

Company Registration No. 1508443 (England and Wales)

ANGLO PACIFIC FORWARDING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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COMPANIES HOUSE

ANGLO PACIFIC FORWARDING LIMITED

DIRECTORS AND ADVISERS

Directors

S D Perry
Mrs Z Perry

Secretary

Mrs Z Perry

Company number

1508443

Registered office

5/9 Willen Field Road
Park Royal
North Acton
London
NW10 7BQ

Registered auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Business address

5/9 Willen Field Road
Park Royal
North Acton
London
NW10 7BQ

ANGLO PACIFIC FORWARDING LIMITED

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ANGLO PACIFIC FORWARDING LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the group continued to be that of shipping and freight forwarding agents

The results for the year, which are set out in the profit and loss account, show turnover for the year of £15,291,261 (2006 £14,245,231) and a pre tax profit of £245,893 (2006 £210,154)

During the year an interim dividend amounting to £174,240 (2006 £nil) was paid to the shareholders of the company
The directors do not recommend the payment of a final dividend

The group has tangible fixed assets including fixtures and fittings and motor vehicles valued in the financial statements at net book value amounting to £745,917 (2006 £775,525), trade debtors of £1,431,506 (2006 £1,385,441) and cash at bank and in hand of £3,597,840 (2006 £3,397,592) The group has trade creditors of £2,987,958 (2006 £3,149,416)
The financial position at the year end is considered to be satisfactory

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local providers of shipping services and the general state of the shipping and freight forwarding market

Key performance indicators

The group's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or the position of the business

Future developments

The external commercial environment is expected to remain competitive in 2008 however the directors remain confident that they will continue to maintain and improve their current level of performance in the future

Financial instruments

The group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to liquidity risk. The risk of fluctuation in foreign currency exchange rates deflating or inflating the group's foreign currency assets and liabilities is mitigated through the use of forward contracts and bank accounts held in foreign currencies

Directors

The following directors have held office since 1 January 2007

S D Perry
Mrs Z Perry

Creditor payment policy

In the absence of disputes amounts due to suppliers are settled as expeditiously as possible, in accordance with agreed terms of payment

The company has not, however, adopted a code of payment practice. It is not the policy of the company to distinguish between classes of suppliers when negotiating payment terms. At 31 December 2007 there were 123 days trade creditors outstanding (2006 - 137 days)

ANGLO PACIFIC FORWARDING LIMITED

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 December 2007

Auditors

Hazlewoods LLP have expressed their willingness to continue in office

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

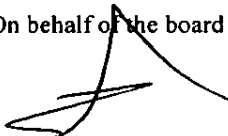
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare 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 the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



S D Perry

Director

7/8/2008

ANGLO PACIFIC FORWARDING LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ANGLO PACIFIC FORWARDING LIMITED

We have audited the financial statements of Anglo Pacific Forwarding Limited on pages 5 to 22 for the year ended 31 December 2007. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you, if in our opinion the company or 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 and the group'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.

ANGLO PACIFIC FORWARDING LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ANGLO PACIFIC FORWARDING LIMITED

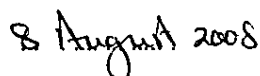
Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and the group's affairs as at 31 December 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


Hazlewoods LLP

Chartered Accountants and Registered Auditor


8 August 2008

Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

ANGLO PACIFIC FORWARDING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover	2	15,291,261	14,245,231
Cost of sales		(8,861,678)	(8,389,820)
Gross profit		<u>6,429,583</u>	<u>5,855,411</u>
Distribution costs		(4,098,986)	(3,804,656)
Administrative expenses		(2,276,932)	(1,952,985)
Operating profit	3	<u>53,665</u>	<u>97,770</u>
Interest receivable and similar income	4	208,487	122,609
Interest payable and similar charges	5	(16,259)	(10,225)
Profit on ordinary activities before taxation		<u>245,893</u>	<u>210,154</u>
Tax on profit on ordinary activities	6	(47,684)	(45,327)
Profit on ordinary activities after taxation	20	<u><u>198,209</u></u>	<u><u>164,827</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

