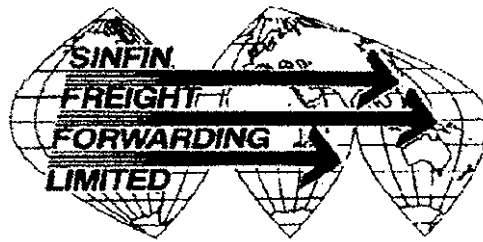


Company Number 1975872



## SINFIN FREIGHT FORWARDING LIMITED

Annual Report  
for the Year Ending 31 December 1996

Directors On  
26 February 1997:

J F Gibbins  
W S Tranmer

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 1996.

#### **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 recommend that a gross dividend of £292630 is paid to the ordinary shareholders.

## **SINFIN FREIGHT FORWARDING LIMITED**

### **DIRECTORATE**

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

J F Gibbins  
A T Martin - resigned 27 May 1996  
W S Tranmer - appointed 27 May 1996

### **DIRECTORS' SHARE INTEREST**

The directors at 31 December 1996 had the following beneficial, including immediate family, interests in shares of Rolls-Royce plc.

	<b>HOLDINGS</b>			<b>OPTIONS</b>		
	<u>01.01.96</u>	<u>31.12.96</u>	<u>01.01.96</u>	Granted	Exercised	<u>31.12.96</u>
J F Gibbins	126	126	-	-	-	-
W S Tranmer	-	379	-	-	-	-

### **POLITICAL & CHARITABLE CONTRIBUTIONS**

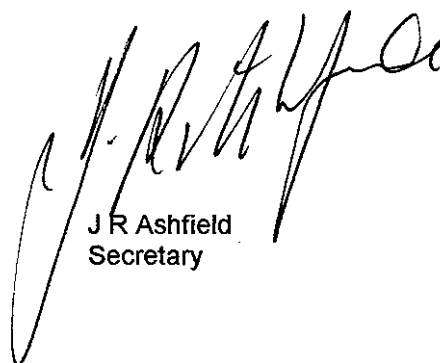
The Company made no political or charitable contributions during the year.

### **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.

26 February 1997

By Order of the Board



J R Ashfield  
Secretary

**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 1996 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  
26 February 1997

**SINFIN FREIGHT FORWARDING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

	NOTES	1996 £	1995 £
<b>TURNOVER</b>	1c	5,419,784	3,951,734
Cost of sales		(4,615,089)	(3,332,651)
<b>GROSS PROFIT</b>		804,695	619,083
Administrative expenses		(370,588)	(351,746)
<b>OPERATING PROFIT</b>		434,107	267,337
Other interest receivable & similar income	2	11,898	10,834
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	446,005	278,171
Taxation on profit on Ordinary activities	5	-	(90,709)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</b>		446,005	187,462
Proposed dividend	6	(292,630)	(187,462)
<b>TRANSFER TO RESERVES</b>	13	153,375	-

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 1996**

	NOTES	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	7	9,367	5,220
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	8	1,173,714	709,444
Cash at bank and in hand		88	174,013
		<hr/>	<hr/>
		1,173,802	883,457
		<hr/>	<hr/>
<b>CREDITORS</b> - amounts falling due within one year	10	(1,029,694)	(888,577)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS/LIABILITIES</b>		144,108	(5,120)
		<hr/>	<hr/>
<b>NET ASSETS</b>		153,475	100
		<hr/>	<hr/>
<b>CAPITAL &amp; RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account	13	153,375	-
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS FUNDS</b>	14	153,475	100
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 26 February 1997, and signed on its behalf by:

  
J F Gibbins  
Finance Director

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

**SINFIN FREIGHT FORWARDING LIMITED**

**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 DECEMBER 1996**

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>1996</b> £	<b>1995</b> £
Interest received from Rolls-Royce plc	11,898	10,834
	<hr/>	<hr/>

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

	<b>1996</b> £	<b>1995</b> £
Is stated after charging/(crediting)		
Auditors' remuneration: Audit work	65	-
Depreciation	2,911	4,279
Exchange rate difference	51,184	(10,834)
Management charge from Rolls-Royce plc	200,000	200,000
Management charge from Sawley Packaging Company Limited	145,000	140,010

**4. Employee Information**

The Company had no direct employees during the year ended 31 December 1996 (1995 Nil). All necessary services are provided by Rolls-Royce plc and Sawley Packaging Company Limited.

**5. Taxation Charge**

	<b>1996</b> £	<b>1995</b> £
In respect of the year:		
Group Relief payable at 33%	153,375	90,709
Group Relief for which no payment is made	(153,375)	-
	<hr/>	<hr/>
	-	90,709
	<hr/>	<hr/>

**6. Dividends - Ordinary Shares**

	<b>1996</b> £	<b>1995</b> £
Final proposed	292,630	187,462
	<hr/>	<hr/>



**SINFIN FREIGHT FORWARDING LIMITED**

**7. Tangible Fixed Assets**

	<b>Plant and Machinery £</b>	<b>Fixtures and Fittings £</b>	<b>Total £</b>
Cost			
At 1 January 1996	19,211	3,465	22,676
Additions	7,269	-	7,269
Disposals	(2,367)	(2,914)	(5,281)
	<hr/>	<hr/>	<hr/>
At 31 December 1996	24,113	551	24,664
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 1996	14,358	3,098	17,456
Provided during year	2,864	47	2,911
Disposals	(2,294)	(2,776)	(5,070)
	<hr/>	<hr/>	<hr/>
At 31 December 1996	14,928	369	15,297
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 1996	9,185	182	9,367
	<hr/>	<hr/>	<hr/>
Net book value at 31 December 1995	4,853	367	5,220
	<hr/>	<hr/>	<hr/>

**8. Debtors**

	<b>1996 £</b>	<b>1995 £</b>
Trade debtors	247,013	191,810
Amounts owed by group undertakings	926,659	507,657
Prepayments and accrued income	42	9,977
	<hr/>	<hr/>
	1,173,714	709,444
	<hr/>	<hr/>

# SINFIN FREIGHT FORWARDING LIMITED

## 8. Debtors (continued)

	1996 £	1995 £
The amounts owed by group undertakings comprise:		
Parent undertaking - loan	79,458	149,976
- other	802,145	258,773
Fellow subsidiary undertakings		
- other	45,056	98,908
	<hr/> 926,659	<hr/> 507,657

## 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

	1996 £	1995 £
Bank loans and overdrafts	46,785	-
Trade creditors	526,641	610,406
Amounts owed to group undertakings	456,268	278,171
	<hr/> 1,029,694	<hr/> 888,577
	1996 £	1995 £
The amounts owed to group undertakings comprise:		
Parent Company undertaking		
- dividend	292,630	187,462
- other	-	-
Fellow Subsidiary undertakings		
- group relief	90,709	90,709
- other	72,929	-
	<hr/> 456,268	<hr/> 278,171

# **SINFIN FREIGHT FORWARDING LIMITED**

## 11. **Deferred Taxation**

No potential deferred taxation liability existed as at 31 December 1996 or 31 December 1995.

## 12. **Share Capital**

	<b>1996</b>	<b>1995</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>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
At 1 January	-	-
Retained Profit for the Year	153,375	-
	<hr/>	<hr/>
At 31 December	153,375	-
	<hr/>	<hr/>

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

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Profit for the Financial Year	446,005	187,462
Dividend	(292,630)	(187,462)
	<hr/>	<hr/>
Net Addition to Shareholders Funds	153,375	-
Opening Shareholders Funds	100	100
	<hr/>	<hr/>
Closing Shareholders Funds	153,475	100
	<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.