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CARGO MARKETING SERVICES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1997

IAN YARWOOD & CO
CHARTERED ACCOUNTANTS
SOLIHULL



CARGO MARKETING SERVICES LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST MARCH 1997

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 1997

PAGES:	1	Directors' report
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	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 1997

The directors submit their report and accounts for the year ended 31st March 1997.

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.

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1997

Directors and their interests

The directors at 31st March 1997 and their beneficial interest in the share capital of the company were as follows:

	<u>At 31st March 1997</u>	<u>At 31st March 1996</u>
	<u>Ordinary shares</u>	<u>Ordinary shares</u>
D. G. Horwell	750	750
M. R. Frearson	50	50
S. Prescott	100	100
S. O'Hara	100	100

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

18th December 1997

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 1997

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.

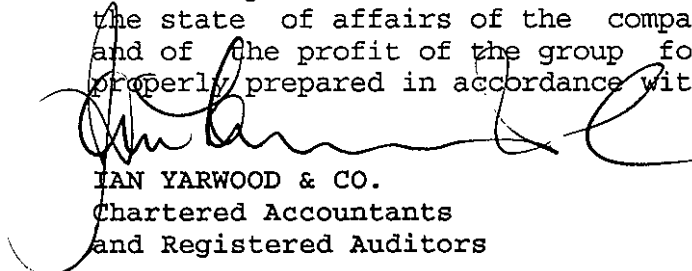
Basis of opinion

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 1997 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

18th December 1997

CARGO MARKETING SERVICES LIMITED
 GROUP PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
Turnover	3	10,144,957	7,245,163
Cost of sales		<u>9,034,585</u>	<u>6,463,538</u>
Gross profit		1,110,372	781,625
Administrative expenses		<u>829,314</u>	<u>712,317</u>
		829,314	712,317
		<u>281,058</u>	<u>69,308</u>
Other operating income		-	32,098
Operating profit	4	<u>281,058</u>	<u>101,406</u>
Interest receivable		7,072	5,668
Interest payable	6	<u>(11,363)</u>	<u>(9,697)</u>
		<u>(4,291)</u>	<u>(4,029)</u>
Profit on ordinary activities before taxation		276,767	97,377
Tax on profit on ordinary activities	7	<u>71,755</u>	<u>31,350</u>
Profit on ordinary activities after taxation		205,012	66,027
Minority interests		<u>-</u>	<u>15,116</u>
Profit attributable to the members of the holding company		205,012	50,911
Bonus issue of shares		-	650
Retained profit brought forward		<u>329,867</u>	<u>279,606</u>
Retained profit carried forward		<u>£ 534,879</u>	<u>£ 329,867</u>

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

CARGO MARKETING SERVICES LIMITED

GROUP BALANCE SHEET

AS AT 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>		<u>1996</u>	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	203,219		126,843	
Current assets					
Debtors	11	2,529,585		2,008,354	
Cash at bank and in hand		262,441		58,584	
		<u>2,792,026</u>		<u>2,066,938</u>	
Creditors: amounts falling due within one year	12	2,280,708		1,738,556	
Net current assets		<u>511,318</u>		<u>328,382</u>	
Total assets less current liabilities		714,537		455,225	
Creditors: amounts falling due after more than one year	13	92,667		38,367	
		<u>£621,870</u>		<u>£416,858</u>	
Capital and reserves					
Called up share capital	14	1,000		1,000	
Profit and loss account		534,879		329,867	
Share premium account		85,991		85,991	
On behalf of the board					
D. G. Horwell					
18th December 1997					
		<u>£621,870</u>		<u>£416,858</u>	

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

CARGO MARKETING SERVICES LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>		<u>1996</u>	
		£	£	£	£
Fixed assets					
Tangible fixed assets	9	203,219		110,203	
Investments	10	87,170		87,170	
		<u>290,389</u>		<u>197,373</u>	
Current assets					
Debtors	11	2,530,608		1,554,466	
Cash at bank and in hand		262,441		55,794	
		<u>2,793,049</u>		<u>1,610,260</u>	
Creditors: amounts falling due within one year	12	2,548,623		1,533,130	
Net current assets		<u>244,426</u>		<u>77,130</u>	
Total assets less current liabilities		534,815		274,503	
Creditors: amounts falling due after more than one year	13	92,667		38,367	
		<u>£442,148</u>		<u>£236,136</u>	
Capital and reserves					
Called up share capital	14	1,000		1,000	
Share premium account		85,991		85,991	
Profit and loss account		355,157		149,145	
On behalf of the board					
D. G. Horwell					
18th December 1997					
Shareholders' funds		<u>£442,148</u>		<u>£236,136</u>	

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 1997

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 1997. 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>1997</u>	<u>1996</u>
	£	£
The only recognised gain (loss) for the financial year was the profit (loss) of	<u>£205,012</u>	<u>£50,911</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 1997

4. Group profit

	<u>1997</u>	<u>1996</u>
	£	£
This is stated after charging or crediting:		
Directors' remuneration	148,559	80,711
Directors' pension costs	18,670	7,100
Auditors' remuneration	8,000	6,500
Currency (gains)/losses	(27,952)	(5,897)
Depreciation	69,670	42,467
Loss/(profit) on sale of assets	(5,588)	(4,633)
Hire of equipment	<u>3,588</u>	<u>(488)</u>

Directors' pension contributions relate to four directors.

