
J. P. KNIGHT LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2000**



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J. P. KNIGHT LIMITED

Company Information

Directors	A H Knight Esq (Chairman) A R Cruse Esq
Secretaries	K B Gorman Esq Mrs E M Taylor (appointed 2 October 2000)
Company Number	230825
Registered Office	24 Bedford Row London WC1R 4EH
Auditors	Barnes Roffe Chartered Accountants Registered Auditors 840 - 844 High Road London E10 6AE
Bankers	ABN Amro Bank N.V. Zuidplein 2 Postbus 5050 3008 AB Rotterdam Royal Bank of Scotland plc Shipping Business Centre 5 - 10 Great Tower Street London EC3P 3HX Fortis Bank 23 Camomile Street London EC3A 7PP

J. P. KNIGHT LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2000

The directors present their report and the financial statements for the year ended 30 September 2000.

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;
- 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.

Results and dividends

The profit for the year after taxation, amounted to £369,648 (1999 - profit of £38,876).

An interim dividend of £70,290 (£0.71 per share) on all ordinary shares was paid during the year.

The directors recommend that a final dividend of £55,440 (£0.56 per share) on all ordinary shares be paid.

Principal activity 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 directors are satisfied with the results for the year. They hope that the company and its subsidiaries will maintain profitability in the coming years.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	<u>Ordinary shares of £1 each</u>	
	<u>2000</u>	<u>1999</u>
A H Knight Esq	-	-
A R Cruse Esq	-	-

The directors hold no beneficial interest in the issued share capital of the company during the current or preceding year. They are both directors of the holding company and their interests in the 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.

Political and charitable contributions

During the year the company made charitable donations of £250 (1999 - £1,188).

Auditors

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

This report was approved by the board on 23.01.2001 and signed on its behalf.

E M Taylor

Mrs E M Taylor
Secretary

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

We have examined the abbreviated accounts set out on pages 3 to 12 together with the financial statements of J. P. Knight Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 September 2000.

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 sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

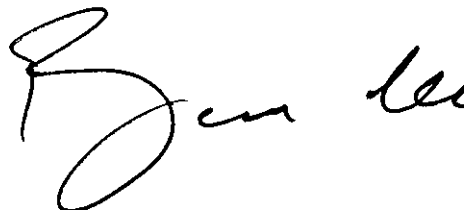
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 12 are properly prepared in accordance with that provision.

Barnes Roffe

Chartered Accountants
Registered Auditors
840 - 844 High Road
London E10 6AE



Date: 18th May 2001

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 30 September 2000

	Note	2000 £	1999 £
GROSS PROFIT		2,128,439	1,726,803
Administrative expenses		(1,536,897)	(1,579,285)
OPERATING PROFIT	2	591,542	147,518
Profit on disposal of tangible fixed assets		4,187	2,772
		595,729	150,290
Amounts written off investments		(1,441)	(1,705)
Interest receivable and similar income	5	131,505	122,651
Interest payable and similar charges	6	(264,395)	(189,416)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		461,398	81,820
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	(91,750)	(42,944)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		369,648	38,876
DIVIDENDS	8	(125,730)	(118,305)
RETAINED PROFIT/(LOSS) FOR THE YEAR		243,918	(79,429)
RETAINED PROFIT BROUGHT FORWARD		2,892,583	2,972,012
RETAINED PROFIT CARRIED FORWARD		£ 3,136,501	£ 2,892,583

All amounts relate to continuing operations.

There were no recognised gains and losses for 2000 or 1999 other than those included in the profit and loss account.

The notes on pages 5 to 12 form part of these abbreviated accounts.

BALANCE SHEET
As at 30 September 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	9		5,060,616		5,262,094
Investments	10		43,026		44,467
			<u>5,103,642</u>		<u>5,306,561</u>
CURRENT ASSETS					
Debtors	11	1,913,848		1,662,916	
Cash at bank and in hand		1,772,144		1,978,612	
		<u>3,685,992</u>		<u>3,641,528</u>	
CREDITORS: amounts falling due within one year	12	<u>(3,392,895)</u>		<u>(3,083,061)</u>	
NET CURRENT ASSETS			<u>293,097</u>		<u>558,467</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,396,739</u>		<u>5,865,028</u>
CREDITORS: amounts falling due after more than one year	13		<u>(729,159)</u>		<u>(1,282,108)</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14		<u>(1,432,079)</u>		<u>(1,591,337)</u>
NET ASSETS			<u>£ 3,235,501</u>		<u>£ 2,991,583</u>
CAPITAL AND RESERVES					
Called up share capital	15		99,000		99,000
Profit and loss account			3,136,501		2,892,583
SHAREHOLDERS' FUNDS - All equity	16		<u>£ 3,235,501</u>		<u>£ 2,991,583</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The abbreviated accounts were approved by the board on 23.01.2001 and signed on its behalf

A R Cruse Esq

Director

The notes on pages 5 to 12 form part of these abbreviated accounts.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

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.

