

1175491

WINLEN BAY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER, 2002



WINLEN BAY LIMITED

COMPANY INFORMATION

Directors

H.H. Winkler
S.J. Palmer

Secretary

S.J. Palmer

Company Number

1175491

Registered Office

Attwood Road
Chasewater Heath Business Park
Chase Terrace
Burntwood
WS7 8GJ

Auditors

Farmiloes
Winston Churchill House
Ethel Street
Birmingham
B2 4BG

Bankers

Barclays Bank PLC
The Bridge
Walsall
WS1 1GS

WINLEN BAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

The directors present their report together with the accounts for the year ended 30th September, 2002.

Principal Activities

The company's principal activities continued to be shipping and forwarding agents and haulage contractors.

Results and Dividends

The results for the year are set out in the profit and loss account on page 5.

Trading conditions deteriorated during the year so that the improvement which the directors anticipated a year ago did not transpire, and the company has incurred a substantial loss. Trading conditions remain difficult. However, considerable cost savings have been made during the last two or three months, and actions have been taken to improve margins. The directors are also exploring opportunities which may result in additional turnover.

At 30th September, 2002 the company's assets substantially exceeded its liabilities, and a professional valuation of the company's freehold property indicates that its market value is substantially in excess of book value. Since the year end the investment property has been sold to raise working capital.

The directors do not recommend the payment of a dividend.

Directors and Their Share Interests

The directors who acted throughout the year were :

H.H. Winkler
S.J. Palmer

The interests of the directors in the shares of the company at the beginning and end of the year were :

	Ordinary shares of £1 each	
	30th	1st
	September	October
	2002	2001
H.H. Winkler	50,000	50,000
S.J. Palmer	-	-

WINLEN BAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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 accounts 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

A resolution to reappoint Farmiloes Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

By Order of the Board



S.J. Palmer
Secretary

**Attwood Road
Chasewater Heath Business Park
Chase Terrace
Burntwood
WS7 8GJ**

16th December, 2002.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
WINLEN BAY LIMITED**

We have audited the financial statements of Winlen Bay Limited for the year ended 30th September, 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes on pages 9 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Continued.....

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
WINLEN BAY LIMITED
(CONTINUED)**

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the accounts concerning the uncertainty relating to the adequacy of working capital. In view of the significance of this uncertainty we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company as at 30th September, 2002 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**

16th December, 2002.

WINLEN BAY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

	Notes	2002 £	2001 £
Turnover	2	3,220,742	3,469,207
Cost of sales		2,798,770	2,903,402
Gross profit		421,972	565,805
Administrative expenses		534,603	571,513
		(112,631)	(5,708)
Other operating income		23,012	20,951
Operating (loss)/profit	3	(89,619)	15,243
Interest receivable		-	541
Interest payable and similar charges	4	(81,193)	(92,758)
Loss on ordinary activities before taxation		(170,812)	(76,974)
Tax based on ordinary activities	5	-	(910)
Loss on ordinary activities after taxation	16	(170,812)	(76,064)

All amounts relate to continuing activities.

WINLEN BAY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

	2002 £	2001 £
Loss for the financial year	(170,812)	(76,064)
Deferred taxation on unrealised revaluation surplus	3,257	3,795
Total recognised losses relating to the year	<u>(167,555)</u>	<u>(72,269)</u>

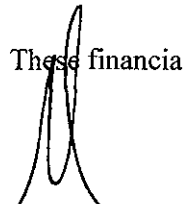
WINLEN BAY LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2002

	Notes	2002 £	2001 £
Fixed Assets			
Tangible assets	8	859,841	870,064
Investment	9	-	320,000
		<u>859,841</u>	<u>1,190,064</u>
Current Assets			
Investment	9	320,000	-
Debtors	10	627,219	709,051
Cash at bank and in hand		15,466	81,929
		<u>962,685</u>	<u>790,980</u>
Creditors: Amounts falling due within one year	11	1,039,764	980,907
Net Current Liabilities		<u>(77,079)</u>	<u>(189,927)</u>
Total Assets less Current Liabilities		<u>782,762</u>	<u>1,000,137</u>
Creditors: Amounts after more than one year	12	614,780	661,343
Provisions for liabilities and charges			
Deferred taxation	14	-	3,257
		<u>167,982</u>	<u>335,537</u>
Capital and Reserves			
Share capital	15	50,000	50,000
Revaluation reserve	16	80,360	77,103
Profit and loss account	16	37,622	208,434
Shareholders' Funds	17	<u>167,982</u>	<u>335,537</u>

These financial statements were approved by the Board on 16th December, 2002 and signed on its behalf.


