

DIRECTORS' REPORT

The directors present their Annual Report and the audited financial statements for the year ended 30th June 1997.

ACTIVITIES

The company's principal activity is that of a haulage and transport broker.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company has continued to perform satisfactorily given the general economic climate. The company expects improved results in the forthcoming financial year.

The profit after tax amounted to £21,288 (1996: £19,138). The amount absorbed by reserves is as follows:

Dividends paid and proposed	£12,930
Reserves	£ 8,358

DIVIDENDS

The preference dividends have been paid in full during the year.

DIRECTORS' INTERESTS

The directors and their interests in the share capital of the company at the beginning and the end of the year were as follows:

	30: 6:97	30: 6:96	30: 6:97	30: 6:96
	£1 Ordinary Shares		£1 7½% Preference Shares	
Mr. P. F. Brown	26	2	10,000	10,000
Mr. P. P. O'Halloran	24	24	-	-

SMALL COMPANY

Advantage has been taken in the preparation of this report, of the special exemptions applicable to small companies.

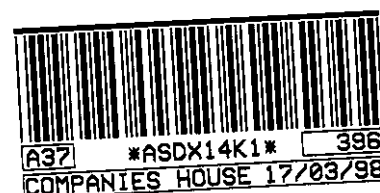
BY ORDER OF THE BOARD

P O'Halloran
MRS. P. O'HALLORAN
SECRETARY

REGISTERED OFFICE:

Fishers Way,
Belvedere,
Kent, DA17 6BS.

COMPANY NO. 1627530



AUDITORS REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

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 of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

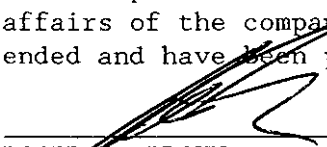
BASIS OF OPINION

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 company'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 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 as at 30th June 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



 ROGER H. BROWN
 REGISTERED AUDITOR AND CHARTERED ACCOUNTANTS
 4 HIGH STREET,
 KEYNSHAM, BRISTOL, BS18 1DQ.

DATE:  5 January 1998

PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH JUNE 1997

	NOTES	1997	1996
TURNOVER		728,724	665,748
Cost of sales		(645,105)	(583,275)
GROSS PROFIT		83,619	82,473
Distribution costs		9,497	10,377
Administrative costs		46,623	51,169
		56,120	61,546
OPERATING PROFIT		27,499	20,927
Other interest receivable and similar income		414	265
Interest payable and similar charges	2	(858)	(503)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	27,055	20,689
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	(5,767)	(1,551)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		21,288	19,138
DIVIDENDS PAID AND PROPOSED	6	(12,930)	(750)
PROFIT FOR THE FINANCIAL YEAR		8,358	18,388
BALANCE ON PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		5,119	(13,269)
BALANCE ON PROFIT AND LOSS ACCOUNT CARRIED FORWARD		£ 13,477	£ 5,119

There are no other recognised gains or losses other than the profit for the year.

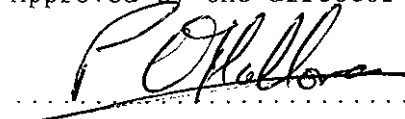
The notes on pages 5 to 9 form part of these financial statements

BALANCE SHEET
AT 30TH JUNE 1997

	NOTES	1997	1996
FIXED ASSETS			
Tangible Assets	7	19,684	14,011
CURRENT ASSETS			
Work in progress	8	2,248	4,599
Debtors	9	200,566	169,298
Cash at bank		13,761	7,449
		216,575	181,346
CREDITORS: Amounts falling due within one year	10	(206,952)	(177,852)
NET CURRENT ASSETS		9,623	3,494
NET ASSETS LESS CURRENT LIABILITIES		29,307	17,505
CREDITORS: Amounts falling due after more than one year	11	(5,780)	(2,336)
PROVISIONS FOR LIABILITIES AND CHARGES	12	-	-
NET CURRENT ASSETS		£ 23,527	£ 15,169
CAPITAL AND RESERVES			
Called up share capital	13	10,050	10,050
Profit and Loss account	14	13,477	5,119
		£ 23,527	£ 15,169

In preparing the financial statements we have taken advantage of the special exemptions applicable to small companies conferred by Sections 246 and 247 of the Companies Act 1996 on the grounds that the company is entitled to those exemptions as a small company.

Approved by the director on 8th January 1998.



P. O'Halloran

The notes on pages 5 to 9 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1997

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements and have remained unchanged from the previous year.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention rules.

(b) Tangible fixed assets

Depreciation is calculated to write off the cost of fixed assets over the estimated lives of the assets. The rates of depreciation are as follows:

Computer equipment	25% per annum straight line
Office equipment	20% per annum on reducing balance
Motor vehicles	25% per annum on reducing balance

(c) Stock

Stock and work in progress are valued at the lower of realisable value.

