

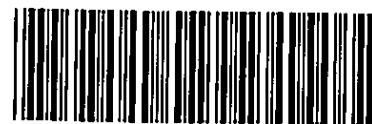
---

**J. P. KNIGHT LIMITED**

---

**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2006**

**TUESDAY**



\*AR648P6E\*

A26

01/05/2007

711

COMPANIES HOUSE

**J P. KNIGHT LIMITED**

---

**COMPANY INFORMATION**

---

<b>DIRECTORS</b>	A H Knight Esq (Chairman) Captain A R Cruse
<b>SECRETARY</b>	Mrs S M A'violet
<b>COMPANY NUMBER</b>	00230825
<b>REGISTERED OFFICE</b>	13 Albemarle Street Mayfair London W1S 4HJ
<b>AUDITORS</b>	Barnes Roffe LLP Chartered Accountants Registered Auditors Leytonstone House London E11 1HR
<b>BANKERS</b>	The Royal Bank of Scotland plc Shipping Business Centre 5 - 10 Great Tower Street London EC3P 3HX  ABN AMRO Bank N V Postbus 5050 3008 AB Rotterdam

**J. P KNIGHT LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	1 - 2
<b>Auditors' report</b>	3
<b>Profit and loss account</b>	4
<b>Balance sheet</b>	5
<b>Notes to the abbreviated accounts</b>	6 - 14

**DIRECTORS' REPORT**  
**For the year ended 30 September 2006**

---

The directors present their report and the financial statements for the year ended 30 September 2006

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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,
- 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s 234ZA (2))

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The principal activity of the company in the year under review was that of the operation of tugs and barges. The principal activities of the subsidiary undertakings in the year under review were that of the operation of tugs and management

As expected the company's main contract continues to make operating losses in light of cost pressures, particularly fuel oil prices

The board have taken action to alleviate the effect of the discontinuance of operations following the cessation of the main contract on 1 January 2007. Most significantly this includes securing agreements for the sale of plant in excess of its book value. Further details are given in note 23 to the financial statements

The board continue to actively pursue new work and opportunities, and focus on the business strengths of sound reputation and strong management to meet the challenges ahead

**RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £583,043 (2005 - Loss £835,521)

The directors do not recommend the payment of a dividend

**DIRECTORS' REPORT**  
**For the year ended 30 September 2006**

---

**DIRECTORS**

The directors who served during the year were

A H Knight Esq

Captain A R Cruse

The directors hold no beneficial interest in the issued share capital of the company. They are both directors of the ultimate parent company and their beneficial interests in the issued share capital of that company are disclosed in the group's financial statements.

The company maintains insurance for directors against liabilities in relation to the company.

**AUDITORS**

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 9 March 2007 and signed on its behalf



**Mrs S M A'violet**  
Secretary

---

**INDEPENDENT AUDITORS' REPORT TO J. P. KNIGHT LIMITED**  
**Under section 247B of the Companies Act 1985**

---

We have examined the abbreviated accounts of J P Knight Limited for the year ended 30 September 2006 set out on pages 4 to 14, together with the financial statements of the company for the year ended 30 September 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with s 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**BASIS OF OPINION**

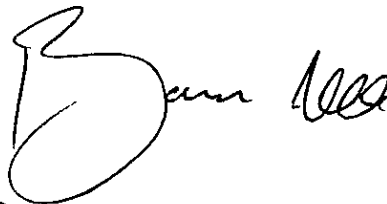
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

**Barnes Roffe LLP**  
Chartered Accountants  
Registered Auditors  
Leytonstone House  
London E11 1HR

Date 15<sup>th</sup> March 2007



**J. P. KNIGHT LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 September 2006**

	Note	2006 £	2005 £
<b>GROSS PROFIT</b>		<b>429,065</b>	<b>360,600</b>
Administrative expenses		<u>(1,206,965)</u>	<u>(1,225,782)</u>
<b>OPERATING LOSS</b>	<b>2</b>	<b>(777,900)</b>	<b>(865,182)</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	7	<u>-</u>	<u>(486,113)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(777,900)</b>	<b>(1,351,295)</b>
Income from investments in group undertakings		-	250,000
Interest receivable and similar income	5	10,818	26,131
Interest payable and similar charges	6	<u>(29,102)</u>	<u>(152)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(796,184)</b>	<b>(1,075,316)</b>
<b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>	<b>8</b>	<b>213,141</b>	<b>239,795</b>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>£ (583,043)</b>	<b>£ (835,521)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 6 to 14 form part of these financial statements

