

Company Number 02760607

SOUTHERN CROSS FREIGHT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT

YEAR ENDED 31ST OCTOBER, 1997

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MALCOLM HORTON & CO.

Chartered Accountants

165 PARROCK STREET
GRAVESEND
KENT
DA12 1ER

Tel: 01474 328882



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, 1997

DIRECTORS

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

	31.10.97	31.10.96
S. I. Irwin	1	1
L. C. Bonner	1	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 that of 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

10th July, 1998

By Order of the Board



L. C. Bonner

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, 1997 set out on page 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

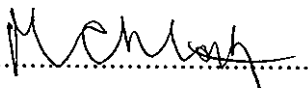
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the 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
DA12 1ER.

8th July, 1998

SOUTHERN CROSS FREIGHT LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST OCTOBER, 1997

	Notes	1996	1997
TURNOVER	1	105,860	90,153
Cost of Sales		<u>96,705</u>	<u>78,946</u>
GROSS PROFIT		9,155	11,207
Administration Expenses		<u>5,967</u>	<u>6,794</u>
		3,188	4,413
Interest Payable		<u>3,122</u>	<u>4,066</u>
OPERATING PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	66	347
Taxation		<u>16</u>	<u>28</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION C/fd.		50	319
Retained Profit/Loss b/fwd.		<u>1,520</u>	<u>1,570</u>
Retained Profit/Loss c/fwd.		<u>1,570</u>	<u>1,889</u>
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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

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST OCTOBER, 1997

TURNOVER		90,153
COST OF SALES		
Direct Wages inc. National Insurance	13,958	
Drivers Expenses	4,531	
Vehicle Running Costs	43,020	
Depreciation of Vehicles	13,500	
Tolls	<u>3,937</u>	<u>78,946</u>
GROSS PROFIT		11,207
ADMINISTRATION EXPENSES:-		
Office Salary	2,300	
Use of Home as Office	600	
Telephone, Postage and Stationery	2,038	
Canteen and Cleaning	201	
Bank Charges	255	
Rent and Rates	510	
Interest Payable	4,066	
Audit and Accountancy	<u>890</u>	<u>10,860</u>
NET PROFIT		347
		<u>=====</u>

THIS PAGE DOES NOT FORM PART OF THE AUDITED FINANCIAL STATEMENT

SOUTHERN CROSS FREIGHT LIMITED

BALANCE SHEET AS AT 31ST OCTOBER, 1997

		1996	1997
	NOTE	£	£
FIXED ASSETS			
Tangible Assets	3	54,104	40,604
CURRENT ASSETS			
Debtors	4	15,679	15,431
Cash at Bank and in hand		<u>16,194</u>	<u>5,659</u>
		31,873	21,090
CREDITORS: Falling due			
within one year	5	<u>47,405</u>	<u>49,829</u>
NET CURRENT LIABILITIES		<u>(15,532)</u>	<u>(28,739)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		38,572	11,865
CREDITORS: Falling due			
after one year		<u>37,000</u>	<u>9,974</u>
CAPITAL AND RESERVES		1,572	1,891
		<u>-----</u>	<u>-----</u>
CALLED UP SHARE CAPITAL		2	2
PROFIT AND LOSS ACCOUNT	6	<u>1,570</u>	<u>1,889</u>
		<u>1,572</u>	<u>1,891</u>
		<u>-----</u>	<u>-----</u>

We confirm that:

- a) the company was entitled for the year ended 31st October, 1996 to audit exemption under s249(A)(2)
b) no notice has been deposited under s249(B)(2) requiring an audit of the accounts for the year

We acknowledge our responsibilities for:

- 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

L. C. Bonner

DIRECTORS

10th July 1998

SOUTHERN CROSS FREIGHT LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31ST OCTOBER, 1997

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% reducing balance.

SOUTHERN CROSS FREIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER, 1997

	1996 £	1997 £		
1. TURNOVER				
United Kingdom	105,860	90,153		
	<u> </u>	<u> </u>		
2. OPERATING PROFIT is after Charging:-				
Depreciation of fixed assets	18,035	13,500		
Directors Remuneration	17,935	13,966		
3. TANGIBLE FIXED ASSETS				
	As at 1.11.96	Additions	Disposals	As at 31.10.97
COST				
Tractor	90,245	-	-	90,245
Trailer	<u>10,977</u>	-	-	<u>10,977</u>
	<u>101,222</u>			<u>101,222</u>
DEPRECIATION				
Tractor	39,439	12,675	-	52,114
Trailer	<u>7,679</u>	<u>825</u>	-	<u>8,504</u>
	<u>47,118</u>	<u>13,500</u>		<u>60,618</u>
Net Book Value	54,104			40,604

SOUTHERN CROSS FREIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER, 1997

	1997 £	1996 £
4. DEBTORS		
Due within one year		
Taxation		1,447
Trade Debtors	15,431	27,972
Other Debtors	-	4,236
	<u>15,431</u>	<u>33,655</u>
5. CREDITORS		
Due within one year		
Trade Creditors	1,625	6,867
Directors Current Account	16,820	30,183
Taxation	73	
Other Creditors	31,311	16,876
	<u>49,829</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	319	(499)
Less Dividend		-
Shareholders Funds at beginning	<u>1,572</u>	<u>2,021</u>
	<u>1,891</u>	<u>1,522</u>