

Butler's (Grinders and Operators) Limited

Directors' report and financial statements

31 December 1996

Registered number 376339



Butler's (Grinders and Operators) Limited

Directors' report and financial statements

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Butler's (Grinders and Operators) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

Business review

Until 31 August 1995 when the premises were sub-let, the company continued to pay rent on its Shad Thames, London, SE1 leasehold premises and collect rent, at cost, from its tenant Red Carnation Gums Limited.

Results and dividend

The results for the year are disclosed in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend (1995: *£nil*).

Directors and directors' interests

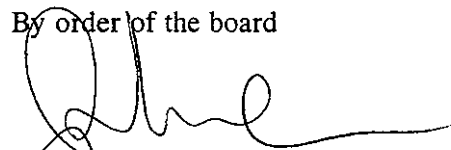
The directors who held office during the year were as follows:

PJ Revoir (Chairman)
MN Taylor

Neither director had any beneficial interest in the shares of the company during the year. Details of interests in other group companies are included in the accounts of Red Carnation Gums Limited.

No director had any material interest in any significant contract with the company during the year.

By order of the board



PT Thomson
Secretary

P&O Distribution Limited
Peninsular House
11/13 Lower Brook Street
Ipswich
IP4 1AQ

Butler's (Grinders and Operators) Limited

Statement of directors' responsibilities

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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

Auditors' report to the members of Butler's (Grinders and Operators) Limited

We have audited the financial statements on pages 4 to 7.

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 as at 31 December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

*Chartered Accountants
Registered Auditors*

10 September 1997

Butler's (Grinders and Operators) Limited

Profit and loss account

for the year ended 31 December 1996

	<i>Note</i>	1996 £	1995 £
Administrative expenses	3	(40,000)	(91,250)
Other operating income		<u>40,000</u>	<u>91,250</u>
Profit on ordinary activities before and after taxation		-	-
Retained profit brought forward		<u>36,000</u>	<u>36,000</u>
Retained profit carried forward		<u><u>36,000</u></u>	<u><u>36,000</u></u>

The results for the year are equivalent to the total recognised gains and losses for the year. Accordingly, a separate statement of recognised gains and losses has not been prepared.

Butler's (Grinders and Operators) Limited

Balance sheet

at 31 December 1996

	Note	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	4		1		1
Current assets					
Debtors	5	152,000		192,000	
Creditors: amounts falling due within one year	6	<u>(1)</u>		<u>(40,001)</u>	
Net current assets			<u>151,999</u>		<u>151,999</u>
Net assets			<u>152,000</u>		<u>152,000</u>
Capital and reserves					
Called up share capital	7	116,000		116,000	
Profit and loss account		<u>36,000</u>		<u>36,000</u>	
			<u>152,000</u>		<u>152,000</u>

These financial statements were approved by the board of directors on 31/1/97 and were signed on its behalf by:

MN Taylor
Director

Butler's (Grinders and Operators) Limited

Notes

(forming part of the financial statements)

1 Basis of preparation

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

Exemptions under Financial Reporting Standard 8 (FRS8) not to provide dealings with other members of the group have been taken.

2 Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary of a parent undertaking which has produced a group cash flow statement in accordance with the provisions of the standard.

3 Administrative expenses

Administrative expenses consist of rent payable on the leasehold property. All other expenses are borne by group companies.

4 Tangible fixed assets

	1996 £	1995 £
Short leasehold property at cost	<u>1</u>	<u>1</u>

5 Debtors

	1996 £	1995 £
Amounts owed by fellow subsidiary undertakings	152,000	152,000
Prepayments and accrued income	<u>-</u>	<u>40,000</u>
	<u>152,000</u>	<u>192,000</u>

Amounts due from other companies within the P&O group have no specific repayment dates and bear interest as agreed between the parties from time to time.

6 Creditors: amounts falling due within one year

	1996 £	1995 £
Accruals and deferred income	<u>1</u>	<u>40,001</u>

Butler's (Grinders and Operators) Limited

Notes (continued)

7 Called up share capital

	1996	1995
	£	£
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>116,000</u>	<u>116,000</u>

8 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of The Peninsular and Oriental Steam Navigation Company, a company incorporated in England by Royal Charter. The only group in which the results of the company are consolidated is that headed by The Peninsular and Oriental Steam Navigation Company. The consolidated accounts of the company are available to the public and may be obtained from:

The Registrar of Companies
Companies House
Crown Way
Cardiff CF4 3HZ