

Co House
11754491

WINLEN BAY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER, 1997



DIRECTORS AND OFFICERS

DIRECTORS

H.H. Winkler
S.J. Palmer

SECRETARY

S.J. Palmer

AUDITORS

Farmiloes,
Winston Churchill House,
Ethel Street,
Birmingham, B2 4BG.

REGISTERED OFFICE

Unit 7, Jerome Road,
Norton Canes,
Cannock,
Staffs. WS11 3UT.

BANKERS

National Westminster Bank PLC,
P.O. Box 4479,
Birmingham, B4 6DP.

COMPANY NUMBER

11754491

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 30th September, 1997.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activities of the company during the year were shipping and forwarding agents and haulage contractors.

The results for the year and the year end financial position were satisfactory, and the level of activity is expected to be maintained for the foreseeable future.

FIXED ASSETS

Changes in the fixed assets are shown in note 8 to the financial statements.

DIRECTORS AND THEIR SHARE INTERESTS

The directors who have been in office during the year are as follows :

H.H. Winkler
S.J. Palmer

The beneficial interests of directors and their families in the shares of the company at the date of the balance sheet and at commencement of the year were :

	Ordinary shares of £1 each	
	30.9.97	30.9.96
H.H. Winkler	50,000	50,000
S.J. Palmer	-	-

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 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 judgments and estimates that are reasonable and prudent;
- 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 Companies Act, 1985. They are also responsible for safeguarding the assets of the company, and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Messrs. Farmiloes, having indicated their willingness, will be proposed for reappointment at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

S.J. Palmer

SECRETARY

Unit 7, Jerome Road,
Norton Canes,
Cannock,
Staffs. WS11 3UT.

18th December, 1997.

**AUDITORS REPORT TO THE SHAREHOLDERS OF
WINLEN BAY 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 7 and 8.

Respective responsibilities of the directors and auditors

As described on page 3, 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 judgments 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 30th September, 1997, and of its results for the year then ended, and have been properly prepared in accordance with the Companies Act, 1985.



**FARMILOES
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR**

18th December, 1997.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER, 1997

	Notes	1997	1996
TURNOVER - continuing operations	2	<u>£2,465,390</u>	<u>£2,423,453</u>
Profit on ordinary activities before taxation - continuing operations	3	92,051	74,570
Tax on ordinary activities	4	<u>18,835</u>	<u>19,410</u>
Profit on ordinary activities after taxation	5	73,216	55,160
Retained profit brought forward		136,210	102,050
Capitalisation of reserves		<u>-</u>	<u>(21,000)</u>
Retained profit carried forward		<u>£209,426</u>	<u>£136,210</u>

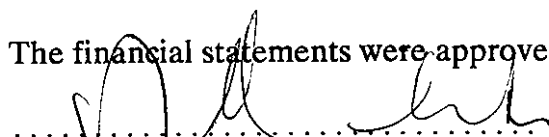
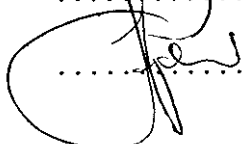
There are no recognised gains or losses other than the profit for the financial year.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 1997

	Notes	1997	1996
FIXED ASSETS			
Tangible assets	8	<u>274,090</u>	<u>272,355</u>
CURRENT ASSETS			
Debtors	9	612,198	556,891
Cash at bank and in hand		<u>24,053</u>	<u>11,049</u>
		636,251	567,940
CREDITORS - Amounts falling due within one year	10	<u>650,578</u>	<u>607,004</u>
NET CURRENT LIABILITIES		<u>(14,327)</u>	<u>(39,064)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>259,763</u>	<u>233,291</u>
CREDITORS - Amounts falling due after more than one year	11	-	46,499
Provisions for liabilities and charges	12	<u>337</u>	<u>582</u>
		<u>337</u>	<u>47,081</u>
NET ASSETS		<u>£259,426</u>	<u>£186,210</u>
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Profit and loss account		<u>209,426</u>	<u>136,210</u>
SHAREHOLDERS FUNDS	15	<u>£259,426</u>	<u>£186,210</u>

The financial statements were approved by the directors on 18th December, 1997.


) H.H. Winkler
)

) S.J. Palmer

DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 1997

1. ACCOUNTING POLICIES

a. Accounting convention

These financial statements have been prepared in accordance with the historical cost convention. The accounts are prepared in accordance with applicable accounting standards.

b. Depreciation

Depreciation of fixed assets is provided at rates calculated to write off the cost of the assets over the term of their useful lives. The rates in use for the various classes of assets are as follows :

Freehold property	-	1% on a straight line basis.
Fixtures and fittings	-	25% on a reducing balance basis.
Plant and machinery	-	25% on a reducing balance basis.
Motor vehicles	-	25% on a reducing balance basis.

c. Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

d. Hire purchase

Additions to fixed assets purchased under hire purchase and lease purchase contracts are capitalised at cost. Interest payable during the accounting period is charged in the trading account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. ACCOUNTING POLICIES (CONTINUED)

e. Leased assets

Items of a fixed asset nature which are leased by the company are capitalised at cost in accordance with SSAP 21. They are shown as leased assets in the balance sheet. The interest element is charged in the trading account.

Rental payments in respect of operating leases are charged in the trading account.

f. 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 at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services within the company's ordinary activities after deducting value added tax.