**J P. KNIGHT LIMITED**

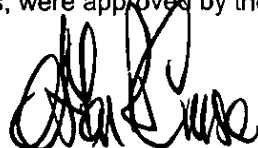
**ABBREVIATED BALANCE SHEET**  
As at 30 September 2006

	Note	£	2006 £	£	2005 £
<b>FIXED ASSETS</b>					
Tangible assets	9		2,439,686		2,874,021
Investments	10		43,026		43,026
			<u>2,482,712</u>		<u>2,917,047</u>
<b>CURRENT ASSETS</b>					
Debtors	11	765,699		795,595	
Cash at bank and in hand		504,855		487,295	
		<u>1,270,554</u>		<u>1,282,890</u>	
<b>CREDITORS</b> amounts falling due within one year	12	(1,674,247)		(1,407,705)	
<b>NET CURRENT LIABILITIES</b>			<u>(403,693)</u>		<u>(124,815)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,079,019</u>		<u>2,792,232</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	13		(699,269)		(829,439)
<b>NET ASSETS</b>			<u>£ 1,379,750</u>		<u>£ 1,962,793</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		99,000		99,000
Profit and loss account	15		1,280,750		1,863,793
<b>SHAREHOLDERS' FUNDS - All Equity</b>	16		<u>£ 1,379,750</u>		<u>£ 1,962,793</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 9 March 2007 and signed on its behalf



**A H Knight Esq**  
Director



**Captain A R Cruse**  
Director

The notes on pages 6 to 14 form part of these financial statements

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 30 September 2006**

---

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Turnover**

Turnover comprises the invoiced value of work done by the company, exclusive of value added tax. Turnover on long term contracts is recognised in accordance with the terms of each contract.

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following annual bases:

Improvements to leasehold premises	-	2% straight line
Tugs	-	23% straight line
Motor vehicles and machinery	-	10% straight line and 40% reducing balance
Other craft	-	23% straight line

**1.4 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

**1.5 Deferred taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

**1.6 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

**1.7 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**1 ACCOUNTING POLICIES (continued)**

**1.8 Impairment review**

In accordance with Financial Reporting Standard 11, Impairment of Fixed Assets and Goodwill, an annual impairment review has been carried out on certain assets included within Tugs and Other Craft that have not been depreciated on the grounds that the aggregate and annual depreciation charge is not material

**1.9 Investments**

Investments are valued at cost, with provisions made for any impairment in value where appropriate

**1.10 Cash flow**

The company has not prepared a cash flow statement under Financial Reporting Standard 1, as the company is a wholly owned subsidiary of J P Knight Group Ltd, a company registered in England and Wales, which prepares a consolidated cash flow statement

**2 OPERATING LOSS**

The operating loss is stated after charging/(crediting)

	2006 £	2005 £
Depreciation of tangible fixed assets		
- owned by the company	460,691	459,902
Auditors' remuneration	20,000	20,000
Operating lease rentals		
- plant and machinery	707,414	684,937
- other operating leases	28,700	28,700
(Profit)/loss on sale of tangible assets	(2,894)	2,789
	<u>          </u>	<u>          </u>

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2006 £	2005 £
Wages and salaries	1,583,719	1,510,106
Social security costs	133,031	143,431
Other pension costs	41,672	47,435
	<u>          </u>	<u>          </u>
	<u>£ 1,758,422</u>	<u>£ 1,700,972</u>

The average monthly number of employees, including directors, during the year was as follows

	2006 No	2005 No
Office and management	25	26
Crews and general	115	118
	<u>          </u>	<u>          </u>
	<u>140</u>	<u>144</u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**4 DIRECTORS' REMUNERATION**

