	472	6188	6660
Charge for year	220	1442	1662
Eliminated on disposal	( 9)	( 208)	( 217)
At 30 April 1995	683	7422	8105
Net Book Values:			
At 30 April 1995	712	11780	12492
At 30 April 1994	631	10429	11060

# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

### 6. TANGIBLE FIXED ASSETS - Continued

<u>The Company</u>	<u>Plant, Equipment, Fixtures &amp; Fittings</u> £000's	<u>Vehicles, Tanks &amp; Containers</u> £000's	<u>Total</u> £000's
Cost			
At 1 May 1994	1018	16542	17560
Additions	181	2921	3102
Disposals	( 27 )	( 323 )	( 350 )
At 30 April 1995	1172	19140	20312
Depreciation			
At 1 May 1994	422	6144	6566
Charge for year	174	1431	1605
Eliminated on disposal	( 8 )	( 173 )	( 181 )
At 30 April 1995	588	7402	7990
Net Book Value:			
At 30 April 1995	584	11738	12322
At 30 April 1994	596	10398	10994

### 7. INVESTMENTS

<u>The Company</u>	<u>1995</u> £000's	<u>1994</u> £000's
Shares in group companies	16	16

### SHARES IN GROUP COMPANIES

<u>Name</u>	<u>Country of Incorporation</u>	<u>Activity</u>
Suttons International NV	Belgium	Shipping and Forwarding Agents
Suttons International (N.A.) Inc.	USA	Shipping and Forwarding Agents

Both the above are wholly owned subsidiaries.

# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

### 8. STOCKS

	<u>1995</u>	<u>1994</u>
<u>The Company and the Group</u>	<u>£000's</u>	<u>£000's</u>
Consumable materials	156	130

	<u>1995</u>	<u>1994</u>
	<u>The Company</u>	<u>The Group</u>
	<u>£000's</u>	<u>£000's</u>

### 9. DEBTORS

Amounts falling due within one year:

Trade debtors	2823	4165	3156	5230
Amounts owed by subsidiary companies	72	-	1230	-
Other debtors	38	66	48	138
Prepayments	<u>10</u>	<u>25</u>	<u>13</u>	<u>35</u>
	2943	4256	4447	5403

### 10. CREDITORS

Amounts falling due within one year:

Trade creditors	928	2158	1236	2072
Corporation tax	-	( 26)	48	48
Other taxation and social security	7	( 121)	52	106
Accruals	1274	1799	1075	1081
Other creditors	<u>-</u>	<u>55</u>	<u>-</u>	<u>-</u>
	2209	3865	2411	3307

### 11. CREDITORS

Amounts falling due after more than one year:

Amounts owed to group company	4320	4320	4939	4939
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# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

### 12. DEFERRED TAXATION

	<u>£000's</u>
<u>The Company and the Group</u>	
Provision at 1 May 1994	1720
Transfer from profit and loss account	<u>30</u>
Provision at 30 April 1995	<u>1750</u>

The deferred taxation provision consists entirely of timing differences due to accelerated capital allowances.

### 13. SHARE CAPITAL

	<u>1995</u> <u>£000's</u>	<u>1994</u> <u>£000's</u>
<u>The Company</u>		
Authorised, allotted, called up and fully paid 500000 Ordinary Shares of £1 each	500	500

### 14. PROFIT AND LOSS ACCOUNT

	<u>The Company</u> <u>£000's</u>	<u>The Group</u> <u>£000's</u>
Balances at 1 May 1994	6477	6673
Retained profit for the year	593	664
Exchange rate adjustments on consolidation	<u>-</u>	<u>( 134)</u>
Balances at 30 April 1995	<u>7070</u>	<u>7203</u>

### 15. CAPITAL RESERVES ARISING IN SUBSIDIARY

	<u>Legal Reserve</u> <u>£000's</u>	<u>Social Reserve</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
Balances at 1 May 1994	2	7	9
Movement during the year	<u>-</u>	<u>-</u>	<u>-</u>
Balances at 30 April 1995	<u>2</u>	<u>7</u>	<u>9</u>

# SUTTONS INTERNATIONAL LIMITED AND ITS SUBSIDIARY COMPANIES

## NOTES TO THE FINANCIAL STATEMENTS - Continued

For the year ended 30 April 1995

### 16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£000's	£000's
Retained profit for the year	664	748
Exchange difference	( 134)	( 4)
Opening shareholders' funds	<u>7182</u>	<u>6438</u>
Closing shareholders' funds	<u>7712</u>	<u>7182</u>

### 17. CAPITAL COMMITMENTS

	<u>1995</u>	<u>1994</u>
	£000's	£000's
Contracted but not provided for	<u>1257</u>	<u>1463</u>

### 18. PENSION COSTS

The Company is a member of the Group pension scheme which is a defined benefit pension scheme whose assets are held separately from those of the Group in an independently administered fund. The fund is valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. The latest actuarial valuation was at 1 May 1992. Particulars of the valuation are contained in the accounts of Thomas Cradley Holdings Limited. The total pension costs for the Company were £23000 (1994: £20000).

### 19. ULTIMATE HOLDING COMPANY

The Company is a wholly owned subsidiary of Thomas Cradley Holdings Limited, a Company registered in England.