

Company Number 1975872



## SINFIN FREIGHT FORWARDING LIMITED

Annual Report  
for the Year Ending 31 December 1998

Directors On  
3 March 1999:

J F Gibbins  
P Janes

Secretary

J R Ashfield

Registered Office: Moor Lane, Derby, DE24 8BJ



## **SINFIN FREIGHT FORWARDING LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors present their report and audited accounts for the year ended 31 December 1998.

#### **DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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 for that period. In preparing those financial statements, the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
4. prepare the financial statements on a 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### **PRINCIPAL ACTIVITY**

The Company continues to trade as a freight forwarding agent. Both the level of business and financial position were satisfactory and the directors expect that the present level of activity will be sustained in the foreseeable future.

#### **RESULTS**

The results of the Company for the year are set out on page 5. The directors have declared a gross interim dividend of £567350 be paid to the ordinary shareholders for the year ending 31 December 1999.

#### **DIRECTORATE**

The directors of the Company during the year were as follows:

J F Gibbins	
W S Tranmer	-resigned 1 October 1998
P Janes	- appointed 1 November 1998

## **SINFIN FREIGHT FORWARDING LIMITED**

### **DIRECTORS' SHARE INTEREST**

The directors at 31 December 1998 had the following beneficial, including immediate family, interests in shares of Rolls-Royce plc.

	<b>HOLDINGS</b>			<b>OPTIONS</b>		
	<u>01.01.98</u>	<u>31.12.98</u>		<u>01.01.98</u>		<u>31.12.98</u>
				Granted	Exercised	
J F Gibbins	126	126	-	-	-	-
P Janes	-	499	-	-	-	-

### **PAYMENT TO SUPPLIERS**

The Company seeks the best possible terms from suppliers and, in entering into binding purchasing contracts, gives consideration to quality, delivery, price and the terms of payment. Suppliers are, in this way, made aware of these terms. The Company abides therewith whenever it is satisfied that suppliers have provided the goods or services in accordance with agreed terms and conditions. In the event of disputes efforts are made to resolve them quickly.

The Company had 68 days (1997 52 days) purchases outstanding at the end of the year.

### **YEAR 2000**

The Company is participating in the Year 2000 project being undertaken by its parent company, Rolls-Royce plc. Expenditure of less than £1000 will be incurred by the Company on this exercise, and is being written off as incurred.

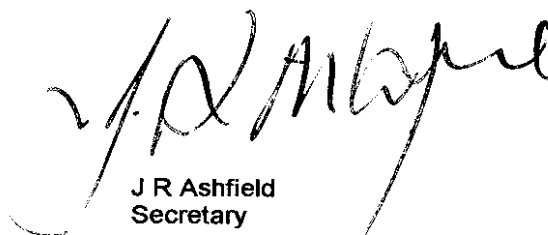
The Company may, of course, be impacted in this matter by the actions or inaction of suppliers, partners and customers, and work to ensure that they are prepared or are taking the appropriate actions is also underway.

No absolute guarantee that the problem has been eliminated can be given, but we believe that the majority of our businesses and of our principal commercial relationships are well advanced in this area.

### **AUDITORS AND ANNUAL GENERAL MEETING**

Elective Resolutions are in force to dispense with the obligation of laying the Annual Report before the Company in general meeting, appointing auditors annually and holding Annual General Meetings.

By Order of the Board



J R Ashfield  
Secretary

3 March 1999

**SINFIN FREIGHT FORWARDING LIMITED**  
**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**SINFIN FREIGHT FORWARDING LIMITED**

We have audited the financial statements set out on pages 5 to 11.

**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 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 as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants,  
Registered Auditor

DERBY  
3 March 1999

**SINFIN FREIGHT FORWARDING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	NOTES	1998 £000	1997 £000
<b>TURNOVER</b>	1c	8,909	8,967
Cost of sales		(8,023)	(8082)
<b>GROSS PROFIT</b>		<u>886</u>	<u>885</u>
Administrative expenses		(351)	(372)
<b>OPERATING PROFIT</b>		<u>535</u>	<u>513</u>
Other interest receivable & similar income	2	32	11
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<u>567</u>	<u>524</u>
Taxation on profit on Ordinary activities	5	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</b>		<u>567</u>	<u>524</u>
Proposed dividend	6	(567)	(361)
<b>TRANSFER TO RESERVES</b>	13	<u>-</u>	<u>163</u>

All results have been derived from continuing activities.

There are no recognised gains or losses other than those disclosed in the profit and loss account above.

The notes on pages 7 to 11 form part of these financial statements.

**SINFIN FREIGHT FORWARDING LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1998**

	NOTES	1998 £000	1997 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	20	8
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	8	2,519	2,196
Cash at bank and in hand		3	-
		<hr/>	<hr/>
		2,522	2,196
<b>CREDITORS</b> - amounts falling due within one year	10	(2,225)	(1,887)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		297	309
		<hr/>	<hr/>
<b>NET ASSETS</b>		317	317
		<hr/>	<hr/>
<b>CAPITAL &amp; RESERVES</b>			
Called up share capital	12	-	-
Profit and loss account	13	317	317
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS FUNDS</b>	14	317	317
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 3 March 1999, and signed on its behalf by:

  
J F Gibbins  
Finance Director

The notes on pages 7 to 11 form part of these financial statements.