	2006 £	2005 £
Emoluments	£ 205,757	£ 189,351
Company pension contributions to money purchase pension schemes	£ 6,012	£ 6,335

During the year retirement benefits were accruing to 1 director (2005 - 1) in respect of money purchase pension schemes

The highest paid director received remuneration of £110,954 (2005 - £97,312)

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2006 £	2005 £
Foreign exchange gain	-	2,852
Bank interest	9,862	23,202
Other interest	956	77
	£ 10,818	£ 26,131

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2006 £	2005 £
Bank loans and overdrafts	156	152
Foreign exchange loss	28,946	-
	£ 29,102	£ 152

**7 EXCEPTIONAL ITEMS**

	2006 £	2005 £
Other exceptional items	£ -	£ 486,113

Other exceptional items represent amounts paid, net of provisions released, in settlement of amounts due to and from Goliath Knight B V

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 30 September 2006**

**8. TAXATION**

	2006 £	2005 £
<b>Analysis of tax credit in year</b>		
<b>Current tax</b> (see note below)		
Group taxation relief	<u>(82,971)</u>	<u>(110,034)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(130,170)</u>	<u>(129,761)</u>
<b>Total deferred tax</b> (see note 13)	<u>(130,170)</u>	<u>(129,761)</u>
<b>Tax on loss on ordinary activities</b>	<u>£ (213,141)</u>	<u>£ (239,795)</u>

**Factors affecting tax charge for year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the company (30%). The differences are explained below

	2006 £	2005 £
Loss on ordinary activities before tax	<u>(796,184)</u>	<u>(1,075,316)</u>
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2005 - 30%)	<u>(238,855)</u>	<u>(322,595)</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,735	155,806
Depreciation for period in excess of capital allowances	130,243	131,755
Non taxable investment income	-	(75,000)
Unrelieved tax losses carried forward	<u>23,906</u>	<u>-</u>
<b>Current tax credit for year</b> (see note above)	<u>£ (82,971)</u>	<u>£ (110,034)</u>

**Factors that may affect future tax charges**

The company has unrelieved tax losses carried forward

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**9 TANGIBLE FIXED ASSETS**

	Improvements to leasehold premises	Tugs	Motor vehicles and machinery	Other craft	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2005	20,161	2,988,886	758,474	9,518,510	13,286,031
Additions	-	-	38,962	-	38,962
Disposals	-	-	(31,515)	-	(31,515)
At 30 September 2006	<u>20,161</u>	<u>2,988,886</u>	<u>765,921</u>	<u>9,518,510</u>	<u>13,293,478</u>
<b>Depreciation</b>					
At 1 October 2005	2,385	2,052,420	663,056	7,694,149	10,412,010
Charge for the year	403	63,272	27,226	369,790	460,691
On disposals	-	-	(18,909)	-	(18,909)
At 30 September 2006	<u>2,788</u>	<u>2,115,692</u>	<u>671,373</u>	<u>8,063,939</u>	<u>10,853,792</u>
<b>Net book value</b>					
At 30 September 2006	<u>£ 17,373</u>	<u>£ 873,194</u>	<u>£ 94,548</u>	<u>£ 1,454,571</u>	<u>£ 2,439,686</u>
At 30 September 2005	<u>£ 17,776</u>	<u>£ 936,466</u>	<u>£ 95,418</u>	<u>£ 1,824,361</u>	<u>£ 2,874,021</u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**10 FIXED ASSET INVESTMENTS**

	Shares in group under- takings £	Loans to group under- takings £	Total  £
<b>Cost</b>			
At 1 October 2005 and 30 September 2006	43,500	204,339	247,839
<b>Provisions</b>			
At 1 October 2005 and 30 September 2006	13,346	191,467	204,813
<b>Net book value</b>			
At 30 September 2006	£ 30,154	£ 12,872	£ 43,026
At 30 September 2005	£ 30,154	£ 12,872	£ 43,026

**Details of group undertakings and participating interests:**

Group undertakings	Classification of shares held	Proportion held	Nature of business
J P Knight (London) Limited	Ordinary	100%	Management
J P Knight (Offshore) Limited	Ordinary	100%	Tug operation
J P Knight (International) B V (Incorporated in the Netherlands)	Ordinary	100% *	Management