The company has not prepared a cash flow statement under Financial Reporting Standard No. 1 as the company is a wholly owned subsidiary of JP Knight Group Ltd, a company registered in England and Wales, which prepares a consolidated cash flow statement.

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 bases:

Improvements to leasehold premises	-	2% straight line per annum
Tugs	-	10 years and 4 1/3 years straight line on the net book value at 1 October 1994 and 1 October 1998 respectively
Motor vehicles, machinery and office equipment	-	10% to 40% on both straight line and reducing balance per annum
Other craft	-	10 years and 4 1/3 years straight line on the net book value at 1 October 1994 and 1 October 1998 respectively

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 fixed assets included within Tugs and Other Craft that have not been depreciated this year.

Depreciation

In accordance with the Financial Reporting Standard 15, Tangible Fixed Assets, the useful economic life and residual value of certain tugs and other craft have been reviewed where material. On implementation of the standard in the preceeding year this resulted in an increase in depreciation of tugs and other craft of £68,409.

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 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 profit before tax.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

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. There were no amounts outstanding at the year end (1999 - £Nil).

1.8 Investments

Investments are valued at cost, with provisions made for permanent diminution in value where appropriate.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	415,414	263,627
Audit fees	20,000	20,000
Operating lease rentals		
- hire of plant and machinery	551,687	565,605
- other	20,748	20,748
	<u> </u>	<u> </u>

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2000 £	1999 £
Wages and salaries	1,813,685	1,776,136
Social security costs	156,279	125,415
Other pension costs	26,688	49,574
	<u> </u>	<u> </u>
	£ 1,996,652	£ 1,951,125
	<u> </u>	<u> </u>

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

	2000	1999
Office and management	31	26
Crews and general	150	129
	<u> </u>	<u> </u>
	181	155
	<u> </u>	<u> </u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

4. DIRECTORS' REMUNERATION

	2000 £	1999 £
Aggregate emoluments	220,274	167,959
Company pension contributions to money purchase schemes	2,168	3,861
	<u>£ 222,442</u>	<u>£ 171,820</u>

Retirement benefits are accruing to two directors (1999 - two) under money purchase pension schemes.

Highest paid director	<u>£ 114,287</u>	<u>£ 93,228</u>
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5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000 £	1999 £
Other interest receivable	<u>£ 131,505</u>	<u>£ 122,651</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	72,748	90,448
Foreign exchange differences	191,647	98,968
	<u>£ 264,395</u>	<u>£ 189,416</u>

7. TAXATION

	2000 £	1999 £
Current year taxation		
UK corporation tax at 30% (1999 - 31% and 30%)	251,008	110,926
Transfer from deferred taxation	(159,258)	(67,982)
	<u>£ 91,750</u>	<u>£ 42,944</u>

8. DIVIDENDS

	2000 £	1999 £
Ordinary "A" - interim paid	46,860	42,900
Ordinary "A" - final proposed	36,960	35,970
Ordinary "B" - interim paid	23,430	21,450
Ordinary "B" - final proposed	18,480	17,985
	<u>£ 125,730</u>	<u>£ 118,305</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

9. TANGIBLE FIXED ASSETS

	Improvements to Leasehold Premises £	Tugs £	Other Craft £	Motor Vehicles and Machinery £	Total £
Cost					
At 1 October 1999	23,762	3,812,336	9,322,489	953,984	14,112,571
Additions	-	-	196,021	57,824	253,845
Disposals	-	-	-	(101,593)	(101,593)
At 30 September 2000	<u>23,762</u>	<u>3,812,336</u>	<u>9,518,510</u>	<u>910,215</u>	<u>14,264,823</u>
Depreciation					
At 1 October 1999	1,188	2,286,069	5,820,337	742,883	8,850,477
Charge for the year	475	105,175	246,593	63,171	415,414
On disposals	-	-	-	(61,684)	(61,684)
At 30 September 2000	<u>1,663</u>	<u>2,391,244</u>	<u>6,066,930</u>	<u>744,370</u>	<u>9,204,207</u>
Net Book Value					
At 30 September 2000	<u>£ 22,099</u>	<u>£ 1,421,092</u>	<u>£ 3,451,580</u>	<u>£ 165,845</u>	<u>£ 5,060,616</u>
At 30 September 1999	<u>£ 22,574</u>	<u>£ 1,526,267</u>	<u>£ 3,502,152</u>	<u>£ 211,101</u>	<u>£ 5,262,094</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost			
At 1 October 1999	76,499	204,339	280,838
At 30 September 2000	<u>76,499</u>	<u>204,339</u>	<u>280,838</u>
Provisions			
At 1 October 1999	44,904	191,467	236,371
Charge for the year	1,441	-	1,441
At 30 September 2000	<u>46,345</u>	<u>191,467</u>	<u>237,812</u>
Net Book Value			
At 30 September 2000	<u>£ 30,154</u>	<u>£ 12,872</u>	<u>£ 43,026</u>
At 30 September 1999	<u>£ 31,595</u>	<u>£ 12,872</u>	<u>£ 44,467</u>

