

1416708

CARGO MARKETING SERVICES LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1998



IAN YARWOOD & CO
CHARTERED ACCOUNTANTS
SOLIHULL

CARGO MARKETING SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr M. R. Frearson Mr S. Prescott Mr S. O'Hara
Secretary	Mrs S. E. Cooper
Company Number	01416708
Registered Office	The Old Bakery Shaw Lane Lichfield Staffordshire WS13 7AG
Auditors	Ian Yarwood & Co 2 Station Road Solihull West Midlands B91 3SB
Bankers	Barclays Bank Plc Stanhope House 46 Park Lane London W14 4EE

CARGO MARKETING SERVICES LIMITED

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CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1998

The directors present their report together with the audited accounts for the year ended 31st March 1998.

Principal Activities and Review of Business

The company's principal activity continued to be that of the provision of freight forwarding services.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend a dividend .

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st March 1998	<i>1st April 1997</i>
Mr M. R. Frearson	50	<i>50</i>
Mr S. Prescott	100	<i>100</i>
Mr S. O'Hara	100	<i>100</i>
Mr D. G. Horwell (resigned 31st December 1997)	750	<i>750</i>

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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 accounts on the going concern basis unless it is inappropriate to presume that the company 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 company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARGO MARKETING SERVICES LIMITED

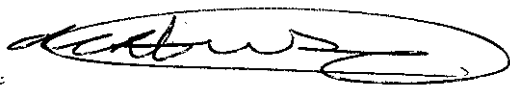
DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1998

Auditors

A resolution to reappoint Ian Yarwood & Co Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 2nd November 1998, and signed on its behalf.

A handwritten signature in dark ink, enclosed within a hand-drawn oval. The signature is cursive and appears to read 'M. R. Frearson'.

Mr M. R. Frearson, Director
2nd November 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF CARGO MARKETING SERVICES LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

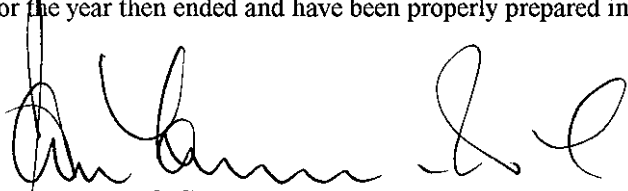
Basis of Opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1998 and of its profit 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
2 Station Road
Solihull
West Midlands
B91 3SB
Date: 2nd November 1998

CARGO MARKETING SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1998

	Notes	1998 £	1997 £
Turnover	2	12,302,131	10,144,957
Cost of Sales		10,810,113	9,034,585
Gross Profit		1,492,018	1,110,372
Administrative Expenses		1,250,622	828,314
Operating Profit	3	241,396	282,058
Interest Receivable		17,031	7,072
Interest Payable and Similar Charges	4	(27,782)	(11,363)
Profit on Ordinary Activities before Taxation		230,645	277,767
Tax on profit on ordinary activities	6	62,064	71,755
Profit for the Financial Year	14	168,581	206,012
Retained Profit Brought Forward		355,157	149,145
Retained Profit Carried Forward		523,738	355,157

All amounts relate to continuing activities.

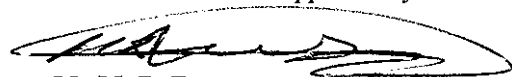
CARGO MARKETING SERVICES LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1998

	Notes	1998 £	1997 £
Fixed Assets			
Tangible assets	8	420,859	203,220
Investments		87,170	87,170
		<u>508,029</u>	<u>290,390</u>
Current Assets			
Debtors	9	2,948,278	2,530,606
Cash at bank and in hand		-	262,441
		<u>2,948,278</u>	<u>2,793,047</u>
Creditors: Amounts Falling Due Within One Year	10	<u>2,665,348</u>	<u>2,548,622</u>
Net Current Assets		<u>282,930</u>	<u>244,425</u>
Total Assets Less Current Liabilities		<u>790,959</u>	<u>534,815</u>
Creditors: Amounts Falling Due After More Than One Year	11	<u>180,230</u>	<u>92,667</u>
		<u>610,729</u>	<u>442,148</u>
Capital and Reserves			
Share capital	13	1,000	1,000
Share premium account	14	85,991	85,991
Profit and loss account	14	523,738	355,157
Shareholders' Funds	15	<u>610,729</u>	<u>442,148</u>

These accounts were approved by the board on 2nd November 1998 and signed on its behalf.



