

Co House.

**S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES**

**DIRECTORS**

P.G. Bartlett - Chairman  
D.W. Cantrell - Joint Managing Director  
M.R. Jackson - Joint Managing Director  
P.T. Judge  
R. Bateman  
L.H. Thornton

**SECRETARY**

P.T. Judge

**REGISTERED OFFICE**

Kingsway House  
1-3 Evans Avenue  
Watford, WD2 6EX

**REGISTERED NUMBER**

932138 (England & Wales)

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**REPORT AND ACCOUNTS 31 MARCH 1995**

Pages	1-2	Report of the directors
	3	Report of the auditors
	4	Group profit and loss account
	5	Group balance sheet
	6	Company balance sheet
	7	Group cashflow statement
	8-16	Notes to the accounts

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**S.BOARDMAN (AIR SERVICES) LIMITED**  
**REPORT OF THE DIRECTORS**

The directors present their report and group accounts of the company for the year ended 31 March 1995.

**PRINCIPAL ACTIVITIES**

The group's principal activities during the year were air cargo and shipping agents.

**REVIEW OF BUSINESS**

A summary of the results of the year's trading is given on page 4 of the accounts.

The directors are pleased to report that group turnover increased by 19.5% and pre tax profits increased by £30410 over the previous year.

The directors are confident of achieving further increases in turnover and profits in the 1995-96 financial year.

**DIVIDENDS**

A dividend of £25,000 was paid during the year.

**DIRECTORS**

The directors who held office in the year and their beneficial interests in the issued ordinary share capital at the beginning and end of the year were as follows:

P.G. Bartlett	16000	
D.W. Cantrell	3000	
M.R. Jackson	3000	
P.T. Judge	3000	
R. Bateman		- (appointed 1 April 1994)
L.M. Thornton		- (appointed 1 April 1994)

**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. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 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 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.

S.BOARDMAN (AIR SERVICES) LIMITED  
REPORT OF THE DIRECTORS  
(Continued)

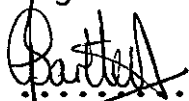
FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

AUDITORS

The auditors, Feldman & Feldman, will continue in office in accordance with Section 386 of the Companies Act 1985.

Signed on behalf of the board



.....P G Bartlett - Director  
Approved by the board

Date: 20/11/95 .....

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
S.BOARDMAN (AIR SERVICES) LIMITED**

We have audited the accounts on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

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

**BASIS OF OPINION**

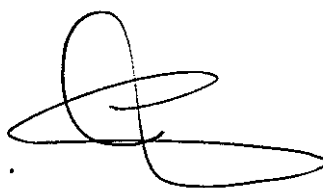
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements by the directors 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 the 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 information in the accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 March 1995 and of the profit and cashflow for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

**FELDMAN & FELDMAN  
ACCOUNTANTS**  
Kingsway House  
1-3 Evans Avenue  
Watford, WD2 6EX



**REGISTERED AUDITORS**

Date 21/11/95

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
GROUP PROFIT AND LOSS ACCOUNT  
YEAR ENDED 31 MARCH 1995

	Notes	1995 £	1994 £
TURNOVER	2	14460234	12101519
Direct cost		(13101599)	(10832097)
<b>GROSS PROFIT</b>		<b>1358635</b>	<b>1269422</b>
Administrative expenses		(1218627)	(1129785)
<b>OPERATING PROFIT</b>	3	<b>140008</b>	<b>139637</b>
Profit (Loss) on disposal of assets		705	(26441)
Bank interest receivable		17245	14359
Bank interest payable		(212)	(219)
<b>PROFIT on ordinary activities before taxation</b>		<b>157746</b>	<b>127336</b>
<b>TAXATION</b>	6	<b>(36092)</b>	<b>(39814)</b>
<b>PROFIT on ordinary activities after taxation</b>		<b>121654</b>	<b>87522</b>
<b>DIVIDEND</b>	7	<b>(25000)</b>	<b>(25000)</b>
<b>RETAINED PROFIT for the financial year</b>		<b>96654</b>	<b>62522</b>
<b>RETAINED PROFIT at 1 April 1994</b>		<b>565884</b>	<b>503362</b>
<b>RETAINED PROFIT at 31 March 1995</b>	8	<b>662538</b>	<b>565884</b>

None of the Group's activities were acquired or discontinued during the above two financial years.