**Group undertakings not consolidated in the parent undertaking.**

J P Knight (Barges) B V (Incorporated in the Netherlands)	Ordinary	100% *	Dormant
--	----------	--------	---------

\* = Held by a subsidiary

The companies are registered in England and Wales, unless otherwise stated

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**11 DEBTORS**

	2006	2005
	£	£
Trade debtors	334,564	373,139
Amounts owed by group undertakings	304,122	275,912
Other debtors	30,992	47,577
Prepayments and accrued income	96,021	98,967
	<u>£ 765,699</u>	<u>£ 795,595</u>

**12. CREDITORS**

Amounts falling due within one year

	2006	2005
	£	£
Trade creditors	210,574	428,185
Amounts owed to group undertakings	1,045,309	795,174
Social security and other taxes	33,291	31,397
Other creditors	235,962	-
Accruals and deferred income	149,111	152,949
	<u>£ 1,674,247</u>	<u>£ 1,407,705</u>

**13 DEFERRED TAXATION**

	2006	2005
	£	£
At 1 October 2005	829,439	959,200
Released during the year	(130,170)	(129,761)
	<u>£ 699,269</u>	<u>£ 829,439</u>

The deferred tax provision is made up as follows

	2006	2005
	£	£
Accelerated capital allowances	<u>£ 699,269</u>	<u>£ 829,439</u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**14 SHARE CAPITAL**

	2006 £	2005 £
<b>Authorised</b>		
100,000 Ordinary "A" shares of £1 each	100,000	100,000
50,000 Ordinary "B" shares of £1 each	50,000	50,000
	<u>£ 150,000</u>	<u>£ 150,000</u>
<b>Allotted, called up and fully paid</b>		
66,000 Ordinary "A" shares of £1 each	66,000	66,000
33,000 Ordinary "B" shares of £1 each	33,000	33,000
	<u>£ 99,000</u>	<u>£ 99,000</u>

**15 RESERVES**

<b>Profit and loss account</b>	£
At 1 October 2005	1,863,793
Loss retained for the year	(583,043)
	<u>£ 1,280,750</u>
At 30 September 2006	

**16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2006 £	2005 £
Loss for the year	(583,043)	(835,521)
	<u>(583,043)</u>	<u>(835,521)</u>
Opening shareholders' funds	1,962,793	2,798,314
Closing shareholders' funds	<u>£ 1,379,750</u>	<u>£ 1,962,793</u>

**17. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,672 (2005 - £47,435). No contributions were payable to the fund at the balance sheet date (2005 - £Nil).

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 30 September 2006

**18. OPERATING LEASE COMMITMENTS**

At 30 September 2006 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2006	2005	2006	2005
	£	£	£	£
<b>Expiry date</b>				
Between 2 and 5 years	<u>16,700</u>	<u>16,700</u>	<u>170,425</u>	<u>713,694</u>

**19. TRANSACTIONS WITH DIRECTORS**

The company rents a storage facility owned by A R H Knight Esq, a director of a fellow subsidiary company. During the year rent of £12,000 (2005 - £12,000) was charged on an arms length basis.

**20. RELATED PARTY TRANSACTIONS**

Transactions with group companies are not disclosed by virtue of the exemption claimed under Financial Reporting Standard 8, paragraph 3(c). The group publishes consolidated accounts.

**21. POST BALANCE SHEET EVENTS**

The company's main contract expired on the 1 January 2007.

Full provision for material closure costs associated with the contract have been provided for in these financial statements.

Included within other creditors are deposits received for the sale of certain items of plant held at the balance sheet date with a net book value of £2,219,492. The sales proceeds are expected to be in excess of the carrying value at the date of disposal.

The directors continue to pursue third party interest for the sale of remaining plant and consequently do not consider the company's fixed assets impaired at the balance sheet date.

The results are shown as continued on the basis that the contract continued beyond three months into the next accounting period. No other adjustments are reflected in these financial statements.

**22. ULTIMATE PARENT UNDERTAKING**

The company regards J P Knight Group Ltd, which is registered in England and Wales, as its ultimate parent undertaking.