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CARGO MARKETING SERVICES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996



CARGO MARKETING SERVICES LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST MARCH 1996

DIRECTORS: D. G. Horwell
 M. R. Frearson
 S. Prescott
 S. O'Hara

SECRETARY: S. E. Cooper

REGISTERED OFFICE: TSB House
 53b Wade Street
 Lichfield
 Staffordshire
 WS13 6HL

Report and Accounts 31st March 1996

PAGES:	1	Directors' report
	3	Auditors' report
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	5	Group balance sheet
	6	Balance sheet
	7	Notes to the accounts

The following page does not form part
of the statutory accounts:

13	Trading account
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CARGO MARKETING SERVICES LIMITED**DIRECTORS' REPORT****FOR THE YEAR ENDED 31ST MARCH 1996**

The directors submit their report and accounts for the year ended 31st March 1996.

Results and dividends

The results for the year are set out on page 4 to the accounts.

The directors do not recommend the payment of a dividend.

Review of the business

The principal activity of the group during the year was the provision of freight forwarding services.

The directors are satisfied with the results for the year and the state of affairs of the group at the balance sheet date.

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 the group and of the profit or loss of the group for that year. 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 group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Fixed assets

The changes in fixed assets during the year are summarised in the notes to the accounts.

Post balance sheet events

During the year the company acquired the minority holding in Cargotrans Limited. On 1st April 1996 the assets and trade of Cargotrans Limited were transferred to the company.

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1996

Directors and their interests

The directors at 31st March 1996 and their beneficial interest in the share capital of the company were as follows:

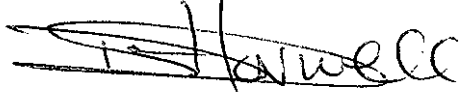
	<u>At 31st March 1996</u>	<u>At 31st March 1995</u>
	<u>Ordinary shares</u>	<u>Ordinary shares</u>
D. G. Horwell	750	99
M. R. Frearson	50	-

On 1st April 1996 S. Prescott and S. O'Hara were appointed directors of the company.

Auditors

A resolution to re-appoint Ian Yarwood & Co. as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



D. G. Horwell
Director

28th October 1996

Ian Yarwood & Co.

I. R. Yarwood, F.C.A.

Chartered Accountants

2 Station Road, Solihull, West Midlands, B91 3SB

Telephone: 0121 705 7077

Fax: 0121 709 0387

3.

CARGO MARKETING SERVICES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

FOR THE YEAR ENDED 31ST MARCH 1996

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 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.

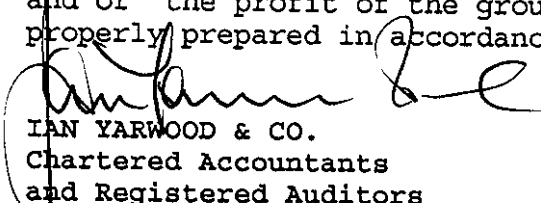
Basis of opinion

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 group'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 any 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 affairs of the company and the group at 31st March 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



IAN YARWOOD & CO.

Chartered Accountants
and Registered Auditors

28th October 1996

CARGO MARKETING SERVICES LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
Turnover	3	7,245,163	5,091,872
Cost of sales		<u>6,463,538</u>	<u>4,500,113</u>
Gross profit		781,625	591,759
Administrative expenses		<u>712,317</u>	<u>666,054</u>
		712,317	666,054
		69,308	(74,295)
Other operating income		32,098	175,323
Operating profit	4	<u>101,406</u>	<u>101,028</u>
Interest receivable		5,668	9,042
Interest payable	6	<u>(9,697)</u>	<u>(4,548)</u>
		(4,029)	4,494
Profit on ordinary activities before taxation		97,377	105,522
Tax on profit on ordinary activities	7	<u>31,350</u>	<u>33,773</u>
Profit on ordinary activities after taxation		66,027	71,749
Minority interests		<u>15,116</u>	<u>12,476</u>
Profit attributable to the members of the holding company		50,911	59,273
Bonus issue of shares		650	-
Retained profit brought forward		279,606	220,333
Retained profit carried forward		<u>£ 329,867</u>	<u>£ 279,606</u>

The attached notes 1 to 14 form part of these accounts.

