

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

COMPANY NUMBER: 01416708



CARGO MARKETING SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

Mr M R Frearson
Mrs T L Bennett (appointed 01/04/01)
Mr D G Horwell (appointed 01/07/02)

SECRETARY

Mrs T L Bennett

COMPANY NUMBER

01416708

REGISTERED OFFICE

The Old Bakery
Shaw Lane
Lichfield
Staffordshire
Ws13 7AG

CARGO MARKETING SERVICES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Consolidated profit and loss account	4
Consolidated balance sheet	5
Company balance sheet	6
Consolidated cash flow statement	7
Notes forming part of the financial statements	8 - 19

CARGO MARKETING SERVICES LIMITED

DIRECTORS' REPORT For the year ended 31 March 2002

The directors present their report and the financial statements for the year ended 31 March 2002.

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 group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 company and 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 company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the business in the year under review continued to be that of the provision of freight forwarding services.

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £227,055 (2001 - £77,456) .

DIRECTORS

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

	Ordinary shares of £1 each	
	<u>31/3/02</u>	<u>1/4/01</u>
Mr M R Frearson	50	50
Mrs T L Bennett (appointed 01/04/01)	-	-
Mr D G Horwell (appointed 01/07/02)	-	-

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made charitable donations in the year of £686 in total.

LAND AND BUILDINGS

In the opinion of the directors the present market value of the company's properties is in excess of the net book amount but, in the absence of a recent valuation, the excess is not quantified.

CARGO MARKETING SERVICES LIMITED

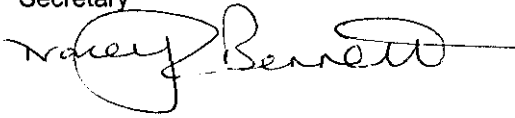
DIRECTORS' REPORT
For the year ended 31 March 2002

AUDITORS

The auditors, Bentley Jennison, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 25th November 2002 and signed on its behalf.

Mrs T L Bennett
Secretary

A handwritten signature in black ink, appearing to read 'T L Bennett', with a large circular flourish on the left side.

CARGO MARKETING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CARGO MARKETING SERVICES LIMITED

We have audited the financial statements of Cargo Marketing Services Limited for the year ended 31 March 2002 set out on pages 4 to 19. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards

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 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the group 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 and other members of the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, 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 affairs of the company and the group as at 31 March 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.



Bentley Jennison

Chartered Accountants
Registered Auditors

3 Hollinswood Court
Stafford Park 1
Telford
TF3 3BD

25TH NOVEMBER 2002

CARGO MARKETING SERVICES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2002

		2002	2001
	Note		
TURNOVER	1,2	19,866,523	19,641,979
Cost of sales		17,134,015)	17,472,701)
GROSS PROFIT		2,732,508	2,169,278
Administrative expenses		(2,346,081)	(2,015,095)
OPERATING PROFIT	3	386,427	154,183
Interest receivable		14,066	18,073
Interest payable	6	(13,853)	(17,976)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		386,640	154,280
TAX ON PROFIT ON ORDINARY ACTIVITIES	7	(159,585)	(76,824)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15	227,055	77,456
RETAINED PROFIT FOR THE FINANCIAL YEAR	15	227,055	77,456

All amounts relate to continuing operations.

There were no recognised gains and losses for 2002 or 2001 other than those included in the profit and loss account.

The notes on pages 8 to 19 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

CONSOLIDATED BALANCE SHEET
As at 31 March 2002

		2002	2001
	Note		
FIXED ASSETS			
Tangible fixed assets	8	589,296	558,586
CURRENT ASSETS			
Debtors	10	3,501,447	3,201,438
Cash at bank		828,456	912,562
		<u>4,329,903</u>	<u>4,114,000</u>
CREDITORS: amounts falling due within one year	11	<u>(3,584,968)</u>	<u>(3,677,649)</u>
NET CURRENT ASSETS		<u>744,935</u>	<u>436,351</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,334,231</u>	<u>994,937</u>
CREDITORS: amounts falling due after more than one year	12	(107,343)	(90,904)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	(95,800)	-
NET ASSETS		<u><u>1,131,088</u></u>	<u><u>904,033</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Share premium account	15	85,991	85,991
Profit and loss account	15	1,044,097	817,042
SHAREHOLDERS' FUNDS - ALL EQUITY	16	<u><u>1,131,088</u></u>	<u><u>904,033</u></u>

The financial statements were approved by the board on 25th November 2002 and signed on its behalf.

