

# Imorex Shipping Services Limited

## FINANCIAL STATEMENTS

for the year ended

31 August 2005

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29/06/2006

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# Imorex Shipping Services Limited

## OFFICERS AND PROFESSIONAL ADVISERS

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### DIRECTORS

Mr J R J Powell  
Mr A J Nunn

### SECRETARY

Mr J R J Powell

### REGISTERED OFFICE

Dooley Road  
Walton Avenue  
Felixstowe  
Suffolk  
IP11 3HG

### AUDITORS

Baker Tilly  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

# Imorex Shipping Services Limited

## DIRECTORS' REPORT

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The directors submit their report and financial statements of Imorex Shipping Services Limited for the year ended 31 August 2005.

### PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of shipping and forwarding agents within the United Kingdom and overseas.

### REVIEW OF BUSINESS

During the course of the year the company acquired new warehousing premises thus significantly enlarging the warehouse capacity and improving its location given its close proximity to the main docks in Felixstowe. This has required a significant investment, additional staff and management time. This is reflected in the result for the year ended 31 August 2005, however, the directors are confident that with the significant enhancements to the business that this has achieved, the company should return to profitability in the forthcoming year.

### THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 2005	At 1 September 2004
Mr J R J Powell	2,000	2,000
Mr A J Nunn	1,500	1,500

### 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 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, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 to enable them to ensure that the financial statements comply with the requirements of 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.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

# Imorex Shipping Services Limited

## DIRECTORS' REPORT

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### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Dooley Road  
Walton Avenue  
Felixstowe  
Suffolk  
IP11 3HG

By order of the board



Mr J R J Powell

Company Secretary

28.6.06

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMOREX SHIPPING SERVICES LIMITED (continued)

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

## **Basis of audit 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 at 31 August 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

28 June 2006

# Imorex Shipping Services Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 August 2005

	Notes	2005 £	2004 £
TURNOVER	2	3,674,635	3,711,116
Cost of sales		2,429,945	2,677,997
Gross profit		1,244,690	1,033,119
Distribution costs		11,679	11,229
Administrative expenses		1,302,285	984,622
OPERATING (LOSS)/PROFIT	3	(69,274)	37,268
Income from fixed asset investments	5	21,530	17,224
Interest receivable		3,260	1,279
		(44,484)	55,771
Interest payable and similar charges		(9,254)	(7,529)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(53,738)	48,242
Taxation		—	—
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(53,738)	48,242
Equity dividends paid		51,275	—
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(105,013)	48,242

# Imorex Shipping Services Limited

## BALANCE SHEET

31 August 2005

	Notes	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	6	28,071	32,080
Tangible assets	7	271,757	212,187
Investments	8	3,730	3,730
		<u>303,558</u>	<u>247,997</u>
<b>CURRENT ASSETS</b>			
Debtors	9	945,260	820,796
Cash at bank and in hand		118,425	125,675
		<u>1,063,685</u>	<u>946,471</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	1,214,047	886,293
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(150,362)</u>	<u>60,178</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>153,196</u>	<u>308,175</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	89,235	139,201
		<u>63,961</u>	<u>168,974</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	14	3,500	3,500
Other reserves	16	1,500	1,500
Profit and loss account	15	58,961	163,974
<b>SHAREHOLDERS' FUNDS</b>		<u>63,961</u>	<u>168,974</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 28.6.06 and are signed on their behalf by:



Mr J R J Powell

# Imorex Shipping Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### TURNOVER

The turnover shown in the profit and loss account represents amounts due during the year, exclusive of Value Added Tax.

#### GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over 10 years. In the opinion of the directors this represents the period over which goodwill is effective.

#### AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- Over 10 years
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#### FIXED ASSETS

All fixed assets are initially recorded at cost.

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- over 10 years, the period of the lease
Computer and office equipment	- 33% straight line
Fixtures & Fittings	- 10% straight line
Motor Vehicles	- 25% straight line

#### HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating (loss)/profit.



# Imorex Shipping Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

### 2 TURNOVER

Overseas turnover amounted to 5.5% (2004: 5%) of the total turnover for the year.

### 3 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2005	2004
	£	£
Staff pension contributions	—	750
Amortisation of government grants re fixed assets	3,638	—
Amortisation	4,009	3,565
Depreciation of owned fixed assets	18,727	13,376
Depreciation of assets held under hire purchase agreements	47,760	16,101
Loss on disposal of fixed assets	724	1,045
Auditor's fees	5,250	5,130
Net (gain)/loss on foreign currency translation	(311)	1,822

### 4 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005	2004
	£	£
Aggregate emoluments	33,063	78,579

### 5 INCOME FROM FIXED ASSET INVESTMENTS

	2005	2004
	£	£
Investment income	21,530	17,224

# Imorex Shipping Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

### 6 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
At 1 September 2004 and 31 August 2005	<u>53,913</u>
Amortisation	
At 1 September 2004	21,833
Charge for the year	<u>4,009</u>
At 31 August 2005	<u>25,842</u>
Net book value	
At 31 August 2005	<u>28,071</u>
At 31 August 2004	<u>32,080</u>

