

**HARWICH DOCK COMPANY
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2001



Company no 774336

HARWICH DOCK COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2001

Company registration number: 774336

Registered office: The Naval House
Kings Quay Street
Harwich
Essex
CO12 3JJ

Directors: A W S Binks
W A Binks
T A Binks

Secretary: M F Egan

Bankers: National Westminster Bank Plc
40 Market Street
Wellingborough
Northamptonshire
NN8 1AD

Solicitors: Narbarro Nathanson
50 Stratton Street
London
W1X 6NX

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
8 West Walk
Leicester
LE1 7NH

HARWICH DOCK COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2001

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HARWICH DOCK COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2001.

Principal activities

The principal activity of the company continues to be dock operations.

Business review

There was a loss for the year after taxation amounting to £95,970 (2000: loss £242,427). The directors do not recommend payment of a dividend.

The directors are satisfied with the result for the year. It is the intention of the directors to develop the existing activities of the company as opportunities arise.

Directors

The directors in office at the end of the year were A W S Binks, W A Binks and T A Binks, all of whom served throughout the year, other than T A Binks who was appointed on 24 October 2001

On 6 April 2001 F A Hatchard retired from the Board and on 5 October 2001 R G Gibbs retired from the board.

The interests of the directors, who are all directors of the parent undertaking, are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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:

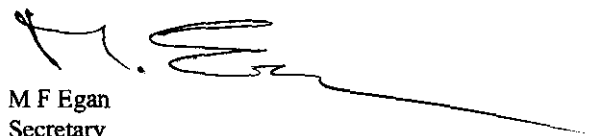
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the 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.

Auditors

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

BY ORDER OF THE BOARD



M F Egan
Secretary
7 October 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HARWICH DOCK COMPANY LIMITED**

We have audited the financial statements of Harwich Dock Company Limited for the year ended 31 December 2001 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes to 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. Specify other information covered unless preceding sentence specifies directors' report only. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LEICESTER
7 October 2002

HARWICH DOCK COMPANY LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, up to and including Financial Reporting Standard 18, and under the historical cost convention.

The directors consider the going concern basis to be appropriate as group support has been confirmed for the foreseeable future.

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

TURNOVER

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for services provided, excluding VAT.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are:

| | |
|------------------------|------------|
| Buildings | 10% |
| Leasehold improvements | 10% |
| Plant and machinery | 10% to 25% |

FIXED ASSET INVESTMENTS

Investments comprise unlisted shares and are included at cost.

STOCKS

Stocks, which comprise consumable stores, are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

CONTRIBUTIONS TO PENSION FUNDS

Defined benefit scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

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

HARWICH DOCK COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2001

| | Note | 2001 £ | 2000 £ |
|--|------|--------------------|-------------|
| Turnover | 1 | 2,842,322 | 2,358,325 |
| Operating charges | 2 | (2,855,746) | (2,582,406) |
| Operating loss | | (13,424) | (224,081) |
| Income from other fixed asset investments | | 4,223 | 4,223 |
| Net interest expense | 3 | (65,269) | (73,627) |
| Loss on ordinary activities before taxation | 1 | (74,470) | (293,485) |
| Tax on loss on ordinary activities | 5 | (21,500) | 51,058 |
| Loss for the financial year transferred from reserves | 13 | (95,970) | (242,427) |

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

The accompanying accounting policies and notes 1 to 19 form an integral part of these financial statements.

HARWICH DOCK COMPANY LIMITED

BALANCE SHEET AT 31 DECEMBER 2001

| | Note | 2001 £ | 2001 £ | 2000 £ | 2000 £ |
|--|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 1,383,038 | | 1,513,775 |
| Investments | 7 | | 1,018 | | 1,018 |
| | | | <u>1,384,056</u> | | <u>1,514,793</u> |
| Current assets | | | | | |
| Stocks | | 19,291 | | 26,293 | |
| Debtors: amounts falling due after more than one year | 8 | 100,000 | | 164,629 | |
| Debtors: amounts falling due within one year | 8 | 524,340 | | 342,012 | |
| Cash at bank and in hand | | 1,503 | | 943 | |
| | | <u>645,134</u> | | <u>533,877</u> | |
| Creditors: amounts falling due within one year | 9 | <u>(790,744)</u> | | <u>(400,170)</u> | |
| Net current assets | | | <u>(145,610)</u> | | <u>133,707</u> |
| Total assets less current liabilities | | | <u>1,238,446</u> | | <u>1,648,500</u> |
| Creditors: amounts falling due after more than one year | 10 | | (969,040) | | (1,280,197) |
| Provisions for liabilities and charges | 11 | | <u>(428,337)</u> | | <u>(431,264)</u> |
| | | | <u>(158,931)</u> | | <u>(62,961)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 550,000 | | 550,000 |
| Profit and loss account | 13 | | <u>(708,931)</u> | | <u>(612,961)</u> |
| Shareholders' funds | 14 | | <u>(158,931)</u> | | <u>(62,961)</u> |

The financial statements were approved by the Board of Directors on 7 October 2002.

A W S Binks



Director

The accompanying accounting policies and notes 1 to 19 form an integral part of these financial statements.