Mr M R Frearson
Director

Mr D G Hotwell
Director

The notes on pages 8 to 19 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

COMPANY BALANCE SHEET

As at 31 March 2002

		2002	2001
	Note		
FIXED ASSETS			
Tangible fixed assets	8	556,151	518,748
Investments	9	87,170	87,170
		<u>643,321</u>	<u>605,918</u>
CURRENT ASSETS			
Debtors	10	3,331,214	3,453,766
Cash at bank		759,563	858,280
		<u>4,090,777</u>	<u>4,312,046</u>
CREDITORS: amounts falling due within one year	11	<u>(3,172,102)</u>	<u>(3,726,413)</u>
NET CURRENT ASSETS		<u>918,675</u>	<u>585,633</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,561,996</u>	<u>1,191,551</u>
CREDITORS: amounts falling due after more than one year	12	(218,894)	(90,904)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	95,800	-
NET ASSETS		<u><u>1,247,302</u></u>	<u><u>1,100,647</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Share premium account	15	85,991	85,991
Profit and loss account	15	1,160,311	1,013,656
SHAREHOLDERS' FUNDS - All Equity	16	<u><u>1,247,302</u></u>	<u><u>1,100,647</u></u>

The financial statements were approved by the board on 25th November 2002 and signed on its behalf.

Mr M R Frearson
Director

Mr D G Horwell
Director

The notes on pages 8 to 19 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

CASH FLOW STATEMENT
For the year ended 31 March 2002

	Note	2002	<i>As restated 2001</i>
Net cash flow from operating activities	17	63,454	1,060,110
Returns on investments and servicing of finance	18	213	97
Taxation		(76,586)	(56,206)
Capital expenditure and financial investment	18	(111,866)	(44,912)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(124,785)	959,089
Financing	18	40,679	(66,398)
(DECREASE)/INCREASE IN CASH IN THE PERIOD		(84,106)	892,691

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 19)
For the year ended 31 March 2002

	2002	<i>As restated 2001</i>
(Decrease)/Increase in cash in the period	(84,106)	892,691
Cash decrease from decrease in debt and lease financing	(40,679)	66,398
MOVEMENT IN NET DEBT IN THE PERIOD	(124,785)	959,089
Net funds/(debt) at 1 April 2001	784,744	(174,345)
NET FUNDS AT 31 MARCH 2002	659,959	784,744

The notes on pages 8 to 19 form part of these financial statements.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2002

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Cargo Marketing Services Limited and all of its subsidiary undertakings ('subsidiaries').

1.3 Investments

Investments held as fixed assets are shown at cost less provisions for their permanent impairment.

1.4 Turnover

Turnover comprises the invoiced value of goods and services supplied by the group, exclusive of Value Added Tax and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2.5%	straight line
Motor Vehicles	-	25%	straight line
Fixtures & Fittings	-	15%	straight line

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss as incurred.

1.8 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

1. ACCOUNTING POLICIES (continued)

1.9 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.10 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to the provision of freight forwarding services.

A geographical analysis of turnover is as follows:

	2002	2001
Sales - UK	19,010,779	18,385,522
Sales - Other EU	831,498	1,256,457
Sales - Rest of world	24,246	-
	<u>£19,866,523</u>	<u>£19,641,979</u>

3. OPERATING PROFIT

The Operating profit is stated after charging/(crediting):

	2002	2001
Depreciation of tangible fixed assets:		
- owned by the company	75,159	92,264
- held under finance leases	44,657	29,885
Auditors' remuneration	17,489	19,062
Operating lease rentals:		
- other operating leases	41,822	44,688
Difference on foreign exchange	(3,663)	7,118
	<u> </u>	<u> </u>

Auditors fees for the Company were £10,915 (2001:£9,400)

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2002

4. STAFF COSTS

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

	2002	2001
Wages and salaries	1,368,419	1,340,909
Social security costs	106,985	102,966
Other pension costs	43,330	20,130
	<u>£ 1,518,734</u>	<u>£ 1,464,005</u>

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

	2002 No.	2001 No.
Sales	6	5
Administration	5	5
Operations	23	21
	<u>34</u>	<u>31</u>

5. DIRECTORS' REMUNERATION

	2002	2001
Emoluments	<u>£ 170,596</u>	<u>£ 193,795</u>
Company pension contributions to money purchase pension schemes	<u>£ 12,125</u>	<u>£ 20,130</u>

During the year retirement benefits were accruing to 2 directors (2001 - 3) in respect of money purchase pension schemes.

