

COMPANY No. 2684351

ABBEY ROAD TANKS LIMITED

FINANCIAL STATEMENTS

Year Ended 30 April 1994

GRANT THORNTON
1, STANLEY STREET
LIVERPOOL



ABBEE ROAD TANKS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 April 1994.

1. Principal activities

The company is principally engaged in the provision of specialised bulk transport.

2. Business Review

The profit for the year after taxation amounted to £18,321 (1993: £43,371). The directors do not recommend payment of a dividend and the profit has therefore been retained.

3. Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year.

The interests of the directors in the shares of the company at 1 May 1993 and 30 April 1994, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	<u>1994 and 1993</u>
	<u>Ordinary Shares</u>
C.A. Lucy	-
S.J. Lucy	45,108
C.A. Lucy (Jnr)	45,108
M.A. Lucy	45,108

There have been no changes in these holdings since the year end.

4. Tax status

In the opinion of the directors the company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

ABBAY ROAD TAXES LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

5. Directors' responsibilities 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 of the company for that period. In preparing those financial statements, 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 financial statements 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. Fixed assets

During the year the company sold its leasehold property to the directors pension scheme at open market value.

The company purchased ten tractor units for £423,900 and twentyone tanks for £441,459, mainly via finance leases and hire purchase agreements.

Details of other movements are disclosed in note 5 to the financial statements.

7. Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

Registered Office:

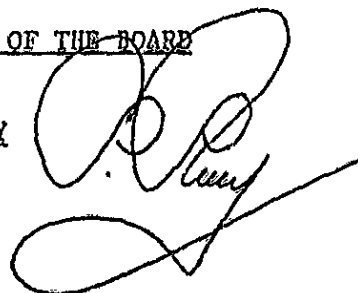
2 Abbey Close
Priory Industrial Estate
Birkenhead.

Date 13 October 1994

BY ORDER OF THE BOARD

S.J. LUCY

Director



REPORT OF THE AUDITORS' TO THE MEMBERS OF
ABBEY ROAD TANKS LIMITED

We have audited the financial statements on pages 5 to 18 which have been prepared under the accounting policies set out on pages 5 and 6.

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 at 30 April 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LIVERPOOL

Date 13 October 1994

REPORT OF THE AUDITORS' TO THE DIRECTORS OF
ABBAY ROAD TANKS LIMITED
UNDER SECTION 248(3) TO THE COMPANIES ACT 1985

We have examined the financial statements of the company and each of its subsidiaries for the year ended 30 April 1994. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions conferred by section 248 from preparing group accounts.

In our opinion, the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.

Grant Thornton
GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

LIVERPOOL

Date 13 October 1994

ABBEY ROAD TANKS LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, as modified by the revaluation of leasehold property.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

a) Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

b) Depreciation

Depreciation is calculated on the reducing balance method, with the exception of leasehold property which is on the straight line method, and aims to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives.

The rates generally applicable are:

Plant and equipment	-	10% - 25%
Tractors and tanks	-	10% - 20%
Motor vehicles	-	25%
Leasehold property	-	2%

c) Stocks

Stocks are stated at the lower of cost and net realisable value.

d) Deferred tax

Deferred tax is the tax attributable to timing differences between profits or losses as computed for tax purposes and results as stated in the financial statements, and is provided for in full.

Deferred tax is calculated at the rates at which it is estimated that the tax will be paid when the timing differences reverse.

ABBEY ROAD TANKS LIMITED

ACCOUNTING POLICIES (CONTINUED)

e) Leased assets

Where assets are financed by leasing agreements which give risks and rewards approximating to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

f) ~~Contributions~~ to pension funds

Defined contribution schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

g) Investments

Investments are included at cost less amounts written off.

ABBEY ROAD TANKS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 1994

	<u>Note</u>	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Turnover - continuing operations	1	3,568,517	3,191,502
Cost of sales		(1,633,155)	(1,567,059)
Gross profit		1,935,362	1,624,443
Distribution costs		(1,122,660)	(956,654)
Administrative expenses		(633,449)	(447,935)
Operating profit - continuing operations		179,253	219,854
Loss on disposal of fixed assets		(64,243)	(6,584)
Interest payable and similar charges	2	(71,689)	(80,241)
Profit on ordinary activities before taxation	1	43,321	133,029
Tax on profit on ordinary activities	4	(25,000)	(89,658)
Profit for the financial year retained	12	<u>£18,321</u>	<u>£43,371</u>

There were no recognised gains or losses other than the profit for the financial year.