5. Staff costs (including directors)

	<u>1997</u>	<u>1996</u>
	£	£
Wages and salaries	411,723	348,005
Social security costs	36,758	31,838
Other pension costs	18,670	13,750
	<u>£467,151</u>	<u>£393,593</u>

Particulars of employees:

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

	<u>1997</u>	<u>1996</u>
	No.	No.
Office and management	21	19
	<u>21</u>	<u>19</u>

6. Interest payable

	<u>1997</u>	<u>1996</u>
	£	£
Bank loans and overdrafts	-	75
Hire purchase interest	-	9,622
	<u>-</u>	<u>£9,697</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

7. Tax on profit on ordinary activities

	<u>1997</u>	<u>1996</u>
	£	£
Based on the profit for the year:		
Corporation tax at 24%	71,089	31,520
Taxation (over) under provided in Respect of previous years	666	(170)
	<u>£71,755</u>	<u>£31,350</u>

8. Profit attributable to members of the holding company

	<u>1997</u>	<u>1996</u>
	£	£
Dealt with in the accounts of the holding company	205,012	22,838
Retained by subsidiary companies	-	28,073
	<u>£205,012</u>	<u>£50,911</u>

9. Tangible fixed assets

Group	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£
Cost			
At 31st March 1996	163,989	105,161	269,150
Additions	162,480	16,978	179,458
Disposals	(92,516)	-	(92,516)
At 31st March 1997	<u>233,953</u>	<u>122,139</u>	<u>356,092</u>
Depreciation			
At 31st March 1996	96,133	46,174	142,307
Provided during year	53,651	16,019	69,670
Disposals	(59,104)	-	(59,104)
At 31st March 1997	<u>90,680</u>	<u>62,193</u>	<u>152,873</u>
Net book value			
At 31st March 1997	<u>£ 143,273</u>	<u>£ 59,946</u>	<u>£ 203,219</u>
At 31st March 1996	<u>£ 67,856</u>	<u>£ 58,987</u>	<u>£ 126,843</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

9. Tangible fixed assets (Continued)

Company	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£
Cost			
At 31st March 1996	119,053	79,144	198,197
Additions	162,480	16,978	179,458
Transfers from subsidiary	44,936	26,017	70,953
Disposals	(92,516)	-	(92,516)
At 31st March 1997	233,953	122,139	356,092
Depreciation			
At 31st March 1996	57,596	30,397	87,993
Provided during year	53,651	16,019	69,670
Transfers from subsidiary	38,537	15,777	54,314
Disposals	(59,104)	-	(59,104)
At 31st March 1997	90,680	62,193	152,873
Net book value			
At 31st March 1997	£ 143,273	£ 59,946	£ 203,219
At 31st March 1996	£ 61,457	£ 48,746	£ 110,203

The net book value of tangible assets of £203,219 (1996: £126,843) Group and £203,219 (1996: £110,203) Company includes an amount of £159,533 (1996: £88,483) Group and £159,533 (1996: £82,086) Company in respect of assets held under finance leases and hire purchase contracts. The depreciation provided during the year on these assets amounted to £55,131 (1996: £37,648) Group and £55,131 (1996: £31,249) Company.

10. Investments

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

	<u>1997</u>	<u>1996</u>	
Cargo Marketing London Limited	100%	100%	(Dormant)
Cargotrans Limited	100%	100%	(Dormant)

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

11. Debtors

	Group		Company	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Trade debtors	2,466,335	1,935,702	2,466,335	1,502,324
Other debtors	39,777	42,417	39,777	27,402
Prepayments	23,496	30,235	23,496	24,740
	<u>£2,529,608</u>	<u>£2,008,354</u>	<u>£2,529,608</u>	<u>£1,554,466</u>

12. Creditors: amounts falling due within one year

	Group		Company	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Obligations under hire purchase contracts	47,702	32,186	47,702	25,592
Trade creditors	2,112,786	1,602,002	2,112,786	1,276,664
Group companies	-	-	267,913	162,887
Current corporation tax	71,089	31,521	71,089	16,031
Other taxes and social security	17,622	15,918	17,622	9,256
Other creditors	35	25,455	35	25,200
Accruals	20,474	20,474	20,474	6,500
Proposed dividend	11,000	11,000	11,000	11,000
	<u>£2,280,708</u>	<u>£1,738,556</u>	<u>£2,548,621</u>	<u>£ 882,264</u>

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

	Group		Company	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>£92,667</u>	<u>£38,367</u>	<u>£92,668</u>	<u>£38,367</u>

All amounts are repayable within 5 years.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1997

14. Share capital

	<u>1997</u> £	<u>1996</u> £
Authorised		
100,000 ordinary shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
Allotted, issued and fully paid		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>