

SOUTH COAST SHIPPING COMPANY LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

YEAR ENDED 31ST DECEMBER 1975

Morison Stoneham & Co
Chartered Accountants

5 Queen Street, London EC4N 1SU

SOUTH COAST SHIPPING COMPANY LIMITED

DIRECTORS' REPORT

The Directors submit their Annual Report, together with the Audited Accounts of the Company for the year ended 31st December 1975.

Profits and Appropriations

The loss for the year is set out on page 3.
The Directors recommend that the balance of the profit and loss appropriation account be carried forward to next year.

Principal Activity

The Company's principal activity is that of Dredger owning and ancillary trade.

Exports during the year amounted to £628,391 (1974 £310,438).

Change of Fixed Assets

The movements in fixed assets during the year are set out in the table on page 9.

Directors

The Directors of the Company at 31st December 1975 were:-

<u>"A" Directors</u>	<u>"B" Directors</u>
M.R. Francis	N. Davis
A.G. Ellis	P.J. Owen
J.E. Gwilliam	J.S. Ornsby

all of whom were Directors for the whole of the year. In addition T.H. Holloway was a Director until his resignation on 30th June 1975.

Directors' Shareholdings

No Directors were interested in the Share Capital of the Company or of its Holding Company, Cory Hall Limited.

Auditors

The Auditors, Morison Stoneham & Co. will continue in office in accordance with Section 159(2) of the Companies Act 1948.

BY ORDER OF THE BOARD

India Buildings,
Water Street,
Liverpool.

A.J. WHITE
Secretary

22nd March 1976 .

SOUTH COAST SHIPPING COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

In our opinion the accounts set out on pages 3 to 10 give a true and fair view of the state of the company's affairs at 31st December 1975, and of its results for the year ended on that date and comply with the Companies Acts 1948 and 1967.

5 Queen Street,
LONDON EC4N 1SU

MORISON STONEHAM & CO.

22nd March 1976

Chartered Accountants

SOUTH COAST SHIPPING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1975

	<u>Notes</u>	<u>1975</u> £	<u>1974</u> £
TURNOVER	2	<u>£2,152,817</u>	<u>£1,550,152</u>
OPERATING (LOSS)/PROFIT before depreciation		(113,162)	43,746
Depreciation		<u>80,735</u>	<u>83,191</u>
OPERATING LOSS	3	(193,897)	(39,445)
Interest on Bank Loans and Overdrafts		(22,986)	(16,654)
Receipt for group relief		<u>-</u>	<u>52,291</u>
LOSS BEFORE TAXATION		(216,883)	(3,808)
Taxation	4	<u>(122,255)</u>	<u>(2,378)</u>
LOSS AFTER TAXATION		(94,628)	(1,430)
ACCUMULATED LOSS BROUGHT FORWARD AT 1ST JANUARY 1975		<u>(164,744)</u>	<u>(163,314)</u>
ACCUMULATED LOSS AT 31ST DECEMBER 1975		<u>£(259,372)</u>	<u>£(164,744)</u>

THIS IS THE COPY REFERRED TO
IN THE ANNEXED CERTIFICATE

SOUTH COAST SHIPPING COMPANY LIMITED

BALANCE SHEET 31ST DECEMBER 1975

	Notes	1975		1974	
		£	£	£	£
<u>CAPITAL EMPLOYED</u>					
Ordinary Shares of £1 each					
Authorised "A" Shares		140,000		140,000	
"B" Shares		140,000	280,000	140,000	280,000
		<u>140,000</u>	<u>280,000</u>	<u>140,000</u>	<u>280,000</u>
Issued "A" Shares fully paid		130,000		130,000	
"B" Shares fully paid		130,000	260,000	130,000	260,000
		<u>130,000</u>	<u>260,000</u>	<u>130,000</u>	<u>260,000</u>
<u>ACCUMULATED LOSS</u>			(259,372)		(164,744)
			<u> </u>		<u> </u>
SHAREHOLDERS' FUNDS			628		95,256
			<u> </u>		<u> </u>
LOAN	6				
Parent company		753,162		-	
Other loans		-	753,162	528,000	528,000
		<u> </u>	<u>753,162</u>	<u>528,000</u>	<u>528,000</u>
<u>DEFERRED LIABILITIES AND PROVISIONS</u>					
Provisions	7	239,348		21,438	
Deferred taxation	8	159,000	398,348	281,255	302,693
		<u>159,000</u>	<u>398,348</u>	<u>281,255</u>	<u>302,693</u>
			<u>£1,152,138</u>		<u>£925,949</u>
M.R. FRANCIS)	Directors			
P.J. OWEN)				

