

MOTALINE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1996

Registered number: 2716324



AUDITORS' REPORT TO THE DIRECTORS OF MOTALINE LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the full financial statements of Motaline Limited for the year ended 31st May 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors statement on page 2 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st May 1996 and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

We reported, as auditors of Motaline Limited to the members on 27th March 1997 on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st May 1996 and our audit opinion was as follows:

'We have audited the financial statements on pages 3 to 10 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described on page 1, the company's director is 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.

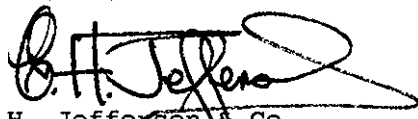
Basis of opinion

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 director 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.

Unqualified Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



C.H. Jefferson & Co.
Chartered Accountants and Registered Auditors
108 Oswald Road
SCUNTHORPE
North Lincolnshire
DN15 7PA
27th March 1997

MOTALINE LIMITED
ABBREVIATED BALANCE SHEET
at 31st May 1996

| | Note | 1996 £ | 1995 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 2 | 112,546 | 108,949 |
| Current assets | | | |
| Stocks | | 1,000 | 750 |
| Debtors | 3 | 71,823 | 28,544 |
| Cash at bank and in hand | | 43,693 | 29,695 |
| | | <u>116,516</u> | <u>58,989</u> |
| Creditors: amounts falling due within one year | | <u>(144,891)</u> | <u>(101,087)</u> |
| Net current liabilities | | (28,375) | (42,098) |
| Total assets less current liabilities | | 84,171 | 66,851 |
| Creditors: amounts falling due after more than one year | 4 | (922) | (14,385) |
| | | <u>83,249</u> | <u>52,466</u> |
| Capital and reserves | | | |
| Called up share capital | 5 | 2 | 2 |
| Profit and loss account | | 83,247 | 52,464 |
| Shareholders' funds | | <u>83,249</u> | <u>52,466</u> |

We have taken advantage of the exemptions conferred by section A of Part III of Schedule 8 of the Companies Act 1985 entitling us to deliver abbreviated financial statements on the grounds that the company is entitled to the benefit of that section as a small company.

Approved by the sole director:

.....*R A Redmile*.....
Mr R A Redmile - Sole Director

...27. March. 1997.....
Date Approved

The notes on pages 3 to 5 form part of these accounts

MOTALINE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1996

1 Accounting policies**a) Basis of accounting**

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

b) Depreciation

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

| | |
|--------------------|------------------------|
| Trailers and plant | - 15% straight line |
| Motor vehicles | - 25% reducing balance |

c) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

d) Turnover

Turnover is the amount derived from the sale of goods falling within the company's ordinary activities after deduction of trade discounts and value added tax. It excludes the sales of fixed assets.

e) Deferred Taxation

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where it is probable that a liability will not crystallise because of the availability of tax allowances for fixed asset expenditure in advance of depreciation and tax losses carried forward. In establishing the likely pattern of future tax liabilities, the director undertook a review at the balance sheet date of past investment patterns and expected future levels of capital expenditure and depreciation. The provision is established at the corporation tax rates anticipated to be in force at the time each deferred liability will ultimately crystallise.

f) Leased Assets and Assets subject to Hire Purchase Agreements

Fixed Assets leased under finance leases or bought subject to hire purchase are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

g) Cash Flow Statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard No. 1 and has not prepared a cash flow statement.

MOTALINE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1996

2 Tangible fixed assets

| | TOTAL £ |
|------------------------|-------------|
| Cost | |
| 1st June 1995 | 134,137 |
| Additions | 23,077 |
| | <hr/> |
| 31st May 1996 | 157,214 |
| | <hr/> |
| Depreciation | |
| 1st June 1995 | 25,188 |
| Charge for year | 19,480 |
| | <hr/> |
| 31st May 1996 | 44,668 |
| | <hr/> |
| Net book amount | |
| 31st May 1996 | 112,546 |
| | <hr/> <hr/> |
| 31st May 1995 | 108,949 |
| | <hr/> <hr/> |

3 Debtors

There are no amounts falling due after more than one year from the balance sheet date. (1995 - nil)

4 Creditors: amounts falling due after more than one year

There are no amounts falling due after more than five years from the balance sheet date. (1995 - nil)

5 Called up share capital

| | 1996 | | 1995 | |
|----------------------|---------------------|-------------|---------------------|-------------|
| | Number of shares | £ | Number of shares | £ |
| Equity shares | | | | |
| Authorised | | | | |
| £1 ordinary shares | 1,000 | 1,000 | 1,000 | 1,000 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

MOTALINE LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1996

6 Directors' interests

Mr. R.A. Redmile, a director and shareholder in Motaline Limited, is a partner in R A Redmile Transport.

Trading with that concern during the period was as follows:-

| | 1996 |
|-----------------------------|-----------|
| | £ |
| Purchases from that concern | 1,117,691 |
| Sales to that concern | 630 |

Indebtedness with that concern at the balance sheet date was as follows:-

| | |
|-----------------|--------|
| To this company | 55,234 |
| By this company | 46,800 |