

1
CONNECTION FREIGHT LIMITED

DIRECTORS

C N Bancroft
W G Bancroft
P S Mace
J P Denker

SECRETARY

C N Bancroft

REGISTERED OFFICE

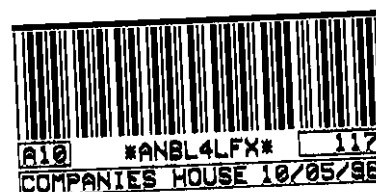
1st Floor
Venlo Industrial Estate
Knowles Street
Bradford

BANKERS

Barclays Bank PLC
13 Leeds Road
Hipperholme
Halifax

AUDITORS

Bostocks
Chartered Accountants
Empire House
15 Mulcture Hall Road
Halifax



CONNECTION FREIGHT LIMITEDDIRECTORS' REPORTFor the year ended 31 December 1995

To be submitted to the Annual General Meeting of Shareholders

TRADING AND PRINCIPAL ACTIVITIES

The company continued to trade as shipping agents and hauliers. The result for the year is shown on page 4.

DIRECTORS

The interests of the directors who have served throughout the year in the shares of the company were:

	<u>Ordinary shares of £1 each</u>	
	<u>31.12.95</u>	<u>31.12.94</u>
C N Bancroft	-	-
W G Bancroft	-	-
P S Mace (appointed 1.4.1995)	-	-
J P Denker (appointed 1.4.1995)	-	-

In accordance with the Articles of Association W G Bancroft now retires by rotation but, being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

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;

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.

AUDITORS

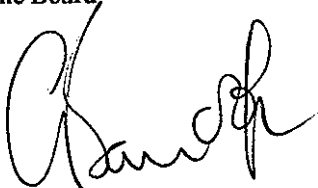
Under the provisions of the Companies Act 1985 the auditors, Bostocks Chartered Accountants, now retire but, being eligible, offer themselves for re-appointment.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By Order of the Board

Secretary



CONNECTION FREIGHT LIMITEDREPORT OF THE AUDITORSTo The Members of Connection Freight Limited

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 6 to 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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 made 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 the company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Bostocks

BOSTOCKS
CHARTERED ACCOUNTANTS

REGISTERED AUDITOR

25 March 1996

CONNECTION FREIGHT LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 1995

		<u>1995</u> £	<u>1994</u> £
	<u>Note</u>		
<u>TURNOVER</u>	2	962,837	943,768
Cost of sales		<u>473,282</u>	<u>488,183</u>
<u>GROSS PROFIT</u>		489,555	455,585
Administrative expenses		<u>419,027</u>	<u>409,944</u>
<u>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	4	70,528	45,641
<u>CORPORATION TAX</u>	5	<u>17,284</u>	<u>10,240</u>
<u>PROFIT AFTER TAXATION</u>		53,244	35,401
<u>DIVIDEND</u>	6	<u>11,000</u> <u>42,244</u>	<u>13,000</u> <u>22,401</u>
<u>BALANCE BROUGHT FORWARD</u>		<u>94,180</u>	<u>71,779</u>
<u>BALANCE CARRIED FORWARD</u>		<u>136,424</u>	<u>94,180</u>

There were no gains or losses other than those dealt with in the Profit and Loss account.

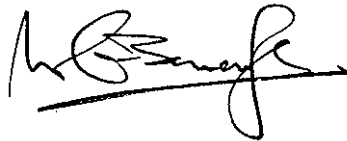
The notes on pages 6 to 8
form part of these accounts.

CONNECTION FREIGHT LIMITEDBALANCE SHEETAs at 31 December 1995

	<u>Note</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
<u>FIXED ASSETS</u>							
Tangible	7		17,017			21,149	
<u>CURRENT ASSETS</u>							
Debtors	8	178,306			156,427		
Cash at bank		115,173			99,974		
Cash in hand		<u>2,806</u>			<u>715</u>		
		<u>296,285</u>			<u>257,116</u>		
<u>CREDITORS</u>							
Amounts falling due within one year	9	<u>163,778</u>			<u>166,858</u>		
<u>NET CURRENT ASSETS</u>							
			<u>132,507</u>			<u>90,258</u>	
			149,524			111,407	
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>							
	10		<u>13,000</u>			<u>17,127</u>	
			<u>136,524</u>			<u>94,280</u>	
<u>CAPITAL AND RESERVES</u>							
<u>CALLED UP SHARE CAPITAL</u>	11		100			100	
<u>PROFIT AND LOSS ACCOUNT</u>							
			<u>136,424</u>			<u>94,180</u>	
			<u>136,524</u>			<u>94,280</u>	