SOUTH COAST SHIPPING COMPANY LIMITED

BALANCE SHEET - 31ST DECEMBER 1975

	<u>Notes</u>	<u>1975</u>	<u>1974</u>
		£	£
<u>EMPLOYMENT OF CAPITAL</u>			
FIXED ASSETS			
<u>Less: Bank Loan (Secured)</u>	9	924,926 <u>119,426</u>	1,033,416 <u>167,198</u>
		805,500	866,218
<u>CURRENT ASSETS</u>			
Stocks	10	241,323	148,834
Debtors and prepayments		544,746	327,610
Amounts due from fellow subsidiaries		199,313	196,553
Cash and bank balances		61,697	26,612
		<u>1,047,079</u>	<u>699,609</u>
Less:			
<u>CURRENT LIABILITIES</u>			
Creditors		402,005	400,493
Amounts due to fellow subsidiaries		85,523	77,797
Bank overdraft (£200,000 Secured)		212,913	161,588
		<u>700,441</u>	<u>639,878</u>
NET CURRENT ASSETS		346,638	59,731
		<u>£1,152,138</u>	<u>£925,949</u>

SOUTH COAST SHIPPING COMPANY LIMITED

NOTES ON ACCOUNTS 31ST DECEMBER 1975

1. PRINCIPAL ACCOUNTING POLICIES

(a) Depreciation

Depreciation is calculated to write off the cost of fixed assets, less government grants, over their expected useful lives on the straight line basis.

(b) Deferred Taxation

Deferred taxation has been provided since 1973 using the deferral method whereas the liability method was used previously. As a result the deferred taxation account at 31st December 1975 comprises (1) the balance of the deferred taxation account at 31st December 1972 determined at 40%, and (2) the net changes during subsequent years in the deferred taxation requirement at the effective rate for the year concerned; the rate for 1975 being 52%. The items on which deferred taxation arises are shown in note 8.

(c) Stocks

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

(d) Debtors

All known bad debts in respect of trade debtors are written off or fully provided for.

(e) Pensions

The company's pension obligations are financed by annual payments to separate funds which are valued either annually or triennially by actuaries. The annual cost to the company of these pension arrangements is charged in arriving at the operating profit for the year.

(f) Provisions

Provisions are made against the estimated future cost of ships surveys and major maintenance, on the basis of apportioning these costs equitably from year to year. Provisions also include credits received in connection with charterparty agreements the benefit of which will be spread over the period of the agreements.

2. TURNOVER

Turnover comprises sales of marine dredged aggregates at invoiced value of £2,152,817 of which £1,176,904 represents sales to other group companies.

SOUTH COAST SHIPPING COMPANY LIMITED

NOTES ON ACCOUNTS 31ST DECEMBER 1975

3. OPERATING LOSS

The loss is stated after charging:-	<u>1975</u>	<u>1974</u>
	£	£
Directors' emoluments for management	11,974	14,314
Auditors' remuneration	2,515	905
Hire of plant and machinery	210,994	3,291
Net loss on sale of fixed assets other than properties	19,859	116
Compensation paid to a director for loss of office	2,600	-

4. TAXATION

	<u>1975</u>	<u>1974</u>
	£	£
Deferred taxation (credit) charge	(112,517)	12,000
(Over) Under provisions in prior years		
- on operating profits	-	-
- on deferred taxation	(9,738)	(15,403)
- other	-	1,025
	<u>(£122,255)</u>	<u>(£2,378)</u>

Corporation tax losses of £52,291 were surrendered in 1974 by group relief to a fellow subsidiary for a payment of £52,291. Corporation tax losses of £34,279 were surrendered in 1974 by group relief to an associated company without charge.

The net credit for deferred tax of £112,517 has been calculated at the rate of 52% in accordance with the accounting policy set out in note 1(b). If the average rate applicable to the balance on the deferred tax account at 1st January 1975 had been used, this credit would have been reduced by approximately £22,000.