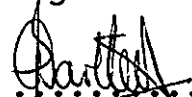
The Group has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 16 form part of these accounts.

**S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
GROUP BALANCE SHEET - 31 MARCH 1995**

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
<b>FIXED ASSETS</b>			
Intangible assets	9	11287	11287
Tangible assets	10(a)	146244	125142
Investment in associated undertaking	12	20	20
		<hr/>	<hr/>
		157551	136449
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Debtors	13	1685717	1436395
Cash at bank and in hand		509334	509721
		<hr/>	<hr/>
		2195051	1946116
<b>CREDITORS: amounts falling due within one year</b>	14	1643946	1481085
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		551105	465031
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		708656	601480
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due after more than one year</b>			
Bank loan	15	5208	-
Hire purchase		15910	10596
		<hr/>	<hr/>
		21118	10596
		<hr/>	<hr/>
		687538	590884
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	25000	25000
Profit and loss account		662538	565884
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>	17	687538	590884
		<hr/>	<hr/>

Signed on behalf of the board



.....P G Bartlett - Director  
Approved by the board

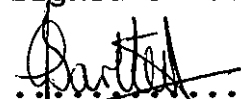
Date: 20/11/95.....

The notes on pages 8 to 16 form part of these accounts.

**S.BOARDMAN (AIR SERVICES) LIMITED**  
**BALANCE SHEET - 31 MARCH 1995**

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
<b>FIXED ASSETS</b>			
Tangible assets	10(b)	114566	86382
Shares in group undertakings	11	30500	30500
Investment in associated undertaking	12	20	20
		<hr/>	<hr/>
		145086	116902
<b>CURRENT ASSETS</b>			
Debtors	13	1601012	1373250
Cash at bank and in hand		477316	472689
		<hr/>	<hr/>
		2078328	1845939
<b>CREDITORS: amounts falling due within one year</b>	14	1733181	1533188
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		345147	312751
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		490233	429653
		<hr/>	<hr/>
<b>CREDITORS: amounts falling due after more than one year</b>			
Bank loan	15	5208	-
Hire purchase		13787	5947
		<hr/>	<hr/>
		18995	5947
		<hr/>	<hr/>
		471238	423706
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	25000	25000
Profit and loss account		446238	398706
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>	17	471238	423706
		<hr/>	<hr/>

Signed on behalf of the board



.....P G Bartlett - Director  
 Approved by the board

Date: 20/11/95 .....

The notes on pages 8 to 16 form part of these accounts.

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
GROUP CASHFLOW STATEMENT  
YEAR ENDED 31 MARCH 1995

NET CASH (OUTFLOW) INFLOW	<u>1995</u> £	<u>1994</u> £
<b>OPERATING ACTIVITIES</b>		
Operating profit	140008	139637
Depreciation	40982	34492
(Increase) in debtors	(247793)	(367722)
Increase in creditors	162017	324653
	<hr/>	<hr/>
	95214	131060
	<hr/>	<hr/>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>		
Interest receivable	17245	14359
Interest payable	(212)	(219)
Dividends paid	(25000)	(25000)
	<hr/>	<hr/>
	(7967)	(10860)
	<hr/>	<hr/>
<b>TAXATION</b>		
Corporation tax paid	(40107)	(23042)
<b>INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(90979)	(45976)
Sale of tangible fixed assets	29600	5657
	<hr/>	<hr/>
<b>NET CASH (OUTFLOW) INFLOW</b>	<hr/> (14239) <hr/>	<hr/> 56839 <hr/>
<b>FINANCING</b>		
Hire purchase due after more than one year	(5314)	(5098)
Bank loan due after more than one year	(5208)	-
(Decrease) Increase in cash and cash equivalents during the year (Note 18)	(3717)	61937
	<hr/>	<hr/>
	(14239)	56839
	<hr/>	<hr/>



S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995

## 1. ACCOUNTING POLICIES

### (a) Basis of accounting

The accounts have been prepared under the historical cost convention.

### (b) Consolidation

The consolidated accounts incorporate the accounts of the company and all of its subsidiaries.

### (c) Turnover

Turnover represents the invoiced amounts of services provided during the year, stated net of VAT.

### (d) Tangible fixed assets

Depreciation is provided, on the reducing balance basis, at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	-	15%
Fixtures and fittings	-	15%
Motor vehicles	-	25%

### (e) Leases

Rentals paid under operating leases are charged to income as incurred.