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

W G Bancroft - Director



C N Bancroft - Director



The notes on pages 6 to 8
form part of these accounts

The accounts were approved by the
Board of Directors on 25 March 1996

CONNECTION FREIGHT LIMITEDNOTES ON THE ACCOUNTSFor the year ended 31 December 19951 ACCOUNTING POLICIESAccounting convention

The accounts are prepared under the historical cost convention.

Pensions

The company 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.

2 TURNOVER

Turnover represents the total net amount receivable by the company in respect of goods and services provided.

3 EMPLOYEES

The average number of employees (including directors) within employment categories was:

	<u>1995</u>	<u>1994</u>
Production	14	15
Administration	<u>5</u>	<u>5</u>

Payroll costs were:

Wages and salaries	211,233	200,717
Social security costs	<u>20,858</u>	<u>19,453</u>
	<u>232,091</u>	<u>220,170</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities is arrived at after charging:

Directors' remuneration, including pension premiums	66,401	24,942
Auditors' remuneration	1,586	1,750
Depreciation	5,639	4,677
Hire purchase interest	821	1,075
Bank interest received	(6,170)	(1,425)
(Profit)/loss on sale of fixed assets	<u>-</u>	<u>(980)</u>

Directors' salaries

Highest paid director	<u>19,516</u>	<u>22,942</u>
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Numbers Numbers

Other directors:

£0 - £5,001	-	1
£10,001 - £15,500	1	-
£15,001 - £20,000	<u>2</u>	<u>-</u>

CONNECTION FREIGHT LIMITEDNOTES ON THE ACCOUNTS

(continued)

5 TAXATION OF PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Corporation tax @ 25%	<u>17,284</u>	<u>10,240</u>

6 DIVIDEND

Ordinary: 11,000% paid 31 December 1995	<u>11,000</u>	<u>13,000</u>
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No advance corporation tax is payable in respect of the dividend by virtue of an election under S.247 of ICTA 1988.

7 FIXED ASSETS - Tangible

	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Total 1995</u>	<u>Total 1994</u>
<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1 January 1995	13,720	14,949	28,669	20,221
Additions	-	1,507	1,507	19,951
(Sales)	-	-	-	(11,503)
31 December	<u>13,720</u>	<u>16,456</u>	<u>30,176</u>	<u>28,669</u>
<u>Depreciation</u>				
1 January 1995	457	7,063	7,520	13,627
Provided	3,430	2,209	5,639	4,676
(On sales)	-	-	-	(10,783)
	<u>3,887</u>	<u>9,272</u>	<u>13,159</u>	<u>7,520</u>

Net book values

<u>31 December 1995</u>	<u>9,833</u>	<u>7,184</u>	<u>17,017</u>	<u>21,149</u>
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Depreciation is provided at the following rates based on cost:

Motor vehicles	-	25% per annum
Office equipment	-	20% per annum

8 DEBTORS

Trade debtors	135,251	135,866
Prepayments and accrued income	<u>43,055</u>	<u>20,561</u>
	<u>178,306</u>	<u>156,427</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Loan: Holding company	-	5,247
Hire purchase loans	4,122	4,126
Trade creditors	69,881	99,835
Social security	9,042	12,113
Accruals	63,449	35,297
Corporation tax payable 1 October 1996	<u>17,284</u>	<u>10,240</u>
	<u>163,778</u>	<u>166,858</u>

CONNECTION FREIGHT LIMITEDNOTES ON THE ACCOUNTS

(continued)

10 CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	<u>1995</u>	<u>1994</u>
Loan: Holding company	13,000	13,000
Hire purchase loans	<u>-</u>	<u>4,127</u>
	<u>13,000</u>	<u>17,127</u>

11 CALLED UP SHARE CAPITAL

Authorised, issued and fully paid:

100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
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12 HOLDING COMPANY

The holding company is W Bancroft & Sons (Halifax) Limited, incorporated in England, which owns 99% of the issued share capital of the company.

13 CASH FLOW STATEMENT

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a Cash Flow Statement on the grounds of its size.