HARWICH DOCK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and loss on ordinary activities before taxation are attributable to the company's principal activity, that of dock operations.

Loss on ordinary activities is stated after:

| | 2001 £ | 2000 £ |
|--|-----------|-----------|
| Auditors' remuneration | 4,300 | 3,900 |
| Depreciation and amortisation: | | |
| Tangible fixed assets, owned | 169,990 | 159,866 |
| Tangible fixed assets, held under finance leases and hire purchase contracts | 170,008 | 173,430 |
| Hire of plant and machinery | 19,920 | 11,926 |
| Property rentals | 410,212 | 410,000 |

2 OPERATING CHARGES

| | 2001 £ | 2000 £ |
|-------------------------|------------------|------------------|
| Materials consumed | 130,800 | 116,257 |
| Staff costs (note 4) | 1,179,608 | 1,134,884 |
| Depreciation | 339,998 | 333,296 |
| Other operating charges | 1,205,340 | 997,969 |
| | <u>2,855,746</u> | <u>2,582,406</u> |

3 NET INTEREST

| | 2001 £ | 2000 £ |
|--|-----------------|-----------------|
| Finance charges in respect of finance leases | (34,337) | (38,115) |
| Interest payable to group undertakings | (30,932) | (38,487) |
| | <u>(65,269)</u> | <u>(76,602)</u> |
| Other interest receivable and similar income | - | 2,975 |
| | <u>(65,269)</u> | <u>(73,627)</u> |

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

| | 2001 £ | 2000 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 983,290 | 905,757 |
| Social security costs | 76,515 | 67,419 |
| Other pension costs | 119,803 | 161,708 |
| | <u>1,179,608</u> | <u>1,134,884</u> |

HARWICH DOCK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

The average number of employees of the company during the year was 59 (2000: 53).

The directors received no remuneration in the year (2000: £nil). The company has paid Traminco Limited £36,563 (2000: £34,800) in respect of management services given by A W S Binks. Traminco Limited is a company under common control for the purposes of FRS 8.

5 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax charge/(credit) represents:

| | 2001 £ | 2000 £ |
|---|---------------|-----------------|
| Deferred tax | (46,379) | (47,000) |
| Tax attributable to franked investment income | - | 1,474 |
| Adjustments in respect of prior periods: | | |
| Corporation tax | - | (5,532) |
| Deferred tax | 67,879 | - |
| | <u>21,500</u> | <u>(51,058)</u> |

There is no corporation tax charge or credit for the year as a result of tax losses being surrendered to fellow group companies for no payment.

6 TANGIBLE FIXED ASSETS

| | Buildings £ | Leasehold improv'ts £ | Plant and machinery £ | Total £ |
|-------------------------------------|----------------|-----------------------------|-----------------------------|------------------|
| Cost | | | | |
| At 1 January 2001 | 182,076 | 150,000 | 3,436,326 | 3,768,402 |
| Additions | 186,166 | - | 60,550 | 246,716 |
| Disposals | - | - | (287,828) | (287,828) |
| At 31 December 2001 | <u>368,242</u> | <u>150,000</u> | <u>3,209,048</u> | <u>3,727,290</u> |
| Depreciation | | | | |
| At 1 January 2001 | 109,607 | 30,000 | 2,115,020 | 2,254,627 |
| Charge for the year | 16,777 | 15,000 | 308,221 | 339,998 |
| Eliminated on disposals | - | - | (250,373) | (250,373) |
| At 31 December 2001 | <u>126,384</u> | <u>45,000</u> | <u>2,172,868</u> | <u>2,344,252</u> |
| Net book amount at 31 December 2001 | <u>241,858</u> | <u>105,000</u> | <u>1,036,180</u> | <u>1,383,038</u> |
| Net book amount at 31 December 2000 | <u>72,469</u> | <u>120,000</u> | <u>1,321,306</u> | <u>1,513,775</u> |

HARWICH DOCK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

| | Plant and machinery £ |
|-------------------------------------|--------------------------------------|
| Net book amount at 31 December 2001 | <u><u>335,602</u></u> |
| Net book amount at 31 December 2000 | <u><u>505,610</u></u> |

7 FIXED ASSET INVESTMENTS

| | Other investments £ |
|--|------------------------------------|
| Cost and net book amount At 1 January 2001 and 31 December 2001 | <u><u>1,018</u></u> |

8 DEBTORS

| | 2001 £ | 2000 £ |
|------------------------------------|-----------------------|-----------------------|
| Trade debtors | 177,587 | 177,679 |
| Amounts owed by group undertakings | 317,591 | 264,402 |
| Other debtors | 17,105 | 12,852 |
| Taxation recoverable | 422 | - |
| Prepayments and accrued income | 111,635 | 51,708 |
| | <u><u>624,340</u></u> | <u><u>506,641</u></u> |

Included above are the following amounts which are due after more than one year:

| | | |
|------------------------------------|-----------------------|-----------------------|
| Amounts owed by group undertakings | <u><u>100,000</u></u> | <u><u>164,629</u></u> |
|------------------------------------|-----------------------|-----------------------|

HARWICH DOCK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2001 £ | 2000 £ |
|------------------------------------|----------------|----------------|
| Bank overdraft | 286,734 | 145,274 |
| Trade creditors | 57,644 | 39,098 |
| Amounts owed to group undertakings | 98,765 | - |
| Social security and other taxes | 21,326 | 25,863 |
| Other creditors | 5,040 | 4,940 |
| Accruals and deferred income | 187,343 | 40,280 |
| Amounts due under finance leases | 133,892 | 144,715 |
| | <u>790,744</u> | <u>400,170</u> |

The bank overdraft is secured by a fixed and floating charge over all of the company's assets.