CARGO MARKETING SERVICES LIMITED

GROUP BALANCE SHEET

AS AT 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
Fixed assets			
Tangible fixed assets	9	126,842	126,199
Current assets			
Debtors	11	2,008,354	1,238,676
Cash at bank and in hand		58,585	176,509
		<u>2,066,939</u>	<u>1,415,185</u>
Creditors: amounts falling due within one year	12	<u>1,738,556</u>	<u>1,120,026</u>
Net current assets		<u>328,383</u>	<u>295,159</u>
Total assets less current liabilities		455,225	421,358
Creditors: amounts falling due after more than one year	13	38,367	70,542
Provisions for liabilities and charges			
Minority interests		-	71,110
		<u>£416,858</u>	<u>£279,706</u>
Capital and reserves			
Called up share capital	14	1,000	100
Profit and loss account		329,867	279,606
Share premium account		85,991	-

On behalf of the board

D. G. Horwell

) DIRECTOR

28th October 1996

£416,858£279,706

The attached notes 1 to 14 form part of these accounts.

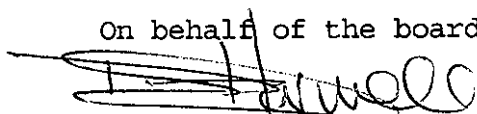
CARGO MARKETING SERVICES LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>		<u>1995</u>	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	110,203		102,023	
Investments	10	87,170		979	
		<u>197,373</u>		<u>103,002</u>	
Current assets					
Debtors	11	1,554,466		901,882	
Cash at bank and in hand		55,794		68,385	
		<u>1,610,260</u>		<u>970,267</u>	
Creditors: amounts falling due within one year	12	<u>1,533,130</u>		<u>882,264</u>	
Net current assets		<u>77,130</u>		<u>88,003</u>	
Total assets less current liabilities		<u>274,503</u>		<u>191,005</u>	
Creditors: amounts falling due after more than one year	13	38,367		63,948	
		<u>£236,136</u>		<u>£127,057</u>	
Capital and reserves					
Called up share capital	14	1,000		100	
Profit and loss account		149,145		126,957	
Share premium account		85,991		-	

On behalf of the board



D. G. Horwell

) DIRECTOR

28th October 1996

£236,136£127,057

The attached notes 1 to 14 form part of these accounts.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Basis of consolidation

The Group accounts consolidate the accounts of Cargo Marketing Services Limited and its subsidiaries made up to 31st March 1996. No profit and loss account is presented for Cargo Marketing Services Limited as provided by S.228(7) of the Companies Act 1985.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Office Equipment	- over 8 years
Motor vehicles	- over 4 years

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the transaction date. Assets and liabilities denominated in foreign currencies are translated at the rate ruling at the balance sheet date.

2. Statement of total recognised gains and losses

	<u>1996</u>	<u>1995</u>
	£	£
The only recognised gain (loss) for the financial year was the profit (loss) of	<u>£50,911</u>	<u>£59,273</u>

3. Turnover

Turnover represents the invoiced amount of services provided stated net of value added tax.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

4. Group profit

	<u>1996</u> £	<u>1995</u> £
This is stated after charging or crediting:		
Directors' remuneration	80,711	69,385
Auditors' remuneration	6,500	6,000
Depreciation	42,467	44,490
Loss/(profit) on sale of assets	(4,633)	(1,659)
Hire of equipment	<u>(488)</u>	<u>9,392</u>

The emoluments of the chairman, who is also the highest paid director, were £44,851 (1995: £35,489) excluding pension contributions.

Other directors' emoluments, excluding pension contributions and compensation for loss of office, fell within the following ranges:

	<u>1996</u> No.	<u>1995</u> No.
£25,001 - £30,000	<u>1</u>	<u>1</u>

5. Staff costs (including directors)

	<u>1996</u> £	<u>1995</u> £
Wages and salaries	348,005	315,383
Social security costs	31,838	29,625
Other pension costs	13,750	12,875
	<u>£393,593</u>	<u>£357,883</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

5. Staff costs (including directors) (Continued)

Particulars of employees:

The average weekly number of employees during the year was made up as follows:

	<u>1996</u>	<u>1995</u>
	<u>No.</u>	<u>No.</u>
Office and management	19	15
	<u>19</u>	<u>15</u>

6. Interest payable

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	75	64
Hire purchase interest	9,622	4,484
	<u>£9,697</u>	<u>£4,548</u>