Note of historical cost profits

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Profit on ordinary activities before taxation	43,321	133,029
Realisation of property revaluation gains of previous years	32,266	-
Historical cost profit on ordinary activities before taxation	<u>£75,587</u>	<u>£133,029</u>
Historical cost profit for the year retained	<u>£50,587</u>	<u>£43,371</u>

The accompanying accounting policies and notes on pages 5, 6 and 11 to 18 form an integral part of these financial statements.

ABBEY ROAD TANKS LIMITED

BALANCE SHEET AT 30 APRIL 1994

	Note	£	1994	£	1993	£
Fixed assets						
Tangible assets	5		1,506,216		1,180,647	
Investments	6		<u>10,855</u>		<u>292,958</u>	
			1,517,071		1,473,605	
Current assets						
Stocks	7	3,065		3,636		
Debtors	8	691,874		523,757		
Cash at bank and in hand		<u>133</u>		<u>696</u>		
		695,072		528,089		
Creditors: amounts falling due within one year	9	<u>1,119,989</u>		<u>889,150</u>		
Net current liabilities			(424,917)		(361,061)	
Total assets less current liabilities			1,092,154		1,112,544	
Creditors: amounts falling due after more than one year	10		(490,253)		(568,964)	
Provisions for liabilities and charges	11		(140,000)		(100,000)	
			<u>£461,901</u>		<u>£443,580</u>	
Capital and reserves						
Called up share capital	12		150,360		150,360	
Revaluation reserve	12		-		32,266	
Profit and loss account	12		311,541		260,954	
			<u>£461,901</u>		<u>£443,580</u>	

The financial statements were approved by the Board of Directors on 12 October 1994.

S.J. LUCY - Director

The accompanying accounting policies and notes on pages 5, 6 and 11 to 18 form an integral part of these financial statements.

ABBEY ROAD TANKS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 1994

	<u>1994</u>	<u>1993</u>
	£	£
Net cash inflow from operating activities (see page 10)	302,407	366,160
Returns on investments and servicing of finance		
Interest paid	<u>(71,689)</u>	<u>(80,241)</u>
Net cash outflow from returns on investments and servicing of finance	(71,689)	(80,241)
Taxation		
UK corporation tax paid	(21,877)	(25,741)
Investing activities		
Purchase of tangible fixed assets	(172,345)	(232,964)
Sale of tangible fixed assets	316,983	-
Purchase of investments	<u>(10,855)</u>	<u>-</u>
Net cash inflow/(outflow) from investing activities	133,783	(232,964)
Net cash inflow before financing	342,624	27,214
Financing		
Repayment of borrowings	(296,415)	(25,701)
Receipts from borrowings	195,000	136,351
Capital payments re hire purchase/finance lease agreements	<u>(250,308)</u>	<u>(143,229)</u>
Net cash outflow from financing	(351,723)	(32,579)
Decrease in cash and cash equivalents (see page 10))	<u>£(9,099)</u>	<u>£(5,365)</u>

ABBEY ROAD TANKS LIMITED

CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

	£	1994	£	£	1993	£
Decrease in cash and cash equivalents						
Cash at bank and in hand -						
Balance as at 1 May 1993		696			1,493	
Balance as at 30 April 1994		<u>133</u>			<u>696</u>	
			(563)			(797)
Overdrafts -						
Balance as at 1 May 1993	132,103				127,535	
Balance as at 30 April 1994	<u>140,639</u>				<u>132,103</u>	
			(8,536)			(4,568)
			£(9,099)			£(5,365)
Operating profit		179,253			219,854	
Depreciation		178,648			132,053	
Decrease/(increase) in stock		571			(1,296)	
Increase in debtors		(153,117)			(198,411)	
Increase in creditors		97,052			213,960	
Net cash inflow from operating activities (see page 9)		<u>£302,407</u>			<u>£366,160</u>	

The accompanying accounting policies and notes on pages 5, 6 and 11 to 18 form an integral part of these financial statements.

