

Company Number 1975872

SINFIN FREIGHT FORWARDING LIMITED

Annual Report
for the Year Ended 31 December 1994

Directors On
23 February 1995:

J F Gibbins
A T Martin

Secretary:

A E West

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 1994.

DIRECTORS RESPONSIBILITY FOR FINANCIAL STATEMENT

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 £190,267 is paid to the ordinary shareholders.

CHANGES IN FIXED ASSETS

The movements in fixed assets are set out in note 7 to the accounts.

DIRECTORATE

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

J F Gibbins
 M Johnson - resigned 12 August 1994
 A T Martin

DIRECTORS SHARE INTERESTS

The directors at 31 December 1994 had the following beneficial, including immediate family, interests in shares of Rolls-Royce plc:-

	HOLDINGS		OPTIONS	
	1.1.94	31.12.94	1.1.94	31.12.94
J F Gibbins	126	126	-	-
A T Martin	352	362	768	768

POLITICAL & CHARITABLE CONTRIBUTIONS

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

LIABILITY INSURANCE

Liability insurance was maintained for the Company's officers during the year.

AUDITORS

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. A resolution to re-appoint KPMG as auditors to the company and to authorise the directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

In addition, pursuant to Section 379A of the Companies Act 1985, an Elective Resolution is to be put to the forthcoming Annual General Meeting for the purpose of dispensing with the obligation of appointing the auditors annually. Other Elective Resolutions will propose dispensing with the obligation of both laying the Annual Report before the Company in General Meeting and holding Annual General Meetings.

By Order of the Board



A E West
 Secretary

23 FEB 1995

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 1994 and of its profit for the year then ended and have been properly prepared by accordance with the Companies Act 1985.

KPMG.

KPMG
Chartered Accountants,
Registered Auditors

Derby
23 February 1995

SINFIN FREIGHT FORWARDING LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 DECEMBER 1994

	NOTES	1994 £	1993 £
TURNOVER	1c	4,008,965	3,954,995
Administrative expenses		(3,735,812)	(3,639,450)
OPERATING PROFIT		273,153	315,545
Other interest receivable and similar income	2	11,370	990
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	284,523	316,535
Tax on Profit on ordinary activities	5	(94,256)	(75,395)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX		190,267	241,140
Proposed dividend	6	(190,267)	(241,140)
TRANSFER TO RESERVES		-	-

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 results for both years have been derived on an unmodified historical cost basis.

The notes on pages 8 to 11 form part of these accounts.

SINFIN FREIGHT FORWARDING LIMITEDBALANCE SHEET AT 31 DECEMBER 1994

	NOTES	1994 £	1993 £
FIXED ASSETS			
Tangible assets	7	8,944	13,964
CURRENT ASSETS			
Debtors - amounts falling due within one year	9	721,800	826,128
Cash at bank and in hand		-	5,855
		721,800	831,983
CREDITORS - amounts falling due within one year	11	(730,644)	(845,847)
NET CURRENT LIABILITIES		(8,844)	(13,864)
NET ASSET		100	100
CAPITAL & RESERVES			
Called up share capital	13	100	100
Profit and loss account		-	-
EQUITY SHAREHOLDERS FUNDS		100	100

These financial statements were approved by the Board of Directors on 23 February 1995, and signed on its behalf by:-



Name A T Martin

Title Managing Director

The notes on pages 8 to 11 form part of these accounts.

Reconciliation of movements in shareholders funds

	1994 £	1993 £
Capital plus retained profit as at 1 January	100	100
Capital plus retained profit as at 31 December	100	100

SINFIN FREIGHT FORWARDING LIMITED**NOTES TO THE ACCOUNTS
YEAR ENDED 31st DECEMBER 1994****1. Principal accounting policies****a) Basis of accounting**

The financial statements have been prepared on 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.