### 7 TANGIBLE FIXED ASSETS

	Leasehold Property £	Computer and office equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 September 2004	—	84,138	63,139	232,383	379,660
Additions	87,979	1,091	35,061	2,650	126,781
Disposals	—	—	(4,863)	(11,850)	(16,713)
At 31 August 2005	<u>87,979</u>	<u>85,229</u>	<u>93,337</u>	<u>223,183</u>	<u>489,728</u>
Depreciation					
At 1 September 2004	—	57,322	49,460	60,691	167,473
Charge for the year	3,638	11,405	4,751	46,693	66,487
On disposals	—	—	(4,139)	(11,850)	(15,989)
At 31 August 2005	<u>3,638</u>	<u>68,727</u>	<u>50,072</u>	<u>95,534</u>	<u>217,971</u>
Net book value					
At 31 August 2005	<u>84,341</u>	<u>16,502</u>	<u>43,265</u>	<u>127,649</u>	<u>271,757</u>
At 31 August 2004	<u>—</u>	<u>26,816</u>	<u>13,679</u>	<u>171,692</u>	<u>212,187</u>

#### Hire purchase agreements

Included within the net book value of £271,757 is £146,962 (2004 - £171,327) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £47,760 (2004 - £16,101).

# Imorex Shipping Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

### 8 INVESTMENTS

Unlisted investments

£

Cost

At 1 September 2004 and 31 August 2005

3,730

Net book value

At 31 August 2005

3,730

At 31 August 2004

3,730

The above represents the following investments which represent less than 20% of the relevant share capital:

Company and type of shares held	2005 £	2004 £
The Institute of Freight Forwarders Mutual Insurance Co Limited 50 redeemable participating preference shares of £1 each	500	500
Maritime Cargo Processing PLC 2153 'B' non voting shares of £1 each	3,230	3,230
	<u>3,730</u>	<u>3,730</u>

The directors have included the investments valued at cost as they are satisfied that this is not materially different to the market value of the investments.

### 9 DEBTORS

	2005 £	2004 £
Trade debtors	833,607	723,995
Director's current account	7,581	4,039
VAT recoverable	—	3,163
Other debtors	104,072	89,599
	<u>945,260</u>	<u>820,796</u>

# Imorex Shipping Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

### 10 CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	7,637	7,093
Trade creditors	785,690	778,974
PAYE and social security	18,177	16,311
VAT	11,842	-
Hire purchase agreements	56,562	45,508
Invoice discounting	319,561	-
Other creditors	4,878	27,857
Accruals and deferred income	9,700	10,550
	<u>1,214,047</u>	<u>886,293</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	7,637	7,093
Hire purchase agreements	56,562	45,508
Invoice discounting	319,561	-
	<u>383,760</u>	<u>52,601</u>

### 11 CREDITORS: Amounts falling due after more than one year

	2005	2004
	£	£
Bank loans and overdrafts	22,730	30,664
Hire purchase agreements	64,962	103,995
Other creditors	1,543	4,542
	<u>89,235</u>	<u>139,201</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	22,730	30,664
Hire purchase agreements	64,962	103,995
	<u>87,692</u>	<u>134,659</u>

### 12 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005	2004
	£	£
Operating leases which expire:		
Within 1 year	25,314	129,745
After more than 5 years	181,225	-
	<u>206,539</u>	<u>129,745</u>

# Imorex Shipping Services Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2005

### 13 RELATED PARTY TRANSACTIONS

Included within other creditors due after more than one year is an amount of £1,543 (2004: £4,542) owed to Mr J R J Powell, a company shareholder and director.

At 31 August 2005, the company was owed £7,581 (2004: £4,039) by Mr A Nunn also a company shareholder and director. The maximum amount outstanding during the year was £7,739.

Mr JR Powell was the ultimate controlling party of the company during the year by virtue of his majority shareholding.

### 14 SHARE CAPITAL

	2005 £	2004 £
Authorised: 10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	2005 £	2004 £
Allotted, called up and fully paid: 3,500 Ordinary shares of £1 each	<u>3,500</u>	<u>3,500</u>

### 15 PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
At 1 September 2004	163,974	165,732
(Accumulated loss)/retained profit for the financial year	(105,013)	48,242
Purchase of own shares	—	(50,000)
At 31 August 2005	<u>58,961</u>	<u>163,974</u>

### 16 CAPITAL REDEMPTION RESERVE

	2005 £	2004 £
At 1 September 2004	1,500	—
Purchase of own shares	—	1,500
At 31 August 2005	<u>1,500</u>	<u>1,500</u>

### 17 CONTINGENT LIABILITY

The company has received a claim for dilapidations arising from its warehouse premises amounting approximately £140,000. Whilst the directors accept that some payment maybe due, they are strongly contesting the amount claimed.