5. DIRECTORS' EMOLUMENTS - EXCLUDING PENSION CONTRIBUTIONS

	<u>1975</u>	<u>1974</u>
	£	£
Emoluments of the chairman	Nil	Nil
Emoluments of the highest paid director	£6,081	£8,126

Number of directors whose emoluments were within the ranges:-

£Nil	-	£ 2,500	5	5
£2,501	-	£ 5,000	1	1
£5,001	-	£ 7,500	1	-
£7,501	-	£10,000	-	1

SOUTH COAST SHIPPING COMPANY LIMITED
NOTES ON ACCOUNTS 31ST DECEMBER 1975

6. LOAN

"Other Loans" at 31st December 1974, have been replaced by the loan from the parent company. The parent company loan is unsecured, free of interest and repayable under the terms of an agreement between Wm. Cory & Son Limited and Ready Mixed Concrete Limited dated 1st April 1971.

7. PROVISIONS

	<u>Charterparty Payments</u>	<u>Survey Repairs</u>	<u>Total</u>
	£	£	£
Balance at 1st January 1975	-	21,438	21,438
Provided in 1975	84,066	147,866	231,932
	<u>84,066</u>	<u>169,304</u>	<u>253,370</u>
Less:			
Expenditure in 1975	-	14,022	14,022
Balance at 31st December 1975	<u>£84,066</u>	<u>£155,282</u>	<u>£239,348</u>

8. DEFERRED TAXATION

The provision at the year end relates to timing differences which arise from the different accounting and taxation treatments for:-

Depreciation of fixed assets and expense provisions	159,000	270,717
Increases in stock values during the three years ended 31st December 1975	-	10,538
	<u>£159,000</u>	<u>£281,255</u>
<u>Movement during the year ended 31st December 1975</u>		£
Balance at 1st January 1975		281,255
Profit and loss account credit in respect of current year:		
- arising from timing differences on operating profits		(112,517)
Over provision in 1974 re Stock Relief	(10,538)	
Underprovision in prior years	800	(9,738)
Balance at 31st December 1975		<u>£159,000</u>

SOUTH COAST SHIPPING COMPANY LIMITED

NOTES ON ACCOUNTS 31ST DECEMBER 1975

9. FIXED ASSETS

	Land and Buildings Short Leaseholds	Ships	Plant Machinery and Equipment	Motor Vehicles	Total
	£	£	£	£	£
<u>COST</u>					
At 1st Jan. 1975	1,250	1,578,522	9,204	14,192	1,603,168
Additions at cost		2,102	678	1,789	4,569
	1,250	1,580,624	9,882	15,981	1,607,737
<u>LESS</u>					
Disposals		52,327		3,265	55,592
At 31st Dec. 1975	1,250	1,528,297	9,882	12,716	1,552,145
<u>DEPRECIATION</u>					
At 1st Jan. 1975	274	562,457	3,071	3,950	569,752
Charged to profit and loss account	84	76,615	1,319	2,717	80,735
	358	639,072	4,390	6,667	650,487
<u>LESS</u>					
Disposals		22,677		591	23,268
At 31st Dec. 1975	358	616,395	4,390	6,076	627,219
<u>NET BOOK VALUE</u>					
At 31st Dec. 1975	£ 892	£ 911,902	£5,492	£ 6,640	£ 924,926
<u>NET BOOK VALUE</u>					
At 31st Dec. 1974	£ 976	£1,016,065	£6,133	£10,242	£1,033,416
10. <u>STOCKS</u>			1975		1974
			£		£
Stated at the lower of cost and net realisable value:					
Maintenance and other stocks			£241,323		£148,834

SOUTH COAST SHIPPING COMPANY LIMITED

NOTES ON ACCOUNTS 31ST DECEMBER 1975

11. CAPITAL COMMITMENTS AND AUTHORISATIONS

	<u>1975</u>	<u>1974</u>
	£	£
Capital expenditure commitments	2,000	..
Capital expenditure authorised but not contracted for	3,000	-
	<u>£5,000</u>	<u>£Nil</u>

12. FOREIGN BANK ACCOUNTS

Foreign currency bank accounts have been converted at the exchange rates prevailing at 31st December 1975.

13. CONTINGENT LIABILITY

The company has a contingent liability in respect of insurance claims under a "pool" arrangement the amount of which has not yet been finalised but against which £40,047 has been set aside in accordance with the latest available estimate.

14. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Cory Hall Limited which is incorporated in England.