H.H. Winkler
Director

WINLEN BAY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

	Notes	2002 £	2001 £
Reconciliation of Operating Loss to Net Cash (Outflow)/inflow from Operating Activities			
Operating (loss)/profit		(89,619)	15,243
Depreciation charges		11,526	13,682
Loss on sale of fixed assets		-	4,418
Decrease/(increase) in debtors		81,832	(40,249)
Increase in amount due to factoring agents		39,980	21,491
(Decrease)/increase in creditors		(128,396)	64,024
Net Cash (Outflow)/inflow from Operating Activities		(84,677)	78,609

CASH FLOW STATEMENT

Net Cash (Outflow)/inflow from Operating Activities		(84,677)	78,609
Returns on Investments and Servicing of Finance	18	(81,193)	(92,217)
Taxation		-	19,512
Capital Expenditure and Financial Investment	18	(1,303)	48,389
Cash (Outflow)/inflow Before Use of Liquid Resources and Financing		(167,173)	54,293
Financing	18	(46,011)	(32,497)
(Decrease)/Increase in Cash		(213,184)	21,796

Reconciliation of Net Cash Flow to Movement in Net Debt

(Decrease)/increase in Cash		(213,184)	21,796
Cash outflow from decrease in net debt	19	46,011	32,497
(Decrease)/increase in Net Debt	19	(167,173)	54,293
Net Debt at beginning of year		(644,708)	(699,001)
Net Debt at end of year	19	(811,881)	(644,708)

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

1 Accounting Policies

Accounting Convention

The accounts have been prepared in accordance with the historical cost convention, modified to include the revaluation of certain fixed assets.

Going Concern

The accounts have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future, having adequate funds to meet its obligations as they fall due.

Since the year end the company has sold the investment property for £330,000, and this has provided funds to repay a temporary bank overdraft and to meet obligations for at least the next three months. Thereafter, the company's ability to meet its working capital requirements will depend on its success in improving trading performance. Trading conditions are still difficult but considerable cost savings have been made within the last three months and various actions have been taken to improve margins. A number of opportunities which may result in additional turnover are being explored. Continuing support from the company's bankers and factoring agents is anticipated.

While the outcome of matters set out above is uncertain, the directors have considered the adequacy of working capital and have concluded that it is appropriate for the accounts to be prepared on the going concern basis.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

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 buildings (other than investment properties)	1% on a straight line basis.
Plant and machinery	25% on a reducing balance basis.
Fixtures and fittings	25% on a reducing balance basis.
Computer equipment	40% on a reducing balance basis.

Investment Property

The investment property is included in the balance sheet at open market value in accordance with Statement of Standard Accounting Practice No.19 and no depreciation is provided. As the investment property has been sold since the end of the year it has been reclassified as a current asset at 30th September, 2002.

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

1 Accounting Policies (Continued)

Deferred Taxation

The company has adopted FRS 19 "Deferred Taxation". Deferred taxation is provided for in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

The adoption of FRS 19 has not resulted in a prior year adjustment.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

2 Turnover

The geographical analysis of turnover is as follows :

	2002 £	2001 £
United Kingdom	1,748,078	2,075,024
Overseas – Europe	1,472,664	1,394,183
	<u>3,220,742</u>	<u>3,469,207</u>

3 Operating (Loss)/profit

The operating (loss)/profit is arrived at after charging :

	2002 £	2001 £
Depreciation of owned assets	11,526	13,682
Loss on disposal of fixed assets	-	4,418
Directors' emoluments	69,518	66,313
Pension contributions	13,724	13,801
Auditors' remuneration	6,000	2,000
Rental income	(23,012)	(20,951)
	<u></u>	<u></u>

4 Interest Payable and Similar Charges

	2002 £	2001 £
Interest in bank borrowing	46,809	58,850
Factoring charges	34,384	33,908
	<u>81,193</u>	<u>92,758</u>

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

5 Taxation

	2002	2001
	£	£
Deferred tax movement	-	(910)

6 Directors and Employees

	2002	2001
	£	£
Staff costs, including directors' remuneration, were as follows :		
Wages and salaries	604,858	558,003
Social Security costs	50,752	48,986
Other pension costs	13,724	13,801
	<u>669,334</u>	<u>620,790</u>

The average monthly number of employees, including directors, was as follows :

	2002 Number	2001 Number
Administrative	17	17
Sales and distribution	17	15
	<u>34</u>	<u>32</u>

	2002	2001
	£	£
Directors' emoluments		
Emoluments	<u>69,518</u>	<u>66,313</u>

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 £178,245 (2001 : £203,790) and purchases of £230,437 (2001 : £302,989). All of these transactions took place on an arms length basis.

The other director has no material interest, direct or indirect, in any contract entered into by the company.