Mr M. R. Frearson
Director

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Freehold property	is not depreciated
Motor vehicles	over 4 years
Furniture and equipment	over 8 years

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 Turnover

The turnover was derived from the company's principal activity which was carried out in the UK and America.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	1998	1997
	£	£
Depreciation of owned assets	24,322	8,952
Depreciation of assets held under finance leases and hire purchase contracts	49,764	55,130
Hire of equipment	858	3,588
Auditors' remuneration	7,000	8,000

4 Interest Payable and Similar Charges

	1998	1997
	£	£
Bank overdrafts and loans	5,898	27
Finance leases and hire purchase contracts	21,884	11,336
	27,782	11,363

5 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1998	1997
	£	£
Wages and salaries	711,973	411,723
Social security costs	72,871	36,758
Other pension costs	30,680	18,670
	815,524	467,151

The average monthly number of employees, including directors, during the year was as follows:

	1998	1997
	Number	Number
Management	22	21
	22	21

Directors' emoluments

	1998	1997
	£	£
Emoluments	349,588	133,949
Directors' pension contributions under defined contribution schemes	30,680	18,670
	380,268	152,619

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

Retirement benefits were accruing to directors under schemes as follows:-

Money purchase schemes

1998	1997
Number	Number
4	4

6 Taxation

Based on the profit for the year
UK corporation tax at 21% (1997 24%)

1998	1997
£	£
62,064	71,755
62,064	71,755

7 Investments

The company owns all the share capital of Cargo Marketing London Limited and Cargotrans Limited, neither company traded during the year.

8 Tangible Fixed Assets

	Freehold Land and Buildings	Motor Vehicles	Furniture and Equipment	Total
Cost	£	£	£	£
At 1st April 1997	-	233,953	122,139	356,092
Additions	205,041	97,846	18,056	320,943
Disposals	-	(82,731)	-	(82,731)
At 31st March 1998	205,041	249,068	140,195	594,304
Depreciation				
At 1st April 1997	-	90,681	62,193	152,874
Charge for the year	-	57,567	16,519	74,086
Disposals	-	(53,515)	-	(53,515)
At 31st March 1998	-	94,733	78,712	173,445
Net Book Value				
At 31st March 1998	205,041	154,335	61,483	420,859
At 31st March 1997	-	143,272	59,946	203,218

Assets held under finance leases originally cost £236,688 (1997: £239,813) and have a net book value of £150,673 (1997: £159,533).

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

9	Debtors	1998	1997
		£	£
	Trade debtors	2,801,333	2,466,335
	Amounts owed by undertakings in which the company has a participating interest	5,985	-
	Other debtors	110,171	40,775
	Prepayments and accrued income	30,789	23,496
		<u>2,948,278</u>	<u>2,530,606</u>
10	Creditors: Amounts Falling Due Within One Year	1998	1997
		£	£
	Bank loans and overdrafts	51,755	-
	Obligations under hire purchase and finance lease contracts	48,804	47,702
	Trade creditors	1,970,187	2,112,787
	Amounts owed to group undertakings	267,913	267,913
	Corporation tax	62,064	71,089
	Other taxes and social security	99,871	17,622
	Proposed dividends	11,000	11,000
	Directors' loan accounts	88,235	35
	Accruals and deferred income	65,519	20,474
		<u>2,665,348</u>	<u>2,548,622</u>
The bank overdrafts and loans are secured by a fixed and floating charge over all of the company's assets.			
11	Creditors: Amounts Falling Due After More Than One Year	1998	1997
		£	£
	Bank loans and overdrafts	99,232	-
	Obligations under hire purchase and finance lease contracts (Note 12)	80,998	92,667
		<u>180,230</u>	<u>92,667</u>
The bank overdrafts and loans are secured by a fixed and floating charge over all of the company's assets.			
12	Obligations Under Hire Purchase and Finance Leases	1998	1997
		£	£
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	48,804	47,702
	Obligations due between one and five years	80,998	92,667
		<u>129,802</u>	<u>140,369</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

13	Share Capital	1998	1997
		£	£
	Authorised		
	Equity Shares		
	100,000 Ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>
		<u>100,000</u>	<u>100,000</u>
	Allotted		
	Equity Shares		
	1,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
14	Reserves		
		Share	Profit
		Premium	and Loss
		Account	Account
		£	£
	At 1st April 1996	85,991	149,145
	Profit for the year	-	206,012
		<u>85,991</u>	<u>355,157</u>
	At 1st April 1997	-	168,581
	Profit for the year		
		<u>85,991</u>	<u>523,738</u>
15	Reconciliation of Shareholders' Funds	1998	1997
		£	£
	Profit for the financial year	<u>168,581</u>	<u>206,012</u>
	Increase in the shareholders' funds	<u>168,581</u>	<u>206,012</u>
	Opening shareholders' funds	<u>442,148</u>	<u>236,136</u>
	Closing shareholders' funds	<u>610,729</u>	<u>442,148</u>

16 Pension Scheme

The company operates a defined contribution pension schemes for the benefit of the directors. The assets of the schemes are administered by trustees in funds independent from those of the company.

The total contributions paid in the year amounted to £30,680 (1997 £18,670).