	1997	1996
United Kingdom	1,582,113	1,431,622
Overseas - Europe	882,200	991,831
	<u>£2,464,313</u>	<u>£2,423,453</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997	1996
Turnover	2,465,390	2,423,453
Cost of sales	<u>1,965,515</u>	<u>1,900,762</u>
Gross profit	<u>499,875</u>	<u>522,691</u>
Administrative expenses	(381,359)	(417,191)
Interest payable and similar charges	<u>(26,465)</u>	<u>(30,930)</u>
	<u>(407,824)</u>	<u>(448,121)</u>
	<u>£92,051</u>	<u>£74,570</u>

4. TAXATION

	1997	1996
Tax on ordinary activities based on the results for the year :		
Corporation tax @ 22.5% (1996 : 24.5%)	19,034	19,138
Deferred tax (note 12)	(245)	272
Interest on overdue tax	<u>46</u>	<u>-</u>
	<u>£18,835</u>	<u>£19,410</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1997	1996
This is stated after the following amounts :		
Depreciation and amortisation	12,324	10,906
Hire of plant and machinery	-	1,607
Loss/(profit) on disposals of fixed assets	238	(576)
Auditors remuneration	10,000	10,000
Directors emoluments	55,274	54,736
Directors pension	8,445	12,058
Staff costs :		
Wages and salaries	301,565	289,793
Social Security costs	34,587	32,551
	<u> </u>	<u> </u>

6. EMPLOYEE INFORMATION

The average weekly number of employees, including directors, employed by the company during the year amounted to 24 (1996 : 25), made up as follows :

	1997	1996
Administrative	13	13
Sales and distribution	11	12
	<u> </u>	<u> </u>
	24	25
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. TRANSACTIONS WITH DIRECTORS

Mr. H.H. Winkler has an interest in Winlen Bay Spedition GmbH, a company to which this company has made sales of £221,231 (1996 : £247,367) and purchases from of £231,092 (1996 : £164,585). All of these transactions took place on an arms length basis.

None of the other directors has any material interests, direct or indirect, in any contract entered into by the company.

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
Cost					
At 1st October, 1996	252,255	7,673	119,647	25,100	404,675
Additions	-	-	4,084	12,000	16,084
Disposals	-	-	(40,000)	(3,600)	(43,600)
At 30th September, 1997	<u>252,255</u>	<u>7,673</u>	<u>83,731</u>	<u>33,500</u>	<u>377,159</u>
Depreciation					
At 1st October, 1996	5,046	5,457	105,373	16,444	132,320
Charge for year	2,523	554	4,589	4,658	12,324
Disposals	-	-	(40,000)	(1,575)	(41,575)
At 30th September, 1997	<u>7,569</u>	<u>6,011</u>	<u>69,962</u>	<u>19,527</u>	<u>103,069</u>
Net book values					
At 30th September, 1997	<u>£244,686</u>	<u>£1,662</u>	<u>£13,769</u>	<u>£13,973</u>	<u>£274,090</u>
At 30th September, 1996	<u>£247,209</u>	<u>£2,216</u>	<u>£14,274</u>	<u>£8,656</u>	<u>£272,355</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. DEBTORS

	1997	1996
Trade debtors	603,268	547,612
Amounts owed by related companies	-	1,077
Prepayments and accrued income	6,118	5,390
Directors loan account	2,812	2,812
	<u>£612,198</u>	<u>£556,891</u>

10. CREDITORS - Amounts falling due within one year

	1997	1996
Bank loans (note a)	35,148	44,958
Trade creditors	436,908	394,284
Amount due to factoring agents (note b)	120,354	97,577
Other creditors, including taxation and Social Security	47,052	61,577
Accruals and deferred income	11,116	8,608
	<u>£650,578</u>	<u>£607,004</u>

a) The company's bankers hold a fixed charge over the freehold property and a floating charge over the other assets.

b) The amounts owed to factoring agents is secured on certain of the trade debtors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. CREDITORS - Amounts falling due after more than one year

	1997	1996
Bank loans (note 10 a))	<u>£Nil</u>	<u>£46,499</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation :

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profit as stated in the financial statements.

The total potential liability to deferred taxation and the amounts provided are as follows :

	1997		1996	
	Full potential liability	Provision made	Full potential liability	Provision made
Accelerated capital allowances	<u>£337</u>	<u>£337</u>	<u>£582</u>	<u>£582</u>

13. CALLED UP SHARE CAPITAL

	Authorised	Allotted, issued and fully paid
Ordinary shares of £1 each	<u>500,000</u>	<u>50,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. CAPITAL REDEMPTION RESERVE

	1997	1996
Balance at 1st October, 1996	-	3,625
Capitalisation of reserves	-	(3,625)
	<u> </u>	<u> </u>
Balance at 30th September, 1997	<u>£Nil</u>	<u>£Nil</u>

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1997	1996
Profit for the financial year	73,216	55,160
Opening shareholders funds	<u>186,210</u>	<u>131,050</u>
	<u> </u>	<u> </u>
Closing shareholders funds	<u>£259,426</u>	<u>£186,210</u>

16. CAPITAL COMMITMENTS

There were no capital commitments at 30th September, 1997 (1996 : £Nil).

17. CONTINGENT LIABILITIES

There are no contingent liabilities known to the directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. PENSION FUND

The company operates two defined contribution pension schemes. The contributions are invested with insurance companies, and contributions payable to the scheme are charged against profits in the year they are due. The charge against profits for the year was £8,445 (1996 : £12,058). There were no contributions owing to the schemes at the year end.