

Directors' report and financial statements

31 December 1999



Contents

Directors' report	1
Report of the auditors to the members of Triton Container UK Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

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 – resigned 1 April 1999
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 risks and uncertainties associated with the Year 2000 problem. The company has implemented a plan to address these issues and its relationship with customers, suppliers and other relevant parties. The costs incurred to date have been written off to the profit and loss account and these and future costs are not expected to be significant.

The company has not experienced any problems as a result of Year 2000 issues on computer systems, applications or products and do not believe results and operations have been adversely affected. The directors' do not know of any ability of third parties to manage their Year 2000 problems which may adversely affect the company nor of any potential liability to third parties as a result of Year 2000 failures.

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:

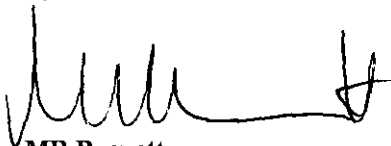
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

A handwritten signature in black ink, appearing to read 'MR Bennett', with a stylized flourish at the end.

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

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG 11/9/00
Chartered Accountants
Registered Auditors

Profit and loss account

for the year ended 31 December 1999

	<i>Note</i>	1999 £	1998 £
Turnover	<i>1</i>	1,319,873	1,164,764
Administrative expenses		(1,291,923)	(1,142,896)
Other operating income		57,652	56,609
Trading profit		<u>85,602</u>	<u>78,477</u>
Other interest receivable and similar income	<i>5</i>	2,645	1,561
Profit on ordinary activities before taxation	<i>2-4</i>	88,247	80,038
Tax on profit on ordinary activities	<i>6</i>	(39,061)	(38,051)
Profit on ordinary activities after taxation		<u>49,186</u>	<u>41,987</u>
Retained profit brought forward		244,575	202,588
Retained profit carried forward		<u><u>293,761</u></u>	<u><u>244,575</u></u>

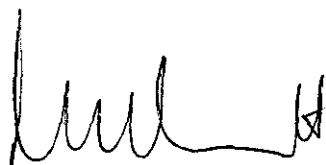
The profit and loss account contains the only gains and losses of the company for the current and prior year. All figures relate to continuing activities.

Balance sheet

at 31 December 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	7	157,113	144,825
Current assets			
Debtors	8	165,994	228,899
Cash at bank and in hand		125,668	441
		<u>291,662</u>	<u>229,340</u>
Creditors: amounts falling due within one year	9	<u>(153,014)</u>	<u>(127,590)</u>
Net current assets		<u>138,648</u>	<u>101,750</u>
Net assets		<u>295,761</u>	<u>246,575</u>
Capital and reserves			
Called up share capital	10	2,000	2,000
Profit and loss account		293,761	244,575
		<u>295,761</u>	<u>246,575</u>

These financial statements were approved by the board of directors on 17/1/00 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

	1999 £	1998 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:	3,300	3,150
Charges under operating leases	164,332	149,265
Depreciation	34,384	27,416

3 Remuneration of directors

	1999 £	1998 £
Directors' emoluments:		
As directors	245,000	204,931

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:

	1999	1998
Office and management	10	9

The aggregate payroll costs of these persons were as follows:

	1999 £	1998 £
Wages and salaries	624,248	512,275
Social security costs	68,309	51,775
	692,557	564,050

Notes (continued)

5 Other interest receivable

	1999 £	1998 £
Deposit account interest	2,645	1,561

6 Taxation

	1999 £	1998 £
UK corporation tax at 31% on the profit for the year on ordinary activities	43,000	38,200
Overprovision in respect of prior year	(3,939)	(149)
	<u>39,061</u>	<u>38,051</u>

7 Tangible fixed assets

	Leasehold Improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At beginning of year	113,646	158,485	79,100	351,231
Additions	18,485	19,071	9,116	46,672
	<u>132,131</u>	<u>177,556</u>	<u>88,216</u>	<u>397,903</u>
At end of year	132,131	177,556	88,216	397,903
Depreciation				
At beginning of year	13,141	136,154	57,111	206,406
Charge for year	11,530	17,422	5,432	34,384
	<u>24,671</u>	<u>153,576</u>	<u>62,543</u>	<u>240,790</u>
At end of year	24,671	153,576	62,543	240,790
Net book value				
At 31 December 1999	<u>107,460</u>	<u>23,980</u>	<u>25,673</u>	<u>157,113</u>
At 31 December 1998	<u>100,505</u>	<u>22,331</u>	<u>21,989</u>	<u>144,825</u>

Notes (continued)

8 Debtors

	1999 £	1998 £
Amounts owed by Triton Container International Inc	111,014	131,515
Other debtors	50,395	47,730
Prepayments and accrued income	4,585	49,654
	165,994	228,899

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdraft	-	35,072
Trade creditors	66,380	34,603
Corporation tax	43,000	38,200
Accruals and deferred income	43,634	19,715
	153,014	127,590

10 Called up share capital

	1999 £	1998 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	2,000	2,000

11 Commitments

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

	Land and buildings 1999 £	1998 £
Operating leases which expire:		
Over five years	164,332	149,268

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.