g) Operating leases

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

2.	<u>Interest receivable and similar income</u>	1994	1993
		£	£
	Interest received from Rolls-Royce plc	11,370	990
		<hr/>	<hr/>
3.	<u>Profit on ordinary activities before taxation</u>	1994	1993
		£	£
	After charging/(crediting)		
	Auditors' remuneration: Audit work	1,690	1,625
	Other services	Nil	Nil
	Directors' emoluments	Nil	Nil
	Depreciation	4,848	5,344
	Exchange rate difference	1,064	(4,990)
	Management charge from Rolls-Royce plc	200,000	200,000
	Management charge from Sawley Packaging Company Limited	135,200	130,000
		<hr/>	<hr/>
4.	<u>Employee information</u>		
	The Company had no direct employees during the year ended 31 December 1994 (1993 Nil). All necessary services are provided by Rolls-Royce plc and Sawley Packaging Company Limited.		
5.	<u>Taxation charge</u>	1994	1993
		£	£
	In respect of the year:		
	Group relief payable at 33.0% (1993 33.0%)	94,542	104,451
	Adjustments to taxation of prior years	(286)	(29,056)
		<hr/>	<hr/>
		94,256	75,395
		<hr/>	<hr/>
6.	<u>Dividends - Ordinary shares</u>	1994	1993
		£	£
	Final proposed	190,267	241,140
		<hr/>	<hr/>

7.	<u>Tangible fixed assets</u>	Plant & machinery £	Fixtures & fittings £	Total £
	Cost			
	At 1 January 1994	40,219	3,465	43,684
	Additions	1,002	-	1,002
	Disposals	(14,134)	-	(14,134)
	At 31 December 1994	27,087	3,465	30,552
	Depreciation			
	At 1 January 1994	27,779	1,941	29,720
	Provided during year	4,271	577	4,848
	Disposals	(12,960)	-	(12,960)
	At 31 December 1994	19,090	2,518	21,608
	Net book value at 31 December 1994	7,997	947	8,944
	Net book value at 31 December 1993	12,440	1,524	13,964

8. Capital expenditure commitments

There were no outstanding contracts or approvals by the Directors for capital expenditure at 31 December 1994 (1993 Nil).

9.	<u>Debtors</u>	1994 £	1993 £
	Amounts falling due within one year:		
	Trade debtors	169,317	133,384
	Amounts owed by group undertakings	542,858	683,166
	Prepayments and accrued income	9,625	9,578
		721,800	826,128

The amounts owed by group undertakings comprise:-

	1994 £	1993 £
Parent undertaking - loan	132,835	245,809
- other	380,992	288,712
Fellow subsidiary undertakings		
- other	29,031	148,645
	542,858	683,166

10. 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.

11. Creditors - amounts falling due within one year

	1994 £	1993 £
Bank loans and overdrafts	54,091	-
Trade creditors	391,594	500,256
Amounts owed to group undertakings	284,959	345,591
	<hr/>	<hr/>
	730,644	845,847
	<hr/>	<hr/>

The amounts owed by group undertakings comprise:-

	1994 £	1993 £
Ultimate Parent undertaking		
- group relief	94,542	71,014
Parent company undertaking		
- group relief	-	33,437
- dividend	190,267	241,140
- other	150	-
	<hr/>	<hr/>
	284,959	345,591
	<hr/>	<hr/>

12. Deferred taxation

No potential deferred taxation liability existed as at 31 December 1993 or 31 December 1994.

13. Share capital

	1994 £	1993 £
Authorised, issued and fully paid ordinary shares of £1 each	100	100
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14. 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.

SINFIN FREIGHT FORWARDING LIMITEDNOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 1995 ANNUAL GENERAL MEETING of the Company will be held at Moor Lane, Derby on Thursday, 1 June 1995 at 9.30 a.m. for the following purposes:-

1. To receive the audited annual report for the year ended 31 December 1994.
2. To declare a dividend of £190,267 on the ordinary share capital of the Company.
3. To re-appoint KPMG as the Auditors of the Company, and to authorise the directors to determine their remuneration.
4. To pass the following Elective Resolutions in accordance with Section 379A of the Companies Act 1985 (the Act).

The Company hereby elects:

1. to dispense with the laying of the Annual Report before the Company in General Meeting, pursuant to Section 252 of the Act.
 2. to dispense with the obligation to appoint auditors annually pursuant to Section 386 of the Act.
 3. to dispense with the holding of Annual General Meetings pursuant to Section 366A of the Act.
5. To pass the following Resolutions as Special Resolutions.
1. THAT whilst election 5.2 above remains in force, the auditors remuneration shall be determined by the directors.

PROXY: A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and on a poll, vote in his stead. A proxy need not be a member of the company.

By Order of the Board



A E West
Secretary
Derby
2 May 1995