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2001 £ | 2000 £ |
|------------------------------------|----------------|------------------|
| Amounts owed to group undertakings | 752,287 | 929,552 |
| Amounts due under finance leases | 216,753 | 350,645 |
| | <u>969,040</u> | <u>1,280,197</u> |

Borrowings are repayable as follows:

| | 2001 £ | 2000 £ |
|---------------------------------|----------------|----------------|
| Within one year | | |
| Bank overdraft | 286,734 | 145,274 |
| Finance leases | 133,892 | 144,715 |
| After one and within two years | | |
| Finance leases | 134,029 | 133,892 |
| After two and within five years | | |
| Finance leases | 82,724 | 216,753 |
| | <u>637,379</u> | <u>640,634</u> |

Amounts due under finance leases are secured on the assets to which they relate.

11 PROVISIONS FOR LIABILITIES AND CHARGES

| | Deferred taxation £ | Pension costs £ | Dock programme £ | Total £ |
|----------------------|---------------------------|-----------------------|------------------------|----------------|
| At 1 January 2001 | 43,500 | 37,764 | 350,000 | 431,264 |
| Utilised in the year | 21,500 | (24,427) | - | (2,927) |
| At 31 December 2001 | <u>65,000</u> | <u>13,337</u> | <u>350,000</u> | <u>428,337</u> |

HARWICH DOCK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

Deferred taxation comprises accelerated capital allowances £115,500 (2000: £169,500) less other timing differences of £50,500 (2000: £126,000) and is fully provided in the financial statements at a rate of 30% (2000: 30%).

The dock maintenance programme will recommence when funding allows.

12 SHARE CAPITAL

| | 2001 £ | 2000 £ |
|--|----------------|----------------|
| Authorised, allotted, called up and fully paid 550,000 ordinary shares of £1 each | <u>550,000</u> | <u>550,000</u> |

13 PROFIT AND LOSS ACCOUNT

| | £ |
|--------------------------------------|------------------|
| At 1 January 2001 | (612,961) |
| Retained loss for the financial year | <u>(95,970)</u> |
| At 31 December 2001 | <u>(708,931)</u> |

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2001 £ | 2000 £ |
|---|------------------|------------------|
| Loss for the financial year | <u>(95,970)</u> | <u>(242,427)</u> |
| Net decrease in shareholders' funds | <u>(95,970)</u> | <u>(242,427)</u> |
| Shareholders' funds at 1 January 2001 | <u>(62,961)</u> | <u>179,466</u> |
| Shareholders' funds at 31 December 2001 | <u>(158,931)</u> | <u>(62,961)</u> |

15 LEASING COMMITMENTS

Operating lease payments amounting to £402,884 (2000: £404,987) are due within one year. The leases to which these amounts relate expire as follows:

| | 2001 | 2000 |
|----------------------------|--------------------|--------------|
| Land and buildings | Land and buildings | Other |
| £ | £ | £ |
| In one year or less | - | - |
| Between one and five years | 2,763 | 4,987 |
| In five years or more | 400,000 | - |
| | <u>400,000</u> | <u>4,987</u> |

HARWICH DOCK COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2001

16 PENSIONS

Defined benefit scheme

The company is party to a group defined benefit scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in funds independent of those of the company. The latest actuarial valuation indicated a deficit. Details of the actuarial valuation are contained in the financial statements of Mann & Son Holdings Limited.

The contribution rate applied for the financial year was 21% (2000: 15.25%) of earnings.

The pension cost charge for the year was £119,803 (2000: £161,708). There were no outstanding contributions to the pension scheme at the end of the financial year (2000: £3,321).

17 CONTINGENT LIABILITIES

The company is party to a composite accounting system with its bankers whereby account is taken of the level of bank deposits when charging loan interest and under which the company guarantees the bank borrowings of certain group companies.

Certain plant and machinery is subject to a fixed legal charge held by the company's bankers in relation to loans provided to the holding company. At 31 December 2000 the aggregate loans outstanding totalled £300,000 (2000: £385,714)).

18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The ultimate parent undertaking of this company is its parent company, Mann & Son Holdings Limited.

Mann & Son Holdings Limited is this company's controlling related party by virtue of its shareholding. The ultimate controlling related party based on the definitions and requirements of FRS 8 is considered to be A W S Binks as a result of his shareholdings, his beneficial interests under a trust and position on the Board of Directors of the ultimate parent undertaking.

19 RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Mann & Son Holdings Limited the company is exempt from the requirement to disclose transactions within the group headed by that company.