### (f) Deferred taxation

No provision has been made for deferred taxation as the directors are of the opinion that no liability will arise in the foreseeable future.

### (g) 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 of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### (h) Pension costs

Contributions in respect of the Group's pension schemes are charged to the profit and loss account for the year in which they are paid.

## 2. TURNOVER AND GROUP PROFIT

The turnover and group profit on ordinary activities before taxation is attributable to the principal activities of the group.

All turnover relates to the United Kingdom.

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

## 3. GROUP OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
	£	£
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	40982	34492
Hire of equipment	14208	10998
Staff costs (Note 4)	748070	681815
Auditors remuneration	12000	12000
	<hr/>	<hr/>

## 4. STAFF COSTS

	<u>1995</u>	<u>1994</u>
	£	£
Wages and salaries	421083	431874
Directors emoluments (Note 5)	260144	180887
Social security costs	60943	63554
Other pension costs	5900	5500
	<hr/>	<hr/>
	748070	681815
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows:

	<u>1995</u>	<u>1994</u>
Office and management	36	33
	<hr/>	<hr/>

## 5. DIRECTORS EMOLUMENTS

Emoluments excluding pension contributions:

	<u>1995</u>	<u>1994</u>
	£	£
Chairman	43300	43622
	<hr/>	<hr/>
Highest paid director	44319	43622
	<hr/>	<hr/>

Other directors fall within the following ranges:

	<u>Number</u>	<u>Number</u>
£25001 - £30000	4	3
£40001 - £45000	1	-
	<hr/>	<hr/>

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

## 6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	<u>1995</u> £	<u>1994</u> £
Corporation tax based on the adjusted results of the year	37336	39822
Prior year adjustment	(1244)	(8)
	<hr/> 36092	<hr/> 39814

## 7. DIVIDENDS

	<u>1995</u>	<u>1994</u>
Paid on ordinary shares	£25000	£25000
	<hr/>	<hr/>

## 8. GROUP RETAINED PROFIT

	Holding Company	Subsidiaries	Group
	<u>£</u>	<u>£</u>	<u>£</u>
Balance brought forward	398706	167178	565884
Profit for the year	72532	49122	121654
	<hr/> 471238	<hr/> 216300	<hr/> 687538
Dividend	(25000)	-	(25000)
	<hr/> 446238	<hr/> 216300	<hr/> 662538
Balance carried forward	<hr/> 446238	<hr/> 216300	<hr/> 662538

## 9. INTANGIBLE FIXED ASSETS

	<u>1995</u> £	<u>1994</u> £
Goodwill on consolidation		
Premium on acquisitions	20699	20699
Less: Discount on acquisitions	(9412)	(9412)
	<hr/> 11287	<hr/> 11287

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

10 (a).TANGIBLE FIXED ASSETS - GROUP

	Equipment fixtures & fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 1994	84083	182377	266460
Additions	-	90979	90979
Disposals	-	(85904)	(85904)
	<hr/>	<hr/>	<hr/>
At 31 March 1995	84083	187452	271535
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 1994	38035	103283	141318
On disposals	-	(57009)	(57009)
Charge for the year	6615	34367	40982
	<hr/>	<hr/>	<hr/>
At 31 March 1995	44650	80641	125291
	<hr/>	<hr/>	<hr/>
Written down values			
At 31 March 1995	39433	106811	146244
	<hr/>	<hr/>	<hr/>
At 31 March 1994	46048	79094	125142
	<hr/>	<hr/>	<hr/>

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

10 (b).TANGIBLE FIXED ASSETS - COMPANY

	Equipment fixtures & fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 1994	57323	136983	194306
Additions	-	90979	90979
Disposals	-	(85904)	(85904)
At 31 March 1995	57323	142058	199381
Depreciation			
At 1 April 1994	25161	82763	107924
On disposals	-	(57009)	(57009)
Charge for the year	4824	29076	33900
At 31 March 1995	29985	54830	84815
Written down values			
At 31 March 1995	27338	87228	114566
At 31 March 1994	32162	54220	86382

S. BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

## 11. SHARES IN GROUP UNDERTAKINGS

	<u>1995</u>	<u>1994</u>
Shares at cost	£30500	£30500
	<hr/>	<hr/>

At the Balance Sheet date the investments comprised the following operating subsidiaries, all wholly owned and registered in England:

S. Boardman (Shippers) Ltd  
S. Boardman Air Services (Northern) Ltd  
S. Boardman Air Services (Midlands) Ltd

## 12. INVESTMENT IN ASSOCIATED UNDERTAKING

	<u>1995</u>	<u>1994</u>
Shares at cost	£20	£20
	<hr/>	<hr/>

The company owns 20% of the issued share capital of South West Freight Services Limited, a company registered in England.

