


RMS Europe Limited

Report and Accounts

31 December 1995

 ERNST & YOUNG

2464026



RMS Europe Limited

Registered No. 2464026

DIRECTORS

A Dean

F Wingers

J McGrory (Appointed 12 October 1995)

P Aarosin (Appointed 12 October 1995)

SECRETARY

B Johnson

AUDITORS

Ernst & Young

Lowgate House

Lowgate

Hull HU1 1JJ

BANKERS

Midland Bank PLC

55 Whitefriargate

Hull

HU1 2HX


REGISTERED OFFICE

Boothferry Terminal

Bridge Street

Goole

North Humberside DN14 5SS

 **ERNST & YOUNG**

RMS Europe Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1995.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £123,651 and has been dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company continue to be freight forwarding, stevedoring, ships agency, port and customs clearance and haulage.

During the year Alexglade Limited acquired 75% of the equity share capital of the company and thus became the ultimate parent undertaking.

The company's balance sheet shows a satisfactory position, shareholders' funds amounting to £370,954. The directors consider that the result for the year is satisfactory.

FUTURE DEVELOPMENTS

The company will continue to develop its existing business to meet customers' requirements.

FIXED ASSETS

Changes in fixed assets during the year are set out in note 8 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year are as detailed on page 1, together with Mr C Brinner and Mr H Fasting who resigned on 27 September 1995.

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company were as follows:

	<i>At 31 December 1995</i>	<i>At 1 January 1995 (or date of appointment if later)</i>
	<i>Ordinary shares</i>	<i>Ordinary shares</i>
A Dean	1,500	1,500
F Wingers	-	-
J McGrory	-	-
P Aarasin	-	-

Mr J McGrory and Mr P Aarasin are also directors of Alexglade Limited, the ultimate parent undertaking, in whose accounts their interests in that company are shown.

There are no other interests notifiable under S324 of the Companies Act 1985.

In accordance with the Articles of Association Mr J McGrory and Mr P Aarasin, having been appointed to the board since the date of the last Annual General Meeting, retire at the forthcoming Annual General Meeting and, being eligible, each offers himself for election.

Mr A Dean retires by rotation and being eligible, offers himself for re-election.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, the directors are required to:

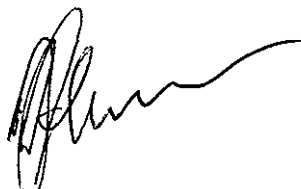
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Ernst & Young, who were appointed by the directors during the year, have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board



B Johnson
Secretary

10 April 1996

REPORT OF THE AUDITORS
to the members of RMS Europe Limited

We have audited the accounts on pages 5 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 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 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 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 the 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 information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Hull

10 April 1996

RMS Europe Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1995

	Notes	1995 £	1994 £
TURNOVER	2	7,917,490	6,742,504
Cost of sales		(6,418,459)	(5,521,429)
GROSS PROFIT		1,499,031	1,221,075
Administrative expenses		(1,314,103)	(1,115,207)
Other interest receivable and similar income		10,296	8,357
OPERATING PROFIT	3	195,224	114,225
Interest payable	6	(37,812)	(41,705)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		157,412	72,520
Taxation	7	(33,761)	(16,312)
RETAINED PROFIT FOR THE FINANCIAL YEAR		123,651	56,208

STATEMENT OF RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £123,651 in the year ended 31 December 1995 (1994 - £56,208).

RMS Europe Limited

BALANCE SHEET as at 31 December 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	804,285	605,633
CURRENT ASSETS			
Stock		6,360	-
Debtors	9	1,344,972	1,191,588
Cash at bank and in hand	10	21	364,253
		<u>1,351,353</u>	<u>1,555,841</u>
CREDITORS: amounts falling due within one year	11	<u>1,174,103</u>	<u>1,566,520</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>177,250</u>	<u>(10,679)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>981,535</u>	<u>594,954</u>
CREDITORS: amounts falling due after more than one year	12	<u>634,031</u>	<u>371,101</u>
		<u>347,504</u>	<u>223,853</u>
CAPITAL AND RESERVES			
Equity share capital	17	10,000	10,000
Profit and loss account	18	337,504	213,853
EQUITY SHAREHOLDERS' FUNDS		<u>347,504</u>	<u>223,853</u>

