

SENT 27/6/96

COMPANY NUMBER 02760607

SOUTHERN CROSS FREIGHT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT

YEAR ENDED 31ST OCTOBER, 1995

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MALCOLM HORTON & CO.
Chartered Accountants

165 PARROCK STREET
GRAVESEND
KENT
DA12 1ER

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SOUTHERN CROSS FREIGHT LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the audited financial statements for the year ended 31st October, 1995.

DIRECTORS

The Directors of the Company during the year and their interests in the ordinary shares of the company were as follows:

	31.10.95	31.10.94
S. I. Irwin	1	1
T. I. Marshall (Resigned 1.9.95)	-	1
L. C. Bonner (Appointed 1.9.95)	1	-

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 affairs of the company and of the profit or loss of the company for that period.

The directors are responsible for keeping 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 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.

In the opinion of the directors the company satisfies the small company criteria set out in Section 246 and 247 of that Act.

ACTIVITIES

The principal activity of the Company is haulage contracting services.

The directors of the Company expect that the turnover of the Company will increase significantly in the coming year and the position of the Company will strengthen. The Directors realise that if they were to draw the balance outstanding to their credit on Directors Current Account the Company would be insolvent. They have given an undertaking, therefore, to leave such balance as will enable all outside Creditors to be paid.

REGISTERED OFFICE
165 PARROCK STREET
GRAVESEND, KENT
DA12 1ER

By Order of the Board



L. C. Bonner

5th May, 1996

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ACCOUNTANTS REPORT TO THE SHAREHOLDERS ON

THE UNAUDITED ACCOUNTS OF SOUTHERN CROSS FREIGHT LIMITED

We report on the accounts for the year ended 31st OCTOBER, 1995 set out on pages 3 to 7.

Respective responsibilities of directors and reporting accountants

As described on page 1 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

(a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

- (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
- (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1)

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MALCOLM HORTON & CO.
Chartered Accountants

165 PARROCK STREET
GRAVESEND, KENT

5th May, 1996

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SOUTHERN CROSS FREIGHT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST OCTOBER, 1995

		1994	1995
	Note	£	£
TURNOVER	1	77,755	94,022
Cost of Sales		<u>70,736</u>	<u>85,702</u>
GROSS PROFIT		7,019	8,320
Administrative Expenses		<u>4,589</u>	<u>4,295</u>
		<u>2,430</u>	<u>4,025</u>
Interest Payable		<u>1,176</u>	<u>4,524</u>
OPERATING PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,254	(499)
Taxation overpaid		<u>(809)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION C/FD.		445	(499)
Retained Profit/Loss B/fd.		<u>1,574</u>	<u>2,019</u>
Retained Profit/Loss c/fwd.		<u>2,019</u>	<u>1,520</u>

All gains or losses arising in the year have been recognised in the Profit and Loss account and arise from continuing operations.

SOUTHERN CROSS FREIGHT LIMITED

DETAIL OF PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST OCTOBER, 1995

		£
TURNOVER		94,022
COST OF SALES		
Directors Remuneration	3,496	
Direct Wages inc. National Insurance	11,844	
Drivers Expenses	3,685	
Vehicle Running Costs	48,761	
Depreciation of Vehicles	23,881	
Tolls	2,410	
Profit on Sale of Vehicle	(8,375)	
		85,702
GROSS PROFIT		8,320
ADMINISTRATION EXPENSES:-		
Use of Home as Office	500	
Telephone, Postage and Stationery	1,850	
Canteen and Cleaning	98	
Bank Charges	159	
Rent and Rates	720	
Interest Payable	4,524	
Audit and Accountancy	850	
Legal and Professional	118	8,819
NET LOSS		£(499)

This page does not form part of the audited financial statements.

SOUTHERN CROSS FREIGHT LIMITED

BALANCE SHEET 31ST OCTOBER, 1995

	Note	1994 £	1995 £
FIXED ASSETS			
Tangible Assets	3	29,400	72,139
CURRENT ASSETS			
Debtors	4	28,741	33,655
Cash at Bank and in hand		2,729	3,900
		<u>31,470</u>	<u>37,555</u>
CREDITORS: Falling due within one year	5	<u>58,032</u>	<u>58,447</u>
NET CURRENT LIABILITIES		<u>(26,562)</u>	<u>(20,892)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,838	51,247
CREDITORS: Falling due after one year		817	49,725
CAPITAL AND RESERVES:		<u>2,021</u>	<u>1,522</u>
CALLED UP SHARE CAPITAL		2	2
PROFIT AND LOSS ACCOUNT	6	<u>2,019</u>	<u>1,520</u>
		<u>2,021</u>	<u>1,522</u>

We confirm that:

a) the company was entitled for the year ended 31st October, 1995 to audit exemption under s249(A)(1)

b) no notice has been deposited under s249(B)(2) requiring an audit of the accounts for the year

We acknowledge our responsibilities for:

c) ensuring that the company keeps accounting records which comply with s221

d) preparing accounts which give a true and fair view of the state of the company's affairs at the end of the year and its profit for the year in accordance with s226 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these financial statements advantage is taken of the exemptions conferred by Section A of Part I of Schedule 8 to the Companies Act 1985.

In the opinion of the directors the company is entitled to these exemptions on the grounds that it satisfies the small company criteria set out in Section 246 and 247 of the Act.

S. I. IRWIN



)

) DIRECTORS

L. C. BONNER



)

5th May, 1996

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SOUTHERN CROSS FREIGHT LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31ST OCTOBER, 1995

ACCOUNTING POLICIES

The financial statements have been prepared under the Historical Cost Convention.

TURNOVER

Turnover comprises sales of goods and services invoiced by the Company during the year, excluding sales taxes.

DEPRECIATION

Depreciation of tangible fixed assets is provided at the rate of 25% straight line.

SOUTHERN CROSS FREIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER, 1995

		1994 £	1995 £
1.	TURNOVER		
	United Kingdom	<u>77,755</u>	<u>94,022</u>
2.	OPERATING PROFIT is after charging:		
	Depreciation of fixed assets	10,619	23,881
	Directors Remuneration		3,496
		<u> </u>	<u> </u>
3.	TANGIBLE FIXED ASSETS		
	As at 1.11.93	Additions	Disposals
			As at 31.10.94
	COST		
	Tractor	31,500	90,245
	Trailer	10,977	1,144
		<u>42,477</u>	<u>31,500</u>
		<u>91,389</u>	<u>101,222</u>
	DEPRECIATION		
	Tractor	7,875	22,437
	Trailer	5,202	1,444
		<u>13,077</u>	<u>7,875</u>
		<u>23,881</u>	<u>29,083</u>
	Net Book Value	29,400	72,139

SOUTHERN CROSS FREIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER, 1995

4.	DEBTORS	1994	1995
	Due within one year		
	Taxation		1,447
	Trade Debtors	27,241	27,972
	Other Debtors	1,500	4,236
		<u>28,741</u>	<u>33,655</u>
5.	CREDITORS		
	Due within one year		
	Trade Creditors	6,534	6,867
	Directors current accounts	26,299	30,183
	Taxation	809	-
	Other Creditors	24,390	21,397
		<u>58,032</u>	<u>58,447</u>
6.	CALLED UP SHARE CAPITAL		
	Allotted and fully paid - 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>
	Authorised - 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
7.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS		
	Total recognised gains and losses for the year	445	(499)
	Less Dividend		-
			<u>(499)</u>
	Shareholders Funds at beginning	1,576	2,021
		<u>2,021</u>	<u>1,522</u>