ABBEY ROAD TANKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 APRIL 1994****1. Turnover and profit on ordinary activities before taxation**

The turnover and profit before taxation is attributable to one activity, which is carried on in a single geographical market.

Profit on ordinary activities is stated after:

	<u>1994</u>	<u>1993</u>
	£	£
Auditors' remuneration	6,500	6,000
Depreciation	178,648	132,053
Write down of investments	12,782	-
	<u> </u>	<u> </u>

2. Interest payable and similar charges

	<u>1994</u>	<u>1993</u>
	£	£
On bank loans, overdrafts and other loans		
- repayable within 5 years, otherwise than by instalments	18,154	14,940
- repayable within 5 years, by instalments	23,751	28,121
- repayable wholly or partly in more than 5 years	23,166	29,647
- finance charges in respect of finance leases	6,618	7,533
	<u> </u>	<u> </u>
	£71,689	£80,241
	<u> </u>	<u> </u>

3. Directors and employees

	<u>1994</u>	<u>1993</u>
	£	£
Wages and salaries	1,210,583	976,256
Social security	93,230	90,413
Pension contributions	82,187	72,149
	<u> </u>	<u> </u>
	£1,386,000	£1,138,818
	<u> </u>	<u> </u>
Average number of employees	55	49
	<u> </u>	<u> </u>

ABBEY ROAD TANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

3. Directors and employees (continued)

Staff costs include remuneration in respect of directors, as follows:

	<u>1994</u>	<u>1993</u>
	£	£
Directors' fees	253,540	157,507
Pension contributions	70,139	64,019
	<u>£323,679</u>	<u>£221,526</u>

The emoluments of the directors, excluding pension contributions, were as follows:

	<u>1994</u>	<u>1993</u>
The Chairman and highest paid director	<u>£70,003</u>	<u>£66,217</u>
Other directors:	<u>Number</u>	<u>Number</u>
£30,001 to £35,000	-	3
£60,001 to £65,000	<u>3</u>	<u>-</u>

Defined Contribution Schemes

The company operates defined contribution pension schemes for the benefit of the directors and the employees. The assets of the schemes are administered by trustees in funds independent from those of the company.

4. Tax on profit on ordinary activities

The taxation charge is based on the profit for the year and is made up as follows:

	<u>1994</u>	<u>1993</u>
	£	£
United Kingdom corporation tax @ 25%	(15,000)	21,877
Deferred Tax (see note 11)	40,000	20,000
Adjustments in respect of prior years:	-	48,000
Deferred tax (see note 11)	-	(219)
Corporation tax	<u>£25,000</u>	<u>£89,658</u>

ABBEY ROAD TANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

5. Tangible fixed assets

	<u>Total</u> £	<u>Leasehold</u> <u>property</u> £	<u>Plant</u> <u>and</u> <u>equipment</u> £	<u>Tractors</u> <u>and</u> <u>tanks</u> £	<u>Motor</u> <u>vehicles</u> £
Cost/Valuation					
At 1.5.93	1,788,935	250,349	27,029	1,506,507	5,050
Additions at cost	885,443	4,850	15,234	865,359	-
Transfers	-	(49,531)	49,531	-	-
Disposals	(463,642)	(205,668)	-	(257,974)	-
At 30.4.94	£2,210,736	-	91,794	2,113,892	5,050
Depreciation					
At 1.5.93	608,288	4,820	18,110	583,366	1,992
Provided in the year	178,648	-	16,878	160,630	1,140
Disposals	(82,416)	(4,820)	-	(77,596)	-
At 30.4.94	£ 704,520	-	34,988	666,400	3,132
Net book amount at 30.4.94	£1,506,216	-	56,806	1,447,492	1,918
Net book amount at 30.4.93	£1,180,647	245,528	8,919	923,141	3,059

During the year ended 30 April 1994, the company's leasehold properties at Birkenhead and Bootle were sold to the directors pension fund at open market values of £75,000 and £117,000 respectively.