6. INTEREST PAYABLE

	2002	2001
On bank loans and overdrafts	6,207	8,658
On finance leases and hire purchase contracts	7,646	9,318
	<u>13,853</u>	<u>17,976</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

7. TAXATION

	2002	2001
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax on profits of the year	64,023	76,824
Adjustments in respect of prior periods	(238)	-
	<u>63,785</u>	<u>76,824</u>
Total current tax	<u>63,785</u>	<u>76,824</u>
Deferred tax		
Origination and reversal of timing differences	95,800	-
	<u>95,800</u>	<u>-</u>
Total deferred tax (see note 13)	<u>95,800</u>	<u>-</u>
Tax on profit on ordinary activities	<u>£ 159,585</u>	<u>£ 76,824</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002	2001
Profit on ordinary activities before tax	386,640	154,280
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001 - 30)	115,992	46,284
Effects of:		
Expenses not deductible for tax purposes	(28,479)	30,540
Capital allowances for period in excess of depreciation	(23,490)	-
Adjustments to tax charge in respect of prior periods	(238)	-
	<u>£ 63,785</u>	<u>£ 76,824</u>
Current tax charge for year (see note above)	<u>£ 63,785</u>	<u>£ 76,824</u>

There were no factors that may affect future tax charges.

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

8. TANGIBLE FIXED ASSETS

	Land and buildings	Motor vehicles	Furniture, fittings and equipment	Total
Group				
Cost				
At 1 April 2001	348,785	248,269	368,082	965,136
Additions	-	129,832	40,953	170,785
Disposals	-	(186,139)	-	(186,139)
	<u>348,785</u>	<u>191,962</u>	<u>409,035</u>	<u>949,782</u>
At 31 March 2002	348,785	191,962	409,035	949,782
Depreciation				
At 1 April 2001	26,035	177,672	202,843	406,550
Charge for the year	8,724	49,019	62,073	119,816
On disposals	-	(165,880)	-	(165,880)
	<u>34,759</u>	<u>60,811</u>	<u>264,916</u>	<u>360,486</u>
At 31 March 2002	34,759	60,811	264,916	360,486
Net book value				
At 31 March 2002	<u>314,026</u>	<u>131,151</u>	<u>144,119</u>	<u>589,296</u>
At 31 March 2001	<u>322,750</u>	<u>70,597</u>	<u>165,239</u>	<u>558,586</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2002	2001
Group		
Motor vehicles	131,151	60,988
Furniture, fittings and equipment	10,541	13,589
	<u>141,692</u>	<u>74,577</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

	Land and buildings	Motor vehicles	Furniture, fittings and equipment	Total
Company				
Cost				
At 1 April 2001	348,785	248,269	307,212	904,266
Additions	-	129,832	34,773	164,605
Disposals	-	(186,139)	-	(186,139)
At 31 March 2002	<u>348,785</u>	<u>191,962</u>	<u>341,985</u>	<u>882,732</u>
Depreciation				
At 1 April 2001	26,035	177,672	181,811	385,518
Charge for the year	8,724	49,019	49,200	106,943
On disposals	-	(165,880)	-	(165,880)
At 31 March 2002	<u>34,759</u>	<u>60,811</u>	<u>231,011</u>	<u>326,581</u>
Net book value				
At 31 March 2002	<u>314,026</u>	<u>131,151</u>	<u>110,974</u>	<u>556,151</u>
At 31 March 2001	<u>322,750</u>	<u>70,597</u>	<u>125,401</u>	<u>518,748</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2002	2001
Company		
Motor vehicles	131,151	60,988
Furniture, fittings and equipment	10,541	13,589
	<u>141,692</u>	<u>74,577</u>

9. FIXED ASSET INVESTMENTS

	Unlisted investment s	Total
Company		
Cost		
At 1 April 2001 and 31 March 2002	£ 87,170	£ 87,170

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

10. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2002	2001	2002	2001
Due within one year				
Trade debtors	3,363,471	3,107,134	3,085,515	2,903,527
Amounts owed by group undertakings	-	-	111,856	457,719
Other debtors	94,739	66,784	93,312	65,010
Prepayments and accrued income	43,237	27,520	40,531	27,510
	<u>3,501,447</u>	<u>3,201,438</u>	<u>3,331,214</u>	<u>3,453,766</u>

11. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2002	2001	2002	2001
Bank loans and overdrafts	14,712	12,212	14,712	12,212
Net obligations under finance leases and hire purchase contracts	46,442	24,702	46,442	24,702
Trade creditors	2,765,861	2,579,406	2,324,937	2,452,824
Amounts owed to group undertakings	-	-	74,144	333,186
Corporation tax	64,023	76,824	64,023	76,824
Social security and other taxes	74,530	67,933	74,530	67,933
Other creditors	165,761	411,944	165,761	263,411
Accruals and deferred income	453,639	504,628	407,553	495,321
	<u>3,584,968</u>	<u>3,677,649</u>	<u>3,172,102</u>	<u>3,726,413</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

12. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2002	2001	2002	2001
Bank loans	62,229	79,351	62,229	79,351
Net obligations under finance leases and hire purchase contracts	45,114	11,553	45,114	11,553
Amounts owed to group undertakings	-	-	111,551	-
	<u>107,343</u>	<u>90,904</u>	<u>218,894</u>	<u>90,904</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2002	2001	2002	2001
Between one and two years				
Bank loans	12,712	12,712	12,712	12,712
	<u>12,712</u>	<u>12,712</u>	<u>12,712</u>	<u>12,712</u>
Between two and five years				
Bank loans	25,424	25,424	25,424	25,424
	<u>25,424</u>	<u>25,424</u>	<u>25,424</u>	<u>25,424</u>
Over five years				
Bank loans	24,093	41,215	24,093	41,215
	<u>24,093</u>	<u>41,215</u>	<u>24,093</u>	<u>41,215</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Company</u>	
	2002	2001	2002	2001
Repayable by instalments	24,093	41,215	135,644	41,215
	<u>24,093</u>	<u>41,215</u>	<u>135,644</u>	<u>41,215</u>

Other creditors includes a loan from the company's major shareholder, Mr D G Horwell.

The bank borrowing is secured by fixed and floating charges over all the assets of the company.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2002	2001	2002	2001
Between two and five years	45,114	11,553	45,114	11,553
	<u>45,114</u>	<u>11,553</u>	<u>45,114</u>	<u>11,553</u>

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

13. DEFERRED TAXATION

	Group		Company	
	2002	2001	2002	2001
At 1 April 2001	-	-	-	-
Charge for the year	95,800	-	95,800	-
At 31 March 2002	95,800	-	95,800	-

The provision for deferred taxation is made up as follows:

	Group		Company	
	2002	2001	2002	2001
Accelerated capital allowances	95,800	-	95,800	-
Tax losses brought forward	-	-	-	-
Advance corporation tax	-	-	-	-
	95,800	-	95,800	-

14. SHARE CAPITAL

	2002	2001
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

15. RESERVES

	Share premium account	Profit and loss account
Group		
At 1 April 2001	85,991	817,042
Profit retained for the year	-	227,055
	<u>85,991</u>	<u>1,044,097</u>
At 31 March 2002	<u>85,991</u>	<u>1,044,097</u>
	Share premium account	Profit and loss account
Company		
At 1 April 2001	85,991	1,013,656
Profit retained for the year	-	146,655
	<u>85,991</u>	<u>1,160,311</u>
At 31 March 2002	<u>85,991</u>	<u>1,160,311</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002	2001
Group		
Profit for the year	227,055	77,456
	<u>227,055</u>	<u>77,456</u>
Opening shareholders' funds	904,033	826,577
Closing shareholders' funds	<u>1,131,088</u>	<u>904,033</u>
	2002	2001
Company		
Profit for the year	146,655	155,259
	<u>146,655</u>	<u>155,259</u>
Opening shareholders' funds	1,100,647	945,388
Closing shareholders' funds	<u>1,247,302</u>	<u>1,100,647</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £146,655 (2001 - £164,302).

CARGO MARKETING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2002	2001
Operating profit	386,427	154,183
Depreciation of tangible fixed assets	119,816	122,149
(Profit)/loss on disposal of tangible fixed assets	(38,660)	4,753
(Increase)/decrease in debtors	(300,009)	477,026
Decrease in amounts owed by group undertakings	-	299,255
(Decrease)/increase in creditors	(104,120)	319,438
Decrease in amounts owed to group undertakings	-	(316,694)
NET CASH INFLOW FROM OPERATIONS	63,454	1,060,110

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002	2001
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	14,066	18,073
Interest paid	(6,207)	(8,658)
Hire purchase interest	(7,646)	(9,318)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	213	97
	2002	2001
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(170,785)	(80,112)
Sale of tangible fixed assets	58,919	35,200
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(111,866)	(44,912)
	2002	2001
FINANCING		
Repayment of loans	(14,622)	(13,053)
New finance lease	55,301	(53,345)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING	40,679	(66,398)

CARGO MARKETING SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31 March 2002

19. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2001	Cash flow	Other non-cash changes	31 March 2002
Cash at bank and in hand:	912,562	(84,106)	-	828,456
DEBT :				
Finance leases	(36,255)	(55,301)	-	(91,556)
Debts due within one year	(12,212)	(2,500)	-	(14,712)
Debts falling due after more than one year	(79,351)	17,122	-	(62,229)
NET FUNDS	<u>784,744</u>	<u>(124,785)</u>	<u>-</u>	<u>659,959</u>

20. PRINCIPAL SUBSIDIARIES**Principal subsidiaries**

Company name	Country	Percentage Shareholding	Description
Cargo Marketing Services LLC	USA	100	Freight brokering
Cargotrans Limited	England	100	Dormant
Cargo Marketing (London) Limited	England	100	Dormant