ANGLO PACIFIC FORWARDING LIMITED

BALANCE SHEETS

As at 31 December 2007

	Notes	Group 2007 £	2006 £	Company 2007 £	2006 £
Fixed assets					
Tangible assets	10	745,917	775,525	-	-
Investments	11	683	683	154,751	154,751
		<u>746,600</u>	<u>776,208</u>	<u>154,751</u>	<u>154,751</u>
Current assets					
Stocks	12	104,687	141,281	-	-
Debtors	13	2,269,275	2,042,549	1,401,959	1,104,511
Cash at bank and in hand		3,597,840	3,397,592	1,810	2,020
		<u>5,971,802</u>	<u>5,581,422</u>	<u>1,403,769</u>	<u>1,106,531</u>
Creditors: amounts falling due within one year	14	(5,334,657)	(4,963,601)	(861,490)	(499,688)
Net current assets		<u>637,145</u>	<u>617,821</u>	<u>542,279</u>	<u>606,843</u>
Total assets less current liabilities		<u>1,383,745</u>	<u>1,394,029</u>	<u>697,030</u>	<u>761,594</u>
Creditors: amounts falling due after more than one year	15	(85,768)	(112,687)	-	-
Provisions for liabilities	16	(12,848)	(20,182)	-	-
		<u>1,285,129</u>	<u>1,261,160</u>	<u>697,030</u>	<u>761,594</u>
Capital and reserves					
Called up share capital	18	120	120	120	120
Revaluation reserve	19	70,000	70,000	178,000	178,000
Other reserves	19	24,430	24,430	29,980	29,980
Profit and loss account	19	1,190,579	1,166,610	488,930	553,494
Shareholders' funds	20	<u>1,285,129</u>	<u>1,261,160</u>	<u>697,030</u>	<u>761,594</u>

Approved by the Board and authorised for issue on

7/8/2008

S D Perry
Director

ANGLO PACIFIC FORWARDING LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2007

	£	2007 £	£	2006 £
Net cash inflow from operating activities		460,743		1,068,425
Returns on investments and servicing of finance				
Interest received	208,487		122,609	
Interest paid	(16,259)		(10,225)	
Net cash inflow for returns on investments and servicing of finance		192,228		112,384
Taxation		(52,812)		(55,937)
Capital expenditure				
Payments to acquire tangible assets	(155,987)		(329,611)	
Receipts from sales of tangible assets	35,963		45,800	
Net cash outflow for capital expenditure		(120,024)		(283,811)
Equity dividends paid		(174,240)		-
Net cash inflow before management of liquid resources and financing		305,895		841,061
Management of liquid resources				
Bank deposits	(805,513)		352,219	
		(805,513)		352,219
Financing				
Capital element of hire purchase contracts and finance leases	(105,647)		(78,799)	
Net cash outflow from financing		(105,647)		(78,799)
(Decrease)/increase in cash in the year		(605,265)		1,114,481

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007	2006
		£	£
	Operating profit	53,665	97,770
	Depreciation of tangible assets	238,924	274,523
	Amortisation of intangible assets	-	2,047
	Loss on disposal of tangible assets	4,719	7,327
	Decrease in stocks	36,594	27,175
	Increase in debtors	(226,726)	(378,183)
	Increase in creditors within one year	353,567	1,037,766
	Net cash inflow from operating activities	460,743	1,068,425

2	Analysis of net funds	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	2,801,850	(605,265)	-	2,196,585
	Liquid resources				
	Bank deposits	595,742	805,513	-	1,401,255
	Hire purchase contracts and finance leases	(199,323)	105,647	(94,011)	(187,687)
	Net funds	3,198,269	305,895	(94,011)	3,410,153

3	Reconciliation of net cash flow to movement in net debt	2007	2006
		£	£
	(Decrease)/increase in cash in the year	(605,265)	1,114,481
	Cash outflow/(inflow) from increase/(decrease) in liquid resources	805,513	(352,219)
	Cash outflow from decrease in debt	105,647	78,799
	Change in net debt resulting from cash flows	305,895	841,061
	New hire purchase contracts and finance leases	(94,011)	(133,522)
	Movement in net funds in the year	211,884	707,539
	Opening net funds	3,198,269	2,490,730
	Closing net funds	3,410,153	3,198,269

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2007

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies all of which are in accordance with applicable Accounting Standards

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Anglo Pacific Forwarding Limited and its subsidiaries made up to 31 December 2007

1.3 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied. Turnover is recognised at such a time that shipping is complete

1.4 Goodwill

Purchased goodwill, including that attributable to the acquisition of subsidiary and associated undertakings, is capitalised and is written off over its estimated useful life of between 3 and 10 years, depending on the size of the acquisition, the nature of its business and its position in the market place

1.5 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost or valuation less estimated residual value of tangible assets over their estimated useful lives at the following rates per annum

Land and buildings Leasehold	Over the lease term
Fixtures, fittings & equipment	10 - 25% of cost per annum
Motor vehicles	25% of cost per annum

1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

The cost of and income from operating leases is respectively charged and credited to the profit and loss account on a straight line basis over the lease term

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.8 Stock

Stock is valued at the lower of cost and net realisable value

1.9 Pensions

The group operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

1 Accounting policies

(Continued)

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity. The analysis by geographical area of the group's turnover is set out as below:

	2007 £	2006 £
Geographical segment		
United Kingdom	105,514	418,986
Other EU Countries	364,032	425,384
Australasia	8,950,682	8,192,459
United States of America	2,393,372	2,212,383
Rest of World	3,477,661	2,996,019
	<u>15,291,261</u>	<u>14,245,231</u>