**SINFIN FREIGHT FORWARDING LIMITED**

**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 1998**

1. **Principal Accounting Policies**

a) **Basis of Accounting**

The financial statements have been prepared under the historical cost basis and in accordance with applicable accounting standards.

b) **Cash Flow Statement Exemption**

Under Financial Reporting Standard 1, the Company is exempt from the requirements to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

c) **Turnover**

Turnover excludes value added tax and comprises invoiced charges to customers, including group companies, in respect of freight forwarding contracts.

d) **Taxation**

Provision is made at the rate for the year for United Kingdom Corporation Tax and for deferred taxation on all timing differences where a liability is expected to arise in the foreseeable future.

e) **Foreign Currencies**

Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the year end. Differences on exchange are charged or credited in determining profit on ordinary activities before taxation.

Foreign currency sales and purchases were converted throughout the year at group standard conversion rates. The differences between standard and actual are reflected within the overall exchange rate difference account as charged to the profit and loss account.

f) **Depreciation**

Depreciation is provided on the original cost of plant and machinery, fixtures and fittings on a straight line basis over the estimated lives in the range 5 to 10 years.

f) **Operating Leases**

Operating lease costs are charged against profit, as they are incurred, under the tenure of the lease.

# **SINFIN FREIGHT FORWARDING LIMITED**

## **2. Other Interest Receivable and Similar Income**

	<b>1998 £000</b>	<b>1997 £000</b>
Interest received from Rolls-Royce plc	32	11

## **3. Profit on Ordinary Activities before Taxation**

	<b>1998 £000</b>	<b>1997 £000</b>
Is stated after charging/(crediting)		
Depreciation	2	2
Exchange rate difference	16	10
Management charge from Rolls-Royce plc	200	200
Management charge from Sawley Packaging Company Limited	100	149

## **4. Employee Information**

The Company had no direct employees during the year ended 31 December 1998 (1997 Nil). All necessary services are provided by Rolls-Royce plc and Sawley Packaging Company Limited.

## **5. Taxation Charge**

	<b>1998 £000</b>	<b>1997 £000</b>
In respect of the year:		
Group Relief payable at 31%/31.49%	178	163
Group Relief for which no payment is made	(178)	(163)
	<u>-</u>	<u>-</u>

## **6. Dividends - Ordinary Shares**

	<b>1998 £000</b>	<b>1997 £000</b>
Final proposed	567	361



**SINFIN FREIGHT FORWARDING LIMITED**

**7. Tangible Fixed Assets**

	<b>Plant and Machinery £000</b>	<b>Fixtures and Fittings £000</b>	<b>Total £000</b>
Cost			
At 1 January 1998	23	1	24
Additions	15	-	15
Disposals	(6)	-	(6)
	<hr/>	<hr/>	<hr/>
At 31 December 1999	32	1	33
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1998	15	1	16
provided during year	2	-	2
Disposals	(5)	-	(5)
	<hr/>	<hr/>	<hr/>
At 31 December 1998	12	1	13
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 1998	20	-	20
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 1997	8	-	8
	<hr/>	<hr/>	<hr/>

**8. Debtors**

	<b>1998 £000</b>	<b>1997 £000</b>
Trade debtors	924	527
Amounts owed by group undertakings	1,594	1,669
	<hr/>	<hr/>
	2,518	2,196
	<hr/>	<hr/>

**SINFIN FREIGHT FORWARDING LIMITED**

**8. Debtors (continued)**

	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>
The amounts owed by group undertakings comprise:		
Parent undertaking - loan	134	520
- other	1,460	1,124
Fellow subsidiary undertakings		
- other	-	25
	<hr/>	<hr/>
	1,594	1,669
	<hr/>	<hr/>

**9. Group Treasurership Agreement**

The Company participates in the Rolls-Royce Group banking agreement under which cleared sterling funds are borrowed from or deposited with the Parent Company via a daily transfer. Under the agreement the Company bears or earns interest at the National Westminster plc base rate.

**10. Creditors Amounts Falling Due Within One Year**

	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	-	334
Trade creditors	1,511	1,080
Amounts owed to group undertakings	714	473
	<hr/>	<hr/>
	2,225	1,887
	<hr/>	<hr/>
	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>
The amounts owed to group undertakings comprise:		
Parent Company undertaking		
- dividend	567	361
Fellow Subsidiary undertakings		
- group relief	0	0
- other	147	112
	<hr/>	<hr/>
	714	473
	<hr/>	<hr/>

## **SINFIN FREIGHT FORWARDING LIMITED**

### 11. **Deferred Taxation**

No potential deferred taxation liability existed as at 31 December 1998 or 31 December 1997.

### 12. **Share Capital**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Authorised, issued and fully paid ordinary shares of £1 each	100	100
	<hr/>	<hr/>

### 13. **Reserves**

	<b><u>Profit and Loss</u></b>	
	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>
At 1 January	317	154
Retained Profit for the Year	-	163
	<hr/>	<hr/>
At 31 December	317	317
	<hr/>	<hr/>

### 14. **Reconciliation of Movements in Shareholders Funds**

	<b>1998</b>	<b>1997</b>
	<b>£000</b>	<b>£000</b>
Profit for the Financial Year	567	525
Dividend	(567)	(361)
	<hr/>	<hr/>
Net Addition to Shareholders Funds	-	164
Opening Shareholders Funds	317	153
	<hr/>	<hr/>
Closing Shareholders Funds	317	317
	<hr/>	<hr/>

### 15. **Ultimate Parent Company**

The Company's immediate parent company is Sawley Packaging Company Limited incorporated in Great Britain and registered in England and Wales. The Company's ultimate parent undertaking is Rolls-Royce plc, which is incorporated in Great Britain and registered in England and Wales. Copies of Rolls-Royce plc Group accounts can be obtained from Rolls-Royce plc, 65 Buckingham Gate, London, SW1E 6AT.