ERNST & YOUNG



Directors

10 April 1996

John McGrory

P Aarasin

A Dean

Freidhelm Wingers

RMS Europe Limited

STATEMENT OF CASH FLOWS for the year ended 31 December 1995

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3b	1,167	169,857
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(29,244)	(35,605)
Hire purchase interest		(8,568)	(6,100)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(37,812)	(41,705)
TAXATION			
Corporation tax paid		(17,285)	(26,057)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(90,901)	(144,263)
Receipts from sales of tangible fixed assets		80,500	15,900
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(10,401)	(128,363)
NET CASH OUTFLOW BEFORE FINANCING		(64,331)	(26,268)
FINANCING			
Repayments of finance leases		146,200	(8,921)
Repayments of bank loan		15,296	18,844
Repayments of other loan		20,783	60,783
NET CASH OUTFLOW FROM FINANCING		182,279	70,706
DECREASE IN CASH AND CASH EQUIVALENTS	10	(246,610)	(96,974)
		(64,331)	(26,268)

NOTES TO THE ACCOUNTS

at 31 December 1995

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Stock

Stock consists of diesel fuel held on site and is stated at the lower of cost and net realisable value.

Depreciation

Depreciation of tangible fixed assets is calculated to write off their cost, less any residual value, over their estimated useful lives as follows:

Freehold buildings	10% on cost
Plant and machinery	Over 3 and 10 years
Motor vehicles	25%/20% on net book value
Fixtures and fittings	20% on net book value

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their expected useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future, without being replaced, calculated at the rate at which it is anticipated that the timing differences will reverse.

2. TURNOVER

Turnover, which is stated net of trade discounts and value added tax, represents amounts invoiced to third parties. The turnover is attributable to the company's continuing activities. In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1994 - £Nil).

RMS Europe Limited

NOTES TO THE ACCOUNTS at 31 December 1995

3. OPERATING PROFIT

(a) This is stated after charging:

	1995 £	1994 £
Auditors' remuneration	7,350	3,400
Depreciation of owned fixed assets	77,149	69,961
Depreciation of assets held under finance leases and hire purchase contracts	37,943	28,323

(b) Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	195,224	114,225
Depreciation	115,092	98,284
Increase in debtors	(527,582)	(492,100)
Increase in stocks	(6,360)	-
Increase in creditors	240,254	449,448
Profit on disposal of fixed assets	(15,461)	-
Net cash inflow from continuing operating activities	1,167	169,857

4. DIRECTORS' REMUNERATION

	1995 £	1994 £
Salary	33,265	27,135
Other emoluments (including pension costs)	5,859	5,787
	39,124	32,922

Directors, emoluments excluding pension scheme contributions were as follows:

	1995 No.	1994 No.
£Nil - £5,000	3	3
£30,001 - £35,000	-	1
£35,001 - £40,000	1	-

The emoluments, excluding pension contributions, of the chairman were £nil (1994 - £nil). The emoluments, excluding pension contribution, of the highest paid director, were £37,803 (1994 - £31,753).

RMS Europe Limited

NOTES TO THE ACCOUNTS at 31 December 1995

5. STAFF COSTS

	1995 £	1994 £
Wages and salaries	839,441	717,774
Social security costs	91,609	70,924
Pension costs	1,321	2,789
	<u>932,371</u>	<u>791,487</u>

The average weekly number of people employed by the company, including directors was as follows:

	1995 No.	1994 No.
Production staff	35	31
Directors and management	14	14
	<u>49</u>	<u>45</u>

6. INTEREST PAYABLE

	1995 £	1994 £
Bank loan interest	20,534	22,320
Loans from group undertakings	8,710	13,285
Hire purchase interest	8,568	6,100
	<u>37,812</u>	<u>41,705</u>

7. TAXATION

	1995 £	1994 £
Based on the profit for the year:		
Corporation tax at 33% (1994 - 33%)	<u>33,761</u>	<u>16,312</u>

RMS Europe Limited

NOTES TO THE ACCOUNTS at 31 December 1995

8. TANGIBLE FIXED ASSETS

	<i>Freehold buildings £</i>	<i>Motor vehicles £</i>	<i>Plant and machinery £</i>	<i>Fixtures and fittings £</i>	<i>Total £</i>
Cost or valuation:					
At 1 January 1995	39,425	432,122	449,004	41,116	961,667
Additions	4,150	290,834	17,995	65,804	378,783
Disposals	-	(207,311)	-	-	(207,311)
At 31 December 1995	43,575	515,645	466,999	106,920	1,133,139
Depreciation:					
At 1 January 1995	18,470	196,620	117,711	23,233	356,034
Charge for year	4,150	57,447	42,569	10,926	115,092
Disposals	-	(142,272)	-	-	(142,272)
At 31 December 1995	22,620	111,795	160,280	34,159	328,854
Net book amounts:					
At 31 December 1995	20,955	403,850	306,719	72,761	804,285
At 1 January 1995	20,955	235,502	331,293	17,883	605,633

The net book amount of fixed assets includes £369,583 (1994 - £162,191) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9. DEBTORS

	<i>1995 £</i>	<i>1994 £</i>
Trade debtors	880,828	636,651
Amounts owed by ultimate parent undertaking	400,000	-
Amounts owed by group undertakings	-	479,177
Other debtors	38,830	55,012
Prepayments and accrued income	25,314	20,748
	<u>1,344,972</u>	<u>1,191,588</u>

Amounts owed by ultimate parent undertaking are due after more than one year.

10. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the balance sheet and changes during the current and previous year.

	<i>1995 £</i>	<i>1994 £</i>	<i>Change in year £</i>
Cash at bank and in hand	21	364,253	(364,232)
Bank overdraft	(41,335)	(158,957)	117,622
	<u>(41,314)</u>	<u>205,296</u>	<u>(246,610)</u>

RMS Europe Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

10. CASH AND CASH EQUIVALENTS (continued)

	1994 £	1993 £	Change in year £
Cash at bank and in hand	364,253	302,681	61,572
Bank overdraft	(158,957)	(411)	(158,546)
	<u>205,296</u>	<u>302,270</u>	<u>(96,974)</u>

11. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank loan (note 14)	25,000	20,630
Loans from group undertakings (note 15)	18,665	20,783
Bank overdraft	41,335	158,957
Trade creditors	677,410	916,019
Amounts owed to ultimate parent undertaking	9,104	-
Amounts owed to group undertakings	83,210	244,008
Corporation tax	33,761	16,305
Other taxation and social security	27,821	9,490
Accruals and deferred income	178,418	141,372
Finance leases and HP contracts (note 13)	79,379	38,956
	<u>1,174,103</u>	<u>1,566,520</u>

12. CREDITORS: amounts falling due after more than one year

	1995 £	1994 £
Bank loan (note 14)	190,860	210,526
Loans from group undertakings (note 15)	260,000	78,665
Obligations under finance leases (note 13)	183,171	81,910
	<u>634,031</u>	<u>371,101</u>

RMS Europe Limited

NOTES TO THE ACCOUNTS at 31 December 1995

13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1995 £	1994 £
Amounts payable:		
Within one year	96,881	58,543
Between two and five years	215,699	86,855
	<u>312,580</u>	<u>145,398</u>
Less: finance charges allocated to future periods	50,030	24,532
	<u>262,550</u>	<u>120,866</u>

Finance leases and hire purchase contracts are analysed as follows:

Within one year (note 11)	79,379	38,956
After more than one year (note 12)	183,171	81,910
	<u>262,550</u>	<u>120,866</u>

14. BANK LOAN

The bank loan is secured by a fixed charge on the company's book debts and a floating charge on the company's assets.

	1995 £	1994 £
Amounts payable:		
Within one year	25,000	20,630
Between two and five years	100,000	105,263
After five years	90,860	105,263
	<u>215,860</u>	<u>231,156</u>

The bank loan is repayable over the next 10 years at an interest rate of 2.5% over LIBOR.

RMS Europe Limited

NOTES TO THE ACCOUNTS at 31 December 1995

15. LOANS FROM GROUP UNDERTAKINGS

	1995 £	1994 £
Amounts repayable:		
Within one year	26,977	31,575
Between two and five years	59,401	73,326
After five years	222,500	35,550
	<u>308,878</u>	<u>140,451</u>
Less: interest allocated to future periods	(30,213)	(41,003)
	<u>278,665</u>	<u>99,448</u>

The loans from group undertakings are analysed as follows:

Within one year (note 11)	18,665	20,783
After more than one year (note 12)	260,000	78,665
	<u>278,665</u>	<u>99,448</u>

The loans from group undertakings are repayable over the next 8 and 2 years at fixed rates of interest.

16. DEFERRED TAXATION

	Unprovided 1995 £	Provided 1995 £	Unprovided 1994 £	Provided 1994 £
Accelerated capital allowances	84,631	-	61,652	-

The amounts unprovided are based on a corporation tax rate of 33% (1994 - 33%).

17. EQUITY SHARE CAPITAL

	Authorised 1995 No.	Allotted, called up and fully paid 1995 No.	Authorised 1994 £	Allotted, called up and fully paid 1994 £
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

RMS Europe Limited

NOTES TO THE ACCOUNTS

at 31 December 1995

18. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 1994	10,000	157,645	167,645
Profit for the year	-	56,208	56,208
At 1 January 1995	10,000	213,853	223,853
Profit for the year	-	123,651	123,651
At 31 December 1995	10,000	337,504	347,504

19. ULTIMATE PARENT UNDERTAKING

The parent company of the group of undertakings for which group accounts are drawn up and of which the company is a member is Alexglade Limited, registered in England and Wales.