Included in tractors and tanks are the following assets which are held under finance leases:

Net book amount	<u>£54,585</u>
Depreciation charge for year	<u>£13,646</u>

ABBEEY ROAD TANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

6. Investments

	<u>Total</u> £	<u>Endowment policy</u> £	<u>Shares in Group undertakings</u> £
At cost			
At 1 May 1993	292,958	-	292,958
Additions	10,855	10,855	-
Written off	(292,958)	-	(292,958)
At 30 April 1994	<u>£10,855</u>	<u>10,855</u>	<u>-</u>

At 30 April 1994, the company held more than 10% of the allotted share capital of the following undertakings:

	<u>Country of registration</u>	<u>Class of Share capital held</u>	<u>Proportion held</u>	<u>Nature of business</u>
Abbey Tankers Ltd	England	Ordinary	100%	Dormant
Priory Garage (Warral) Ltd	England	Ordinary	100%	Dormant

Both companies entered into voluntary liquidation on 22 June, 1994. The net carrying value brought forward, less amounts due to the companies, has been written off.

The endowment policy is a 10 year policy which will mature in November 2003, when it will be used to repay the Royal Bank of Scotland mortgage liability of £195,000.

7. Stocks

	<u>1994</u>	<u>1993</u>
Raw materials and consumable stores	<u>£3,065</u>	<u>£3,636</u>

There were no significant differences between the replacement cost and the values disclosed for stock.

ABBEY ROAD TANKS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 1994****8. Debtors**

	<u>1994</u>	<u>1993</u>
		£
Trade debtors	493,208	468,378
Prepayments and accrued income	67,042	46,276
Current taxation	15,000	-
Other debtors	116,624	9,103
	<u>£691,874</u>	<u>£523,757</u>

Included in other debtors are amounts totalling £113,759 due from a partnership, three of whose partners are directors of the company.

9. Creditors: amounts falling due within one year

	<u>1994</u>	<u>1993</u>
	£	£
Instalments due on bank loans	-	32,317
Bank overdraft	140,639	132,103
Trade creditors	251,673	274,447
Current taxation	-	21,877
Social security and other taxes	83,735	102,733
Hire purchase creditors	329,836	82,346
Finance lease creditors	4,252	39,339
Accruals and deferred income	120,611	113,051
Amounts due to group company	-	20,178
Directors and shareholders loans	189,243	70,759
	<u>£1,119,989</u>	<u>£889,150</u>

The bank loan and overdraft are secured by a fixed charge over the book debts of the company.

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ABBAY ROAD TANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

10. Creditors: amounts falling due after more than one year

	<u>1994</u>	<u>1993</u>
	£	£
Bank loan	195,000	264,098
Hire purchase creditors	295,253	41,583
Finance lease creditors	-	3,283
Amounts due to group company	-	260,000
	<u>£490,253</u>	<u>£568,964</u>

The bank loan, excluding current instalments,
is repayable as follows:

Between one and two years	-	32,317
Between two and five years	-	96,951
In five years or more	195,000	134,830

	<u>£195,000</u>	<u>£264,098</u>
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The bank loan is repayable in November 2003 from the proceeds of the endowment policy disclosed in note 6. Interest is payable at 2½% per annum above the Royal Bank of Scotland's base rate.

ABBEY ROAD TANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

11. Provisions for liabilities and charges

	Deferred taxation £
At 1 May 1993	100,000
Charged during the year	40,000
	<hr/>
At 30 April 1994	<u>£140,000</u>

Deferred taxation provided in the financial statements and the total potential liability, including the amount provided, are set out below.

	Amount provided and potential liability	
	1994 £	1993 £
Accelerated capital allowances	118,000	83,000
Finance leases	22,000	17,000
	<hr/>	<hr/>
	<u>£140,000</u>	<u>£100,000</u>

12. Shareholders' funds

	Total £	Share capital £	Profit and loss account £	Revaluation reserve £
At 1 May 1992	400,209	150,360	217,583	32,266
Profit for the year	43,371	-	43,371	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1993	443,580	150,360	260,954	32,266
Profit for the year	18,321	-	18,321	-
Realisation of revaluation in previous years	-	-	32,266	(32,266)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 1994	<u>£461,901</u>	<u>150,360</u>	<u>311,541</u>	<u>-</u>

The authorised share capital consists of 500,000 £1 ordinary shares, of which 150,360 have been allotted, called up and fully paid.

ABBY ROAD TANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 1994

13. Capital commitments

There were no capital commitments at 30 April 1994 or 30 April 1993.

14. Contingent liabilities

There were no contingent liabilities at 30 April 1994 or 30 April 1993.