

Triton Container UK Limited

Directors' report and financial statements

31 December 1998

Registered number 2027720



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

Principal activities

The main activity of the company remains principally that of operating as an agent for Triton Container International Limited, a company registered in Bermuda with whom Triton Container UK Limited has a licence agreement.

Business review

The results for the year are shown on page 4 and the directors consider the results to be satisfactory.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year were:

MR Bennett
W Pabst
EP Schneider
J O'Callaghan

None of the directors who held office during the year had any disclosable interest in the shares of group companies.

Year 2000

The directors have considered the impact of Year 2000 issues on the business, and are in the process of addressing them as appropriate. The directors do not anticipate the costs involved in ensuring the company becomes Year 2000 compliant to be significant.

Economic Monetary Union

The directors do not anticipate the impact on the company's systems of the introduction of the euro on 1st January 1999 to give rise to material expenditure by the company.

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:

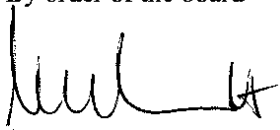
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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. The directors 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

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



MR Bennett
Director



Arlington Business Park
Theale
Reading RG7 4SD

Report of the auditors to the members of Triton Container UK Limited

We have audited the financial statements on pages 4 to 10.

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 at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

Chartered Accountants
Registered Auditors

22/10/99

Profit and loss account

for the year ended 31 December 1998

	<i>Note</i>	1998 £	1997 £
Turnover	<i>1</i>	1,164,764	833,778
Administrative expenses		(1,142,896)	(778,093)
Other operating income		56,609	8,335
Trading profit		78,477	64,020
Other interest receivable and similar income	<i>5</i>	1,561	3,824
Profit on ordinary activities before taxation	<i>2-4</i>	80,038	67,844
Tax on profit on ordinary activities	<i>6</i>	(38,051)	(30,460)
Profit on ordinary activities after taxation		41,987	37,384
Retained profit brought forward		202,588	165,204
Retained profit carried forward		244,575	202,588

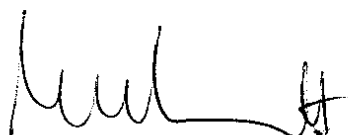
The profit and loss account contains the only gains and losses of the company for the current and prior year. All figures relate to continuing activities.

Balance sheet

at 31 December 1998

	Note	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	7		144,825		129,375
Current assets					
Debtors	8	228,899		163,998	
Cash at bank and in hand		441		551	
		<u>229,340</u>		<u>164,549</u>	
Creditors: amounts falling due within one year	9	<u>(127,590)</u>		<u>(89,336)</u>	
Net current assets			<u>101,750</u>		<u>75,213</u>
Net assets			<u>246,575</u>		<u>204,588</u>
Capital and reserves					
Called up share capital	10	2,000		2,000	
Profit and loss account		<u>244,575</u>		<u>202,588</u>	
			<u>246,575</u>		<u>204,588</u>

These financial statements were approved by the board of directors on 21/10/99 and were signed on its behalf by:



MR Bennett
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives on a straight line basis as follows:

Leasehold improvements	-	length of lease
Fixtures and fittings	-	5 years
Office equipment	-	3 years

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents amounts receivable from Triton Container International Inc. in respect of services rendered under a licence agreement.

Operating lease contracts

Expenditure on operating lease contracts is charged to the profit and loss account as incurred over the lease period.

Notes *(continued)*

2 Profit on ordinary activities before taxation

	1998 £	1997 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:	3,150	2,800
Charges under operating leases	149,265	68,840
Depreciation	27,416	11,778
	<u> </u>	<u> </u>

3 Remuneration of directors

	1998 £	1997 £
Directors' emoluments:		
As directors	204,931	146,846
	<u> </u>	<u> </u>

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	1998	1997
Office and management	9	6
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	1998 £	1997 £
Wages and salaries	512,275	352,844
Social security costs	51,775	32,663
	<u> </u>	<u> </u>
	<u>564,050</u>	<u>385,507</u>

Notes (continued)

5 Other interest receivable

	1998 £	1997 £
Deposit account interest	1,561	3,824

6 Taxation

	1998 £	1997 £
UK corporation tax at 31% on the profit for the year on ordinary activities	38,200	31,000
Overprovision in respect of prior year	(149)	(540)
	<u>38,051</u>	<u>30,460</u>

7 Tangible fixed assets

	Leasehold Improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At beginning of year	104,941	148,187	55,237	308,365
Additions	8,705	10,298	23,863	42,866
	<u>113,646</u>	<u>158,485</u>	<u>79,100</u>	<u>351,231</u>
Depreciation				
At beginning of year	2,624	122,572	53,794	178,990
Charge for year	10,517	13,582	3,317	27,416
	<u>13,141</u>	<u>136,154</u>	<u>57,111</u>	<u>206,406</u>
Net book value				
At 31 December 1998	<u>100,505</u>	<u>22,331</u>	<u>21,989</u>	<u>144,825</u>
At 31 December 1997	<u>102,317</u>	<u>25,615</u>	<u>1,443</u>	<u>129,375</u>

Notes (continued)

8 Debtors

	1998 £	1997 £
Amounts owed by Triton Container International Inc	131,515	85,019
Other debtors	47,730	62,132
Prepayments and accrued income	49,654	16,847
	<u>228,899</u>	<u>163,998</u>

9 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdraft	35,072	879
Trade creditors	34,603	41,919
Corporation tax	38,200	31,000
Other taxation and social security	-	10,938
Accruals and deferred income	19,715	4,600
	<u>127,590</u>	<u>89,336</u>

10 Called up share capital

	1998 £	1997 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

11 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 1998 £	1997 £
Operating leases which expire:		
Over five years	149,268	149,268
	<u>149,268</u>	<u>149,268</u>

Notes *(continued)*

12 Ultimate holding company

The company is a subsidiary undertaking of Triton Holdings Limited, a company registered in Bermuda.

The largest group in which the results of the company are consolidated is that headed by Triton Holdings Limited. The consolidated accounts of this group are not available to the public.