(d) Deferred Taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(e) Pension Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contribution payable to the scheme in respect of the accounting year.

(f) Leases

Where the company enters into a lease which entails taking all the risks and rewards of ownership of an asset, the lease is treated as a hire purchase lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account under the term 'interest payable and similar charges', and the capital element which reduces the outstanding obligation for future instalments included with creditors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 1997

2.	INTEREST PAYABLE AND SIMILAR CHARGES	1997	1996
	HP interest	928	503
	Other interest	(70)	-
		<u>£ 858</u>	<u>£ 503</u>
3.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1997	1996
	Profit on ordinary activities before taxation is after charging:		
	Hire of plant and machinery	£ -	£ -
	Depreciation of tangible fixed assets	£ 4,089	£ 4,720
	Auditors' remuneration	£ 2,485	£ 2,484
	Directors' remuneration	£ 16,321	£ 16,441
		<u>£ 16,321</u>	<u>£ 16,441</u>
4.	EMPLOYEE COSTS DURING THE YEAR	1997	1996
	Wages and salaries	44,964	52,481
	Social security costs	3,969	2,888
	Other pension costs	1,350	950
		<u>£ 50,283</u>	<u>£ 56,319</u>
	Average number of persons employed	No	No
	Management	2	2
	Administration	2	2
		<u>4</u>	<u>4</u>
	Directors' emoluments:		
	Salaries	16,321	16,441
	Pension contributions	675	950
	Benefits in kind	-	-
		<u>£ 16,996</u>	<u>£ 17,391</u>
5.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1997	1996
	United Kingdom Corporation Tax at 23%/21% based on profit for the year	5,767	1,551
	Deferred taxation	-	-
	Underprovision prior years	-	-
		<u>£ 5,767</u>	<u>£ 1,551</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 1997

6. DIVIDENDS	1997	1996
Interim paid on fl Ordinary Shares at f??? per share	12,180	-
fl 7½% Preference Shares - paid	750	750
	<u>£ 12,930</u>	<u>£ 750</u>

7. TANGIBLE FIXED ASSETS	TOTAL	OFFICE EQUIPMENT	MOTOR VEHICLES
COST			
At 1: 7:96	37,039	11,701	25,338
Additions	14,099	-	14,099
Disposal	(14,943)	-	(14,943)
	<u>£36,195</u>	<u>£11,701</u>	<u>£24,494</u>
ACCUMULATED DEPRECIATION			
At 1: 7:96	23,028	9,837	13,191
Provisions	4,385	373	4,012
Disposals	(10,902)	-	(10,902)
	<u>£16,511</u>	<u>£10,210</u>	<u>£ 6,301</u>
NET BOOK VALUE			
At 30: 6:97	<u>£19,684</u>	<u>£ 1,491</u>	<u>£18,193</u>
At 30: 6:96	<u>£14,011</u>	<u>£ 1,864</u>	<u>£12,147</u>

The net book value of assets includes £18,193 (1996: £7,416) in respect of assets held under hire purchase leases.

8. STOCKS	1997	1996
Work in progress	<u>£ 2,248</u>	<u>£ 4,599</u>
9. DEBTORS	1997	1996
Trade debtors	198,594	165,824
Other debtors	1,972	3,474
Prepayments and accrued income	-	-
	<u>£200,566</u>	<u>£169,298</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 1997

10. CREDITORS: Amounts falling due within one year	1997	1996
Obligation under Hire Purchase and finance leases	4,465	2,841
Corporation Tax	3,154	-
Trade creditors	150,056	126,122
Taxation and social security	14,943	11,710
Directors loan accounts	26,307	26,461
Accruals	8,027	10,718
Dividends proposed	-	-
	<u>£206,952</u>	<u>£177,852</u>
11. CREDITORS: Amounts falling due after more than one year	1997	1996
Obligations under finance leases and hire purchase contracts	<u>£ 5,780</u>	<u>£ 2,336</u>
12. DEFERRED TAXATION		
The amounts of deferred taxation provided in the accounts are:	1997	1996
Balance brought forward	-	-
Profit and Loss Account	-	-
	<u>£ -</u>	<u>£ -</u>
13. CALLED UP SHARE CAPITAL	1997	1996
Authorised		
£1 Ordinary Shares	100	100
£1 7½% Cumulative Preference Shares	10,000	10,000
	<u>£ 10,100</u>	<u>£ 10,100</u>
Allotted and fully paid		
£1 Ordinary Shares	50	50
£1 7½ Cumulative Preference Shares	10,000	10,000
	<u>£ 10,050</u>	<u>£ 10,050</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30TH JUNE 1997

14. MOVEMENTS IN SHAREHOLDERS FUNDS	1997	1996
Opening balance of shareholders funds	15,169	(3,219)
Profit for the year	8,358	18,388
Closing balance of shareholders funds	<u>£ 23,527</u>	<u>£ 15,169</u>