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WINLEN BAY LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000



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WINLEN BAY LIMITED

COMPANY INFORMATION

Directors

Mr H.H. Winkler
Mr S.J. Palmer

Secretary

Mr 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 2000

The directors present their report together with the audited accounts for the year ended 30th September 2000.

Principal Activities

The company's principal activities continued to be that of 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 4.

During the year the company moved into new purpose-built premises, the old premises being retained as an investment property. The poor results for the year are partly attributable to the disruption caused by the move, but the gross profit margin also deteriorated due to higher direct costs. The directors anticipate an improvement in results in the current year.

The directors do not recommend a dividend .

Directors and Their Share Interests

The directors who acted during the year were:

Mr H.H. Winkler
Mr 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	
	30th	1st
	September	October
	2000	1999
Mr H.H. Winkler	50,000	50,000
Mr S.J. Palmer	-	-

WINLEN BAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

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 judgements and estimates that are reasonable and prudent;

Prepare the accounts 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 accounts 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.

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



Mr S.J. Palmer
Secretary

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

18th December 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF WINLEN BAY LIMITED

We have audited the accounts on pages 4 to 14.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Farmiloes
Chartered Accountants and Registered Auditors

Date: 18th December 2000

WINLEN BAY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH SEPTEMBER 2000**

	Notes	2000 £	1999 £
Turnover	2	3,361,475	3,206,805
Cost of sales		2,875,143	2,621,283
Gross profit		486,332	585,522
Administrative expenses		526,503	474,862
		(40,171)	110,660
Other operating income		16,551	4,032
Operating (loss)/profit	4	(23,620)	114,692
Interest payable and similar charges	5	(72,314)	(25,701)
(Loss)/Profit on ordinary activities before taxation		(95,934)	88,991
Tax on (loss)/profit on ordinary activities	3	(18,032)	18,622
(Loss)/Profit for the financial year	17	(77,902)	70,369
Retained profit brought forward		344,506	274,137
Retained profit carried forward		266,604	344,506

All activities relate to continuing activities.

WINLEN BAY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

	2000	1999
	£	£
Statement of Total Recognised Gains and Losses		
Loss/Profit for the financial year	(77,902)	70,369
Unrealised surplus on revaluation of investment properties	98,253	-
Deferred taxation on unrealised surplus	(7,052)	-
Total recognised gains relating to the year	13,299	70,369

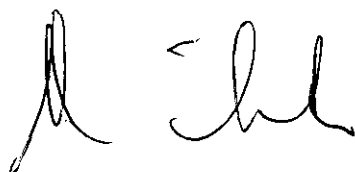
WINLEN BAY LIMITED

BALANCE SHEET

AS AT 30TH SEPTEMBER 2000

	Notes	£	2000 £	£	1999 £
Fixed Assets					
Tangible assets	8		866,551		527,517
Investments	9		390,000		52,107
			<u>1,256,551</u>		<u>579,624</u>
Current Assets					
Debtors	10	688,315		749,447	
Cash at bank and in hand		<u>63,144</u>		<u>8,886</u>	
			751,459		758,333
Creditors: Amounts falling due within one year	11	<u>896,996</u>		<u>692,360</u>	
Net Current (Liabilities)/Assets			<u>(145,537)</u>		<u>65,973</u>
Total Assets less Current Liabilities			<u>1,111,014</u>		<u>645,597</u>
Creditors: Amounts falling due after more than one year	12		695,247		251,091
Provision for Liabilities and Charges					
Deferred taxation	14		<u>7,962</u>		-
			<u>407,805</u>		<u>394,506</u>
Capital and Reserves					
Share capital	15		50,000		50,000
Revaluation reserve	17		91,201		-
Profit and loss account	17		<u>266,604</u>		<u>344,506</u>
Shareholders' Funds	16		<u>407,805</u>		<u>394,506</u>

These accounts were approved by the board on 18th December 2000 and signed on its behalf.



Mr H.H. Winkler
Director

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

1 Accounting Policies

Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention modified to include the revaluation of certain fixed assets.

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

Investment Properties

Certain of the company's properties are held for long term investment and, in accordance with Statement of Standard Accounting Practice No. 19 are included in the balance sheet at their open market values. No depreciation is provided in respect of investment properties.

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.

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.

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

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.

The geographical analysis of turnover is as follows:

	2000 £	1999 £
United Kingdom	2,216,996	2,064,640
Overseas - Europe	1,144,479	1,142,165
	<u>3,361,475</u>	<u>3,206,805</u>

3 Taxation

	2000 £	1999 £
Based on the loss/profit for the year		
UK corporation tax (repayable)/payable	(18,942)	18,942
Deferred tax charge	910	(319)
	<u>(18,032)</u>	<u>18,623</u>
Prior periods		
UK corporation tax	-	(1)
	<u>(18,032)</u>	<u>18,622</u>

4 Operating Loss/Profit

<i>The operating loss/profit is arrived at after charging or crediting:</i>	2000 £	1999 £
Depreciation of owned assets	12,238	12,727
Profit on disposal of fixed assets	(763)	580
Directors' emoluments	61,976	61,245
Pension contributions	14,249	10,823
Auditors' remuneration	7,500	7,500
Rental income	(16,551)	(4,032)