3 Operating profit

	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of intangible assets	-	2,047
Depreciation of tangible assets	238,924	274,523
Loss on disposal of tangible assets	4,719	7,327
Operating lease rentals	426,793	384,584
Auditors' remuneration (company £4,650, 2006 £4,610)	16,000	15,610
Remuneration of auditors for non-audit work	6,824	4,190
and after crediting		
Profit on foreign exchange transactions	<u>(164,856)</u>	<u>(126,936)</u>

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

4	Investment income	2007 £	2006 £
	Bank interest	208,114	122,609
	Other interest	373	-

208,487	122,609
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5	Interest payable	2007 £	2006 £
	On bank loans and overdrafts	2,031	-
	Hire purchase and finance lease interest	14,228	10,225
		16,259	10,225

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

6	Taxation	2007 £	2006 £
	Domestic current year tax		
	U K corporation tax	57,978	55,772
	Adjustment for prior years	(2,960)	1,032
	Current tax charge	55,018	56,804
	Deferred tax		
	Deferred tax charge/credit current year	(7,334)	(11,477)
		47,684	45,327
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	245,893	210,154
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 - 30%)	73,768	63,046
	Effects of		
	Non deductible expenses	10,437	13,279
	Depreciation add back	73,093	85,169
	Capital allowances	(69,470)	(77,935)
	Adjustments to previous periods	(2,960)	1,032
	Chargeable disposals	-	4,500
	Marginal rate relief	(29,850)	(32,287)
		(18,750)	(6,242)
	Current tax charge	55,018	56,804

7 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2007 £	2006 £
Holding company's profit for the financial year	109,676	100,665

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

8	Dividends	2007 £	2006 £
	'A' Ordinary interim paid	<u>174,240</u>	<u>-</u>

9	Intangible fixed assets	
	Group	Goodwill £
	Cost	
	At 1 January 2007 and at 31 December 2007	<u>205,641</u>
	Amortisation	
	At 1 January 2007 & at 31 December 2007	<u>205,641</u>
	Net book value	
	At 31 December 2007	<u>-</u>
	At 31 December 2006	<u>-</u>

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

10 Tangible fixed assets

Group

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 January 2007	116,002	721,362	492,120	1,329,484
Additions	12,969	155,780	81,249	249,998
Disposals	(12,748)	(65,010)	(70,591)	(148,349)
At 31 December 2007	116,223	812,132	502,778	1,431,133
Depreciation				
At 1 January 2007	2,256	321,348	230,355	553,959
On disposals	-	(53,211)	(54,456)	(107,667)
Charge for the year	8,598	135,357	94,969	238,924
At 31 December 2007	10,854	403,494	270,868	685,216
Net book value				
At 31 December 2007	105,369	408,638	231,910	745,917
At 31 December 2006	113,746	400,014	261,765	775,525

Included above are assets held under finance leases or hire purchase contracts as follows

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2007	55,621	206,423	262,044
At 31 December 2006	38,214	204,567	242,781
Depreciation charge for the year			
31 December 2007	14,067	83,416	97,483
31 December 2006	10,422	44,660	55,082

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

10 Tangible fixed assets (continued)
Company

**Fixtures,
fittings &
equipment
£**

Cost or valuation

At 1 January 2007 & at 31 December 2007

5,004

Depreciation

At 1 January 2007 & at 31 December 2007

5,004

Net book value

At 31 December 2007

-

At 31 December 2006

-

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

11 Fixed asset investments

Group

Unlisted investments

£

Cost or valuation

At 1 January 2007 & at 31 December 2007

683

Company

Shares in group undertakings £

Cost

At 1 January 2007 and at 31 December 2007

154,751

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Subsidiary undertakings	Country of registration or incorporation	Shares held	
		Class	%
Anglo Pacific International Plc	England and Wales	Ordinary	100
Anglo Pacific (Fine Art) Limited	England and Wales	Ordinary	100
Australian Forwarding Agency (London) Limited	England and Wales	Ordinary	100
Anglo Pacific Shipping Limited	England and Wales	Ordinary	100

Anglo Pacific International Plc owns 100% of the share capital of Sanz International Shipping Limited, a company which is incorporated in England and Wales

The principal activity of these undertakings for the last relevant financial year was as follows

Anglo Pacific International Plc	Shipping and freight forwarding agents
Anglo Pacific (Fine Art) Limited	Dormant
Australian Forwarding Agency (London) Limited	Dormant
Anglo Pacific Shipping Limited	Dormant
Sanz International Shipping Limited	Dormant

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

12 Stocks

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Raw materials and consumables	104,687	141,281	-	-

13 Debtors

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Trade debtors	1,431,506	1,385,441	-	-
Amounts owed by group undertakings	-	-	835,763	1,087,337
Other debtors	729,375	424,851	565,298	16,006
Prepayments and accrued income	108,394	232,257	267	267
Deferred tax asset (see note 16)	-	-	631	901
	2,269,275	2,042,549	1,401,959	1,104,511

Included in other debtors is an amount due from the directors of £565,298 (2006 £nil) which was also the maximum amount outstanding (2006 £nil). This loan was interest free and was repaid in full after the year end.

