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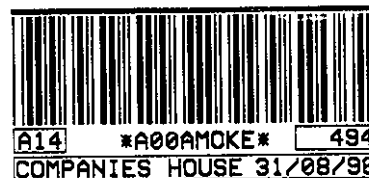
SEAWAYS SERVICES (U.K.) LIMITED

MODIFIED ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 1996

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**REPORT OF THE AUDITORS TO THE DIRECTORS OF**

**SEAWAYS SERVICES (U.K.) LIMITED**

**Pursuant to Paragraph 24 of Schedule 8  
of the Companies Act 1989**

We have examined the abbreviated accounts on pages (2) to (7) together with the full financial statements of Seaways Services (U.K.) Limited for the year ended 30 April 1996. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the directors are entitled under Sections 246 and 247 of the Companies Act 1989 to deliver abbreviated accounts in respect of the year ended 30 April 1996 and the abbreviated accounts on pages (2) to (7) have been properly prepared in accordance with Schedule 8 of that Act.

At 20 August 1996 we reported, as auditors of Seaways Services (U.K.) Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1989 for the year ended 30 April 1996 and our audit opinion was as follows:-

'In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 April 1996 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

*Bretton Reed Smith Limited*  
.....

Bretton Reed Smith Limited,  
Certified Accountants and Registered Auditors,  
Fairclough House,  
105 Redbrook Road,  
Gawber,  
Barnsley,  
S75 2RG.

*20 August*  
.....1996

SEAWAYS SERVICES (U.K.) LIMITEDBALANCE SHEET AS AT 30 APRIL 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>Fixed Assets</u>			
Tangible Assets	(8)	259745	244631
Intangible Assets	(9)	<u>1000</u>	<u>1000</u>
		260745	245631
<u>Current Assets</u>			
Stock	(10)	47880	46470
Debtors and Prepayments	(11)	283318	201264
		<u>331198</u>	<u>247734</u>
<u>Creditors: Amounts falling due within one year</u>	(12)	<u>390759</u>	<u>340090</u>
Net Current Liabilities		( 59561)	( 92356)
Total Assets less Current Liabilities		<u>201184</u>	<u>153275</u>
<u>Creditors: Amounts falling due after more than one year</u>	(12)	2083	-
Provisions for Liabilities and Charges	(13)	15237	12577
<u>Net Assets</u>		<u>183864</u>	<u>140698</u>
<u>Capital &amp; Reserves</u>			
<u>Share Capital</u>			
Authorised	- 100 Ordinary £1 Shares	<u>100</u>	<u>100</u>
Issued & Fully Paid	- 100 Ordinary £1 Shares	100	100
<u>Profit &amp; Loss Account</u>		183764	140598

Shareholders Funds

(14)

183864140698

We have relied upon the exemptions for individual accounts under Schedule 8 of the Companies Act 1985. We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

Approved by the Board *20 August* 1996

*[Signature]* .....T. D. Cotterill

.....J. Cotterill

.....R. T. Cotterill

*[Signature: Jayne Shaw]* .....J. E. Shaw

**SEAWAYS SERVICES (U.K.) LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 1996**

**1. ACCOUNTING POLICIES**

**Accounting Convention**

The financial statements have been prepared under the historical cost convention.

**Tangible Fixed Assets**

Depreciation is calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:-

Fixtures & Fittings	- 10% on written down value
Motor Vehicles	- 25% on written down value
Plant and Machinery	- 10% on written down value

**Stocks**

Stocks are valued at the lower of cost (including where appropriate a proportion of overheads) and net realisable value.

**Taxation**

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Deferred Taxation is accounted for in respect of all material timing differences to the extent that it is probable that a liability will crystallise. Provision is made at the rate of Corporation Tax which is expected to be applied when the liability is expected to crystallise.

**Research & Development**

Expenditure on research and development are written off in the year of expenditure through the Profit and Loss Account

**Cash Flow Statement**

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a Cash Flow Statement on the grounds that it is a Small Company.

**Turnover**

Turnover represents the invoiced amount of goods sold and services provided net of Value Added Tax.