5 Interest Payable and Similar Charges

	2000 £	1999 £
Interest on bank loan	47,011	4,411
Factoring charges	25,303	21,290
	<u>72,314</u>	<u>25,701</u>

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

6 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	491,417	451,127
Social security costs	43,357	39,301
Other pension costs	14,249	10,823
	<u>549,023</u>	<u>501,251</u>

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

	2000	1999
	Number	Number
Administrative	15	15
Sales and distribution	13	11
	<u>28</u>	<u>26</u>

Directors' emoluments

	2000	1999
	£	£
Emoluments	<u>61,976</u>	<u>61,245</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 £235,673 (1999:£254,197) and purchases from of £300,835 (1999: £318,367). 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 ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

8 Tangible Fixed Assets

	Freehold Property	Plant and Machinery	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
Cost or valuation	£	£	£	£	£	£
At 1st October 1999	517,111	7,673	10,500	95,236	12,647	643,167
Additions	576,928	225	-	11,657	2,290	591,100
Disposals	-	-	(10,500)	-	-	(10,500)
Reclassification	(252,255)	-	-	-	-	(252,255)
At 30th September 2000	841,784	7,898	-	106,893	14,937	971,512
Depreciation						
At 1st October 1999	12,614	6,739	10,313	80,925	5,059	115,650
Charge for the year	1,505	290	-	6,492	3,951	12,238
Disposals	-	-	(10,313)	-	-	(10,313)
Reclassification	(12,614)	-	-	-	-	(12,614)
At 30th September 2000	1,505	7,029	-	87,417	9,010	104,961
Net Book Value						
At 30th September 2000	840,279	869	-	19,476	5,927	866,551
<i>At 30th September 1999</i>	<i>504,497</i>	<i>934</i>	<i>187</i>	<i>14,311</i>	<i>7,588</i>	<i>527,517</i>

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

9 Fixed Asset Investments

	Leasehold property	Freehold property	Total
Cost	£	£	£
At 1st October 1999	52,107	-	52,107
Reclassification	-	239,640	239,640
Revaluations	17,893	80,360	98,253
At 30th September 2000	70,000	320,000	390,000
Net Book Value			
At 30th September 2000	70,000	320,000	390,000
<i>At 30th September 1999</i>	<i>52,107</i>	<i>-</i>	<i>52,107</i>

The investment properties are included at open market values. The valuations have been made by the directors.

10 Debtors	2000 £	1999 £
Trade debtors	664,053	723,449
Other debtors	19,512	17,605
Prepayments and accrued income	2,070	5,713
Directors' loan account	2,680	2,680
	688,315	749,447
11 Creditors: Amounts falling due within one year	2000 £	1999 £
Bank loan and overdraft (note a)	66,898	35,272
Trade creditors	550,505	591,510
Corporation tax	-	18,942
Other taxes and social security	40,315	13,499
Amount due to factoring agents (note b)	195,350	13,167
Other creditors	5,436	4,627
Accruals and deferred income	38,492	15,343
	896,996	692,360

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 £366,673 of the trade debtors.

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

12	Creditors: Amounts falling due after one year	2000	1999
		£	£
	Bank loan (note 11(a) and 13)	<u>695,247</u>	<u>251,091</u>
13	Loans	2000	1999
		£	£
	Amounts repayable:		
	In one year or less, or on demand	51,500	12,100
	Between one and two years	91,093	18,151
	Between two and five years	<u>289,048</u>	<u>54,453</u>
		431,641	84,704
	In five years or more	<u>315,106</u>	<u>178,487</u>
		<u>746,747</u>	<u>263,191</u>

14 Deferred Taxation

Deferred taxation is the taxation attributable to all timing differences..

The movements in deferred taxation during the current and previous years are as follows:

	2000	1999
	£	£
At 1st October 1999	-	319
Movement in the year	<u>7,962</u>	<u>(319)</u>
At 30th September 2000	<u>7,962</u>	-

The total deferred tax liability is set out below.

	2000	1999
	£	£
Accelerated capital allowances	<u>910</u>	-
Unrealised capital gains	<u>7,052</u>	-

Full provision has been made for all potential deferred taxation liabilities.

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

15	Share Capital	2000	1999
		£	£
	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	Reconciliation of Movement in Shareholders' Funds	2000	1999
		£	£
	Loss/Profit for the financial year	(77,902)	70,369
	Other recognised gains and losses	98,253	-
	Transfers to reserves	(7,052)	-
	Opening shareholders' funds	394,506	324,137
	Closing shareholders' funds	407,805	394,506
17	Reserves		
		Revaluation Reserve	Profit and Loss Account
		£	£
	At 1st October 1999	-	344,506
	Loss/Profit for the year	-	(77,902)
	Transfers on revaluation	98,253	-
	Transfer from deferred tax	(7,052)	-
	At 30th September 2000	91,201	266,604
18	Capital Commitments		
	The company had the following capital commitments:	2000	1999
		£	£
	Contracted for but not provided in the financial statements	-	510,000
19	Contingent Liabilities		
	There are no contingent liabilities known to the directors.		

WINLEN BAY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 2000

20 Operating Lease Commitments

At 30 September 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000	1999
	£	£
Operating leases which expire:		
Within one year	31,911	53,140
Between two and five years	70,425	-
	<u>102,336</u>	<u>53,140</u>

21 Pension Scheme

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 £14,249 (1999: £10,823). There were no contributions owing to the schemes at the year end.