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 (Holdings) Limited (Incorporated in Scotland)	Ordinary	100%	Dormant
J.P. Knight (International) B.V. (Incorporated in the Netherlands)	Ordinary	100% *	Management

Group undertakings not consolidated in ultimate parent undertaking

Goliath Knight B.V. (Incorporated in the Netherlands)	Ordinary	75% *	In liquidation
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 2000

11. DEBTORS

	2000 £	1999 £
Due within one year		
Trade debtors	657,157	538,978
Amounts owed by group undertakings	1,139,087	669,249
Other debtors	25,446	338,605
Prepayments and accrued income	92,158	116,084
	<u>£ 1,913,848</u>	<u>£ 1,662,916</u>

12. CREDITORS:**Amounts falling due within one year**

	2000 £	1999 £
Bank loans	183,797	396,170
Other loans	514,700	462,227
Trade creditors	596,865	844,602
Amounts owed to group undertakings	1,505,067	873,266
Corporation tax	171,110	46,808
Social security and other taxes	33,044	87,223
Proposed dividend	55,440	53,955
Other creditors	150,145	150,145
Accruals and deferred income	182,727	168,665
	<u>£ 3,392,895</u>	<u>£ 3,083,061</u>

13. CREDITORS:**Amounts falling due after more than one year**

	2000 £	1999 £
Bank loans	-	165,059
Other loans	729,159	1,117,049
	<u>£ 729,159</u>	<u>£ 1,282,108</u>

Included within the above are amounts falling due as follows:

In 1 - 2 years:

Bank loans	£ -	£ 165,059
Loan instalments	£ 514,700	£ 462,227

In 2 - 5 years:

Loan instalments	£ 214,459	£ 654,822
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The bank loans are secured by mortgages on the company's craft. Loans are denominated in a foreign currency and the interest is charged in the currency of that loan at a fixed interest rate.

Other loans are repayable by fixed instalments. These loans are secured on the group's craft and do not carry interest.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

14. PROVISIONS FOR LIABILITIES AND CHARGES**Deferred tax**

	£
At 1 October 1999	1,591,337
Credit for the year	(159,258)
	<u>£ 1,432,079</u>

The above provision relates to accelerated capital allowances. Deferred taxation has been provided in full.

15. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
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>
Allotted, called up and fully paid		
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>

16. SHAREHOLDERS' FUNDS**Reconciliation of movements on shareholders' funds**

	2000 £	1999 £
Profit for the year	369,648	38,876
Dividends	(125,730)	(118,305)
	<u>243,918</u>	<u>(79,429)</u>
Opening shareholders' funds	2,991,583	3,071,012
Closing shareholders' funds	<u>£ 3,235,501</u>	<u>£ 2,991,583</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 2000

17. CONTINGENT LIABILITIES

J.P. Knight (Barges) B.V., a group undertaking of the company, is insolvent and has a liability inter alia, to the Dutch tax authorities. Legal opinion has been received which expresses the view that no liability will result from this matter and the directors are in agreement with this. Furthermore, the company and its group undertakings have written off all investments in, and loans to J.P. Knight (Barges) B.V..

Amounts due to and from Goliath Knight B.V. are subject to negotiations with the liquidator of the group undertaking. The directors have previously made a provision of NLG 500,000 (2000 - £150,145; 1999 - £150,145) in respect of this matter. Negotiations are continuing but the directors are of the opinion that no liability will result from these negotiations.

18. CAPITAL COMMITMENTS

At 30 September 2000 the company had capital commitments as follows:

	2000 £	1999 £
Contracted for but not provided in these accounts	-	194,000

19. OTHER COMMITMENTS

At 30 September 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £	2000 £	1999 £
	Others		Land and buildings	
Expiry date:				
Between 2 and 5 years	517,349	517,349	15,000	15,000

20. RELATED PARTIES

Transactions with group companies are not disclosed by virtue of the exemption claimed under Financial Reporting Standard No 8 paragraph 3(c). The group publishes consolidated accounts.

21. PARENT COMPANY

The ultimate parent company is JP Knight Group Ltd, which is registered in England and Wales.