

"ROYAL BLUE" TRANSPORT COMPANY LIMITED

ABBREVIATED ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

COMPANY NO: 398742

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The following reproduces the text of the Accountants' Report prepared for the purposes of section 249A(2) Companies Act 1985 in respect of the Company's annual accounts, from which the abbreviated accounts (set out on page 2 to 4) have been prepared.

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
OF THE UNAUDITED ACCOUNTS OF ROYAL BLUE TRANSPORT COMPANY LIMITED

We report on the accounts for the year ended 31st March 1997 set out on pages 3 to 8.

Respective Responsibilities of Directors and Reporting Accountant

As described on page 4, the Company's Directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit.

In accordance with their instructions and in order to assist the Directors to fulfil their responsibilities we have prepared the accounts on pages 3 to 8 from the accounting records and from information and explanations supplied to us.

We have not performed an audit and we do not provide any assurance that the accounts show a true and fair view, which remains the sole responsibility of the Directors.

It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249 B(1).

Sovereign House,
7 Station Road,
Kettering.
Northants.

8th January 1998

Moore SB
MOORE STEPHENS
CHARTERED ACCOUNTANTS

"ROYAL BLUE" TRANSPORT COMPANY LIMITEDBALANCE SHEET AT 31ST MARCH 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
<u>Fixed Assets</u>					
Tangible Assets	2		36,165		43,017
Investments	3		166,790		166,671
			<hr/>		<hr/>
			202,955		209,688
<u>Current Assets</u>					
Stocks		1,000		1,000	
Debtors		38,036		26,787	
Cash at Bank and in Hand		10,179		110	
		<hr/>		<hr/>	
		49,215		27,897	
<u>Less Creditors: Amounts falling due within One Year</u>		14,308		25,995	
		<hr/>		<hr/>	
Net Current Assets			34,907		1,902
			<hr/>		<hr/>
Total Assets Less Current Liabilities			237,862		211,590
<u>Less Creditors: Amounts falling due after more than One Year</u>	4		39,452		48,652
			<hr/>		<hr/>
			198,410		162,938
			=====		=====
<u>Represented by Capital and Reserves</u>					
Called Up Share Capital	7		5,100		5,100
Revaluation Reserve			152,416		152,416
Profit and Loss Account			40,894		5,422
			<hr/>		<hr/>
Total Equity Shareholders' Funds	c/fwd		198,410		162,938
			=====		=====

The Directors are satisfied that the Company was entitled to exemption under section 249A(2) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) in relation to the accounts for the financial year.

The Directors acknowledge their responsibilities for:- (i) ensuring that the Company keeps accounting records which comply with section 221 of the Act; and (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 so far as applicable to the Company.

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

Approved by the Board of Directors
on 8th January 1998

"ROYAL BLUE" TRANSPORT COMPANY LIMITEDBALANCE SHEET AT 31ST MARCH 1997 (CONTD...)

	<u>1997</u>	<u>1996</u>
	£	£
b/fwd	198,410	162,938
	=====	=====

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

Approved by the Board of Directors
on
and signed on their behalf by:

 - Director

"ROYAL BLUE" TRANSPORT COMPANY LIMITEDNOTES ON ACCOUNTS TO 31ST MARCH 19971. Accounting Policies

- (a) These accounts have been prepared under the Historical Cost Convention, as modified by the revaluation of Investment Properties.
- (b) Turnover represents charges to external customers exclusive of Value Added Tax and trade discounts.
- (c) Stocks and Work in Progress are valued consistently at the lower of cost (on first in first out basis) or net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.
- (d) Deferred Taxation
A deferral of Corporation Tax has arisen due to the different basis on which profits are arrived at for taxation purposes as compared to the basis on which profits are stated in these financial statements. Provision has been made for this taxation to the extent to which it is considered likely to become payable in the foreseeable future and at the rate eventually expected to be charged.
- (e) Depreciation of Fixed Assets
Depreciation has been computed to write off the cost of Fixed Assets over their expected useful lives at the following rates:-
- | | |
|-----------------------|------------------------------|
| Investment Property | Nil |
| Freehold Property | 2% p.a. on cost |
| Plant and Machinery | 15% p.a. on reducing balance |
| Fixtures and Fittings | 20% p.a. on reducing balance |
| Motor Vehicles | 25% p.a. on reducing balance |
- A full year's depreciation is charged in the year of acquisition of an asset, but none in the year of disposal.
- (f) Debtors are shown after providing for any amounts which the Directors consider may not be collected in full.
- (g) Investments which have been classified as Fixed Assets are included at cost, less any reductions in the value of those investments which are considered to be permanent.
- (h) Pensions Costs are recognised in the Profit and Loss Account in order to provide a systematic and rational charge over the periods from which benefits are derived from employees services.
- (i) Cash Flow Statement
The Company has taken advantage of the exemption contained within Financial Reporting Standard No. 1 from the requirement to prepare a Cash Flow Statement on the grounds that it qualifies as a Small Company as defined by Section 247 of the Companies Act 1985.

NOTES SUPPLEMENTING THE BALANCE SHEET2. Tangible Fixed Assets

	<u>Total</u>
	£
<u>Cost:</u>	
At 1st April 1996	
and 31st March 1997	99,329
	===
<u>Depreciation</u>	
At 1st April 1996	56,312
Charge for the Year	6,852

At 31st March 1997	63,164
	===
<u>Net Book Value:</u>	
At 31st March 1997	36,165
	===
At 31st March 1996	43,017
	===

NOTES ON ACCOUNTS (CONTD..)

3. Investments (held as Fixed Assets)

(a)	<u>Cost/Valuation</u> at 1.4.96 £	<u>Additions</u> £	<u>Cost/Valuation</u> at 31.3.97 £
Other Investments (other than loans)	166,671	119	166,790
	===	===	===

(b) Fixed Asset Investments Included at Valuation

The following information is provided for those items included at valuation but which are not listed investments:-

<u>Class of Investment</u>	<u>Valuation</u> £	<u>Year of Valuation</u>
Land and Buildings	165,000	1997

(c) Fixed Investments valued during the Year

The freehold land and buildings were valued at the Balance Sheet date by the Directors of the Company using an open market basis.

4. Creditors: Amounts falling due after more than One Year

	<u>1997</u> £	<u>1996</u> £
Other Creditors	39,452	48,652
	===	===

5. Security

Security has been given by the company in respect of the following amounts:-

	<u>1997</u> £	<u>1996</u> £
Bank Loans and Overdrafts	-	18,373
	===	===

6. Loans from Participators:- loans amounting to £39,452 (1996 £48,652) have been classified as other creditors; these loans are unsecured, and repayable on demand; they do not carry interest. They have been treated as creditors repayable in more than 12 months on the basis that no significant amount is likely to be repaid before the end of the next accounting period, and this form of disclosure is considered necessary to prevent distortion of the financial results and position of the Company.

7. Share Capital

	<u>Authorised</u>		<u>Allotted and Fully Paid</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Ordinary Shares of £1 Each	20,000	20,000	5,100	5,100
	===	===	===	===