14 Creditors : amounts falling due within one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Payments received on account	528,657	541,146	-	-
Net obligations under finance lease and hire purchase contracts	101,919	86,636	-	1,409
Trade creditors	2,987,958	3,149,416	-	-
Amounts owed to group undertakings	-	-	12,121	12,121
Corporation tax	57,978	55,772	28,849	28,089
Taxes and social security costs	174,822	160,465	92,245	64,807
Directors current accounts	-	34,381	-	34,381
Other creditors	212,600	243,020	9,580	-
Accruals and deferred income	1,270,723	692,765	718,695	358,881
	5,334,657	4,963,601	861,490	499,688

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

15 Creditors : amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Net obligations under finance leases and hire purchase contracts	85,768	112,687	-	-

16 Provisions for liabilities and charges

Group		Deferred taxation
		£
Balance at 1 January 2007		20,182
Profit and loss account		(7,334)
Balance at 31 December 2007		12,848
Company		
Balance at 1 January 2007		(901)
Profit and loss account		270
Balance at 31 December 2007		(631)

The deferred tax liability/(asset) is made up as follows:

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Accelerated capital allowances	19,707	22,480	(631)	(901)
Other timing differences	(6,859)	(2,298)	-	-
	12,848	20,182	(631)	(901)

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

17 Pension costs

The company operates a defined contribution pension scheme for its employees. The assets are held separately from those of the group in an independently administered fund.

Defined contribution

	2007 £	2006 £
Contributions payable by the group for the year	24,318	24,177

18 Share capital

	2007 £	2006 £
Authorised		
100,000 'A' ordinary shares of 1p each	1,000	1,000
100,000 'B' ordinary shares of 1p each	1,000	1,000
70,000 9% cumulative redeemable preference shares of £1 each of £1 each	70,000	70,000
	72,000	72,000
Allotted, called up and fully paid		
12,000 'A' ordinary shares of 1p each	120	120

The company has a share option scheme under which options to subscribe for the company's shares have been awarded to certain executives. At 31 December 2007 options under this scheme were outstanding over 1,482 'B' ordinary shares (2006: 1,482 'B' Ordinary shares) at £112.50 each, exercisable between 7 October 2002 and 6 October 2012. There were no options granted or exercised during the year.

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

19 Statement of movements on reserves

Group

	Capital redemption reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 January 2007	70,000	24,430	1,166,610
Retained profit for the year	-	-	23,969
Balance at 31 December 2007	70,000	24,430	1,190,579

Company

	Capital redemption reserve	Other reserves	Profit and loss account
	£	£	£
Balance at 1 January 2007	178,000	29,980	553,494
Retained loss for the year	-	-	(64,564)
Balance at 31 December 2007	178,000	29,980	488,930

20 Reconciliation of movements in shareholders' funds

Group

	2007	2006
	£	£
Profit for the financial year	198,209	164,827
Dividends	(174,240)	-
Net addition to shareholders' funds	23,969	164,827
Opening shareholders' funds	1,261,160	1,096,333
Closing shareholders' funds	1,285,129	1,261,160

Company

	2007	2006
	£	£
Profit for the financial year	109,676	100,665
Dividends	(174,240)	-
Net (depletion in)/addition to shareholders' funds	(64,564)	100,665
Opening shareholders' funds	761,594	660,929
Closing shareholders' funds	697,030	761,594

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

21 Financial commitments

At 31 December 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2007	2006	2007	2006
	£	£	£	£
Expiry date				
Within one year	-	-	3,316	-
Between two and five years	70,625	70,625	19,236	7,911
In over five years	377,813	377,813	-	-
	<u>448,438</u>	<u>448,438</u>	<u>22,552</u>	<u>7,911</u>

22 Directors' emoluments

	2007	2006
	£	£
Emoluments for qualifying services	842,506	504,251
Company pension contributions to money purchase schemes	642	642
	<u>843,148</u>	<u>504,893</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006- 2)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	737,705	417,380
Company pension contributions to money purchase schemes	642	642

ANGLO PACIFIC FORWARDING LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2007

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Selling and distribution	76	70
Administration	28	26
	<u>104</u>	<u>96</u>

Employment costs

	2007 £	2006 £
Wages and salaries	3,446,940	2,918,112
Social security costs	372,379	316,506
Other pension costs	24,318	24,177
	<u>3,843,637</u>	<u>3,258,795</u>

24 Control

The company's share capital is controlled by S D Perry