**SEAWAYS SERVICES (U.K.) LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 1996**

2. <u>TURNOVER</u>	<u>1996</u>	<u>1995</u>
The turnover and pre-tax profit is attributable to the Decoration and Sale of Fluid Containers.		
3. <u>OPERATING PROFIT</u>		
This is stated after charging:		
Depreciation	28423	30776
Directors Remuneration (see below)	34698	44535
Auditors Remuneration	<u>1000</u>	<u>1250</u>
4. <u>INTEREST PAYABLE</u>		
Bank Loans, Overdrafts and Other Loans		
repayable within 5 Years		
Bank Overdraft	3106	2463
Hire Purchase Interest	<u>1295</u>	<u>-</u>
	<u>4401</u>	<u>2463</u>
5. <u>OTHER OPERATING INCOME</u>		
Profit on Sale of Fixed Assets	1500	-
Interest on Overpaid Rates	707	-
Interest on Value Added Tax	<u>200</u>	<u>-</u>
	<u>2407</u>	<u>-</u>
6. <u>DIRECTORS &amp; EMPLOYEES</u>		
The average number of persons employed by the company was made up as follows :-		
Manufacturing	14	14
Sales	1	1
Administration	<u>3</u>	<u>3</u>
	<u>18</u>	<u>18</u>
Staff Costs:		
Wages and Salaries	185976	145751
Social Security Costs	<u>13568</u>	<u>12009</u>
	<u>199544</u>	<u>157760</u>
Directors Emoluments:		
Directors Salaries	34698	44535
Pension Contributions	<u>3360</u>	<u>3120</u>
	<u>38058</u>	<u>47655</u>

SEAWAYS SERVICES (U.K.) LIMITED

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 1996**

				<u>1996</u>	<u>1995</u>
7. <u>TAXATION</u>					
UK. Corporation Tax (@25%)					
Current				10357	5347
Deferred				<u>2660</u>	<u>3040</u>
Based on Profits for the Year				<u>13017</u>	<u>8387</u>
8. <u>TANGIBLE ASSETS</u>					
	Alteration to Leasehold Property	Plant & Machinery	Motor Vehicles	Fixtures & Fittings	Total
<u>Cost</u>					
as at 30 April 1995	64316	143416	79378	20048	307158
Additions		26672	42115	3125	71912
Disposals		14000	20100	217	34317
as at 30 April 1996	<u>64316</u>	<u>156088</u>	<u>101393</u>	<u>22956</u>	<u>344753</u>
<u>Depreciation</u>					
as at 30 April 1995		29788	28126	4613	62527
Charge For Year		12555	14028	1840	28423
Eliminated in Respect of Disposals		2000	3800	142	5942
as at 30 April 1996		<u>40343</u>	<u>38354</u>	<u>6311</u>	<u>85008</u>
<u>Net Book Value</u>					
as at 30 April 1996	<u>64316</u>	<u>115745</u>	<u>63039</u>	<u>16645</u>	<u>259745</u>
as at 30 April 1995	<u>64316</u>	<u>113628</u>	<u>51252</u>	<u>15435</u>	<u>244631</u>
Assets held under Hire Purchase Contracts:				<u>1995</u>	<u>1994</u>
Plant & Machinery				12757	-
Motor Vehicles				<u>15100</u>	-

SEAWAYS SERVICES (U.K.) LIMITED

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 1996**

9. INTANGIBLE ASSETS

Goodwill is not depreciated as the directors consider its useful life to be infinite. This represents a departure from Statement of Standard Accounting Practice 22 in order to show a true and fair view.

10. <u>STOCK IN TRADE</u>	1996	1995
Stocks consist of:      Goods for Re-sale	<u>47880</u>	<u>46470</u>

11. DEBTORS

Due within one year		
Trade Debtors	256098	180444
Prepayments & Deferred Income	<u>27220</u>	<u>20820</u>
	<u>283318</u>	<u>201264</u>

12. CREDITORS

Due within one year -		
Directors Loan Accounts	56522	68324
Trade Creditors	198249	156060
Bank Loans and Overdrafts	64590	75435
Taxation and Social Security	3030	4474
Current Corporation Tax	10357	5347
Value Added Tax	4667	2556
Hire Purchase	17500	-
Accruals and Other Creditors	<u>35844</u>	<u>27894</u>
	<u>390759</u>	<u>340090</u>
Due after more than one year -		
Hire Purchase	<u>2083</u>	<u>-</u>

The National Westminster Bank plc. overdraft is secured by the personal guarantees of the directors.

13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation		
Balance as at 1 May 1995	12577	9537
Movement - Timing Differences	<u>2660</u>	<u>3040</u>
Balance as at 30 April 1996	<u>15237</u>	<u>12577</u>

**SEAWAYS SERVICES (U.K.) LIMITED**

**NOTES ON THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 1996**

	<u>1996</u>	<u>1995</u>
14. <u>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS</u>		
Profit for the financial year	<u>43166</u>	<u>25027</u>
Net Increase in Shareholders Funds	43166	25027
Opening Shareholders Funds	<u>140698</u>	<u>115671</u>
Closing Shareholders Funds	<u>183864</u>	<u>140698</u>

15. SUBSEQUENT EVENTS

No significant events have occurred since the Balance Sheet date of the company.