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

8 Tangible Fixed Assets

	Freehold property	Plant and machinery	Fixtures and fittings	Computer equipment	Total
Cost	£	£	£	£	£
At 1st October, 2001	859,413	8,033	99,666	15,916	983,028
Additions	1,012	-	-	291	1,303
At 30th September, 2002	860,425	8,033	99,666	16,207	984,331
Depreciation					
At 1st October, 2001	7,691	7,279	86,221	11,773	112,964
Charge for the year	6,204	188	3,361	1,773	11,526
At 30th September, 2002	13,895	7,467	89,582	13,546	124,490
Net Book Value					
At 30th September, 2002	846,530	566	10,084	2,661	859,841
<i>At 30th September, 2001</i>	<i>851,722</i>	<i>754</i>	<i>13,445</i>	<i>4,143</i>	<i>870,064</i>

9 Fixed Asset Investment

	2002	2001
	£	£
Freehold property at valuation	-	320,000

The investment property is included at open market value. The valuation has been made by the directors. At 30th September, 2002 the investment property has been reclassified as a current asset as it was sold shortly after that date. It was sold for £330,000.

10 Debtors

	2002	2001
	£	£
Trade debtors	610,678	690,975
Other debtors	481	457
Prepayments and accrued income	16,060	17,619
	627,219	709,051

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

14 Deferred Taxation (Continued)

It is not anticipated that there will be any liability to taxation on the revaluation gain which has crystallised since the end of the year. A provision of £3,257 was included at 30th September, 2001. This would not have been appropriate under FRS 19 which does not normally permit the recognition of deferred tax on revaluation gains. However, in view of the insignificance of the amount, the prior year figures have not been restated.

The company has not recognised a deferred tax asset as future profitability is uncertain.

15	Share Capital	2002	2001
		£	£
	Authorised		
	Equity Shares		
	500,000 Ordinary shares of £1.00 each	500,000	500,000
	Issued		
	Equity Shares		
	50,000 Allotted, called up and fully paid ordinary shares of £1.00 each	50,000	50,000
16	Reserves	Revaluation Reserve	Profit and Loss Account
		£	£
	At 1st October, 2001	77,103	208,434
	Deferred tax movement	3,257	-
	Loss for the year	-	(170,812)
	At 30th September, 2002	80,360	37,622
17	Reconciliation of Movement in Shareholders' Funds	2002	2001
		£	£
	Loss for the financial year	(170,812)	(76,064)
	Transfers to reserves	3,257	3,795
	Opening shareholders' funds	335,537	407,806
	Closing shareholders' funds	167,982	335,537

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

18

Gross Cash Flows	2002 £	2001 £
Returns on Investments and Servicing of Finance		
Interest received	-	541
Interest paid	(81,193)	(92,758)
Net cash outflow for returns on investments and servicing of finance	<u>(81,193)</u>	<u>(92,217)</u>
Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	(1,303)	(21,362)
Proceeds from the sale of fixed assets	-	69,751
Net cash outflow from investing activities	<u>(1,303)</u>	<u>48,389</u>
Financing		
Increase in bank loan due within 1 year	552	1,407
Decrease in bank loan due after more than 1 year	(46,563)	(33,904)
Net cash outflow for financing	<u>(46,011)</u>	<u>(32,497)</u>

19

Analysis of Changes in Net Debt	2001 £	Cash flows £	2002 £
Cash at bank and in hand	81,929	(66,463)	15,466
Overdrafts	(12,387)	(146,721)	(159,108)
	<u>69,542</u>	<u>(213,184)</u>	<u>(143,642)</u>
Debt due within 1 year	(52,907)	(552)	(53,459)
Debt due after 1 year	(661,343)	46,563	(614,780)
	<u>(714,250)</u>	<u>46,011</u>	<u>(668,239)</u>
	<u>(644,708)</u>	<u>(167,173)</u>	<u>(811,881)</u>

20 Contingent Liabilities

There are no contingent liabilities known to the directors.

WINLEN BAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2002

21 Operating Lease Commitments

At 30th September, 2002 the company had annual commitments under non-cancellable operating leases as set out below :

	2002	2001
	£	£
Operating leases which expire :		
Within one year	-	2,094
Between two and five years	116,484	84,255
After five years	-	26,338
	<u>116,484</u>	<u>112,687</u>

22 Pension Scheme

The company operates two defined contribution pension schemes. The contributions are invested with insurance companies, and contributions payable to the schemes are charged in the year they are due. The charge for the year was £13,724 (2001 : £13,801). There were no contributions owing to the schemes at the year end.

23 Post Balance Sheet Event

Since the end of the financial year the investment property included in the balance sheet at £320,000 has been sold for £330,000.