7. Tax on profit on ordinary activities

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
Corporation tax at 25%	31,520	29,194
Taxation (over) under provided in		
Respect of previous years	(170)	4,579
	<u>£31,350</u>	<u>£33,773</u>

8. Profit attributable to members of the holding company

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Dealt with in the accounts of the holding company	22,838	36,102
Retained by subsidiary companies	28,073	23,171
	<u>£50,911</u>	<u>£59,273</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

9. Tangible fixed assets

Group	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£
Cost			
At 31st March 1995	158,918	79,650	238,568
Additions	27,346	25,511	52,857
Disposals	(22,275)	-	(22,275)
At 31st March 1996	163,989	105,161	269,150
Depreciation			
At 31st March 1995	72,499	39,870	112,369
Provided during year	36,162	6,305	42,467
Disposals	(12,528)	-	(12,528)
At 31st March 1996	96,133	46,175	142,308
Net book value			
At 31st March 1996	£ 67,856	£ 58,986	£ 126,842
At 31st March 1995	£ 86,419	£ 39,780	£ 126,199

Company	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£
Cost			
At 31st March 1995	113,982	55,208	169,190
Additions	27,346	23,936	51,282
Disposals	(22,275)	-	(22,275)
At 31st March 1996	119,053	79,144	198,197
Depreciation			
At 31st March 1995	40,361	26,806	67,167
Provided during year	29,763	3,592	33,355
Disposals	(12,528)	-	(12,528)
At 31st March 1996	57,596	30,398	87,994
Net book value			
At 31st March 1996	£ 61,457	£ 48,746	£ 110,203
At 31st March 1995	£ 73,621	£ 28,402	£ 102,023

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

9. Tangible fixed assets (Continued)

The net book value of tangible assets of £126,842 (1995: £126,199) Group and £110,203 (1995: £102,023) Company includes an amount of £88,483 (1995: £90,200) Group and £82,086 (1995: £77,404) Company in respect of assets held under finance leases and hire purchase contracts. The depreciation provided during the year on these assets amounted to £37,648 (1995: £30,187) Group and £31,249 (1995: £23,788) Company.

10. Investments

The company has an investment in the following companies, which are included in the consolidated accounts:

	<u>1996</u>	<u>1995</u>	
Cargo Marketing London Limited	100%	100%	(Dormant)
Cargotrans Limited	100%	65%	

11. Debtors

	Group		Company	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	£	£	£	£
Trade debtors	1,935,702	1,170,776	1,502,324	853,547
Group companies	-	-	-	28,171
Other debtors	42,417	50,449	27,402	10,540
Prepayments	30,235	17,451	24,740	9,624
	<u>£2,008,354</u>	<u>£1,238,676</u>	<u>£1,554,466</u>	<u>£ 901,882</u>

12. Creditors: amounts falling due within one year

	Group		Company	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	£	£	£	£
Obligations under hire purchase contracts	32,186	24,373	25,592	17,180
Trade creditors	1,602,002	1,001,199	1,276,664	795,860
Group companies	-	-	162,887	5,523
Current corporation tax	31,521	28,513	16,031	16,153
Other taxes and social security	15,918	11,232	9,256	6,793
Other creditors	25,455	25,736	25,200	25,736
Accruals	20,474	17,973	6,500	4,019
Proposed dividend	11,000	11,000	11,000	11,000
	<u>£1,738,556</u>	<u>£1,120,026</u>	<u>£1,533,130</u>	<u>£ 882,264</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1996

13. Creditors: amounts falling due after more than one year

	Group		Company	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	£	£	£	£
Obligations under finance leases and hire purchase contracts	38,367	53,542	38,367	46,948
Other creditors	-	17,000	-	17,000
	<u>£ 38,367</u>	<u>£ 70,542</u>	<u>£ 38,367</u>	<u>£ 63,948</u>

All amounts are repayable within 5 years.

14. Share capital

	<u>1996</u>	<u>1995</u>
	£	£
Authorised		
100,000 ordinary shares of £1 each	<u>£100,000</u>	<u>£ 100</u>
Allotted, issued and fully paid		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£ 100</u>

During the year 650 ordinary shares of £1 each were issued by way of a bonus issue to the existing shareholders, a further 50 ordinary shares of £1 each were issued at par for cash and 200 ordinary shares of £1 each were issued in exchange for the minority holding in Cargotrans Limited.