## 13. DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Trade debtors	1657314	1396886	1544249	1318439
Amounts due from group undertakings	-	-	30000	30000
Social security and other taxes	21664	13470	20801	13314
Other debtors	766	825	766	825
Prepayments	777	21547	-	7005
Corporation tax recoverable	5196	3667	5196	3667
	<hr/>	<hr/>	<hr/>	<hr/>
	1685717	1436395	1601012	1373250
	<hr/>	<hr/>	<hr/>	<hr/>

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

14.CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Trade creditors	1370793	1222945	1086593	881440
Amounts owed to group undertakings	-	-	481104	514549
Hire purchase	22560	7639	20033	3102
Social security and other taxes	20630	16272	13482	11743
Directors' undrawn remuneration	45450	32000	38450	30000
Directors current account	25000	35000	25000	35000
Other creditors	1790	1790	1790	1790
Accruals	62920	71480	42663	47592
	<hr/>	<hr/>	<hr/>	<hr/>
	1549143	1387126	1709115	1525216
Bank loan and overdraft (note 15)	57467	54137	6250	-
Corporation tax	37336	39822	17816	7972
	<hr/>	<hr/>	<hr/>	<hr/>
	1643946	1481085	1733181	1533188
	<hr/>	<hr/>	<hr/>	<hr/>

15.BANK LOANS AND OVERDRAFTS

The aggregate amount of bank loans and overdrafts was as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
(a) Falling due within one year				
Bank overdraft	51217	54137	-	-
Bank loan - current position	6250	-	6250	-
	<hr/>	<hr/>	<hr/>	<hr/>
	57467	54137	6250	-
	<hr/>	<hr/>	<hr/>	<hr/>
(b) Falling due after more than one year				
Bank loan - repayable within five years	5208	-	5208	-
	<hr/>	<hr/>	<hr/>	<hr/>
Aggregate amounts	62675	54137	11458	-
	<hr/>	<hr/>	<hr/>	<hr/>

S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

16.CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised		
50000 Ordinary shares of £1 each	£50000	£50000
	_____	_____
Allotted, issued and fully paid		
25000 Ordinary shares of £1 each	£25000	£25000
	_____	_____

17.SHAREHOLDERS' FUNDS

(a) Analysis of shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Equity	£687538	£590884	£471238	£423706
	_____	_____	_____	_____

(b) Reconciliation of movements  
on shareholders' funds

	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Profit (loss) for the financial year after taxation	121654	87522	72532	(383)
Dividends	(25000)	(25000)	(25000)	(25000)
	_____	_____	_____	_____
	96654	62522	47532	(25383)
Opening shareholders' funds at 1 April 1994	590884	528362	423706	449089
	_____	_____	_____	_____
Closing shareholders' funds at 31 March 1995	687538	590884	471238	423706
	_____	_____	_____	_____



S.BOARDMAN (AIR SERVICES) LIMITED  
AND SUBSIDIARIES  
NOTES TO THE ACCOUNTS - 31 MARCH 1995  
(continued)

18.ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	<u>1995</u> £	<u>1994</u> £
At 1 April 1994	455584	393647
At 31 March 1995	451867	455584
	<hr/>	<hr/>
(Decrease) Increase in cash and cash equivalents during the year	(3717)	61937
	<hr/>	<hr/>

19.BONDS AND INDEMNITIES

The company's bankers held a letter of charge over all monies with the bank at the balance sheet date as security for their guarantees in respect of group liabilities to Customs and Excise, provided for in the accounts.

20.GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Financial commitment under un-cancellable operating leases expiring after five years will result in the following payments falling due in the year to 31 March 1996.

	<u>1995</u>	<u>Group</u> <u>1994</u>	<u>1995</u>	<u>Company</u> <u>1994</u>
Land and buildings	£40000	£14138	£40000	£14138
	<hr/>	<hr/>	<hr/>	<hr/>

21.CONTINGENT LIABILITY

All the group undertakings have given unlimited cross guarantees in respect of bank borrowings.