

CONNECTION FREIGHT LIMITEDDIRECTORS

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

SECRETARY

C N Bancroft

REGISTERED OFFICE

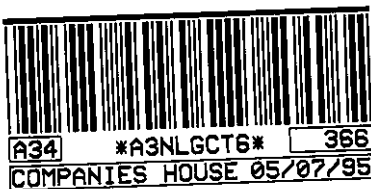
1st Floor
Venlo Industrial Estate
Knowles Street
Bradford

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 1994

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>31.12.94</u>	<u>31.12.93</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 C N Bancroft now retires by rotation but, being eligible, offers himself for re-appointment.

P S Mace and J P Denker also retire in accordance with the Articles of Association and, being eligible, offer themselves 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 1994 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
CHARTERED ACCOUNTANTS

REGISTERED AUDITOR

19 April 1995

CONNECTION FREIGHT LIMITEDPROFIT AND LOSS ACCOUNTFor the year ended 31 December 1994

		<u>1994</u> £	<u>1993</u> £
	<u>Note</u>		
<u>TURNOVER</u>	2	943,768	804,419
Cost of sales		<u>488,183</u>	<u>369,741</u>
<u>GROSS PROFIT</u>		455,585	434,678
Administrative expenses		<u>409,944</u>	<u>431,601</u>
<u>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	4	45,641	3,077
<u>CORPORATION TAX</u>	5	<u>10,240</u>	<u>221</u>
<u>PROFIT AFTER TAXATION</u>		35,401	2,856
<u>DIVIDEND</u>	6	<u>13,000</u> <u>22,401</u>	<u>-</u> <u>2,856</u>
<u>BALANCE BROUGHT FORWARD</u>		<u>71,779</u>	<u>68,923</u>
<u>BALANCE CARRIED FORWARD</u>		<u>94,180</u>	<u>71,779</u>

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

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

CONNECTION FREIGHT LIMITEDBALANCE SHEETAs at 31 December 1994

	Note	£	<u>1994</u>	£	£	<u>1993</u>	£
<u>FIXED ASSETS</u>							
Tangible	7			21,149			6,594
<u>CURRENT ASSETS</u>							
Debtors	8	156,427			148,223		
Cash at bank		99,974			18,019		
Cash in hand		715			1,964		
		<u>257,116</u>			<u>168,206</u>		
<u>CREDITORS</u>							
Amounts falling due within one year	9	<u>166,858</u>			<u>102,921</u>		
<u>NET CURRENT ASSETS</u>				<u>90,258</u>			<u>65,285</u>
				111,407			71,879
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	10			<u>17,127</u>			<u>-</u>
				<u>94,280</u>			<u>71,879</u>
<u>CAPITAL AND RESERVES</u>							
<u>CALLED UP SHARE CAPITAL</u>	11			100			100
<u>PROFIT AND LOSS ACCOUNT</u>				<u>94,180</u>			<u>71,779</u>
				<u>94,280</u>			<u>71,879</u>

The directors have taken advantage of the exemptions conferred by Part 1 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)

Directors

C N Bancroft)

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

The accounts were approved by the
Board of Directors on 19 April 1995

CONNECTION FREIGHT LIMITEDNOTES ON THE ACCOUNTSFor the year ended 31 December 19941 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 were:

	<u>1994</u>	<u>1993</u>
Production	15	14
Administration	<u>5</u>	<u>5</u>

Payroll costs were:

Wages and salaries	200,717	193,260
Social security costs	<u>19,453</u>	<u>17,642</u>
	<u>220,170</u>	<u>210,902</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities is arrived at after charging:

Directors' remuneration, including pension premiums	24,942	16,141
Auditors' remuneration	1,750	1,600
Depreciation	4,677	5,819
Hire purchase interest	1,075	2,238
Bank interest	-	768
Bank interest received	(1,425)	-
(Profit)/loss on sale of fixed assets	<u>(980)</u>	<u>(1,559)</u>

Directors' salaries:

Highest paid director	<u>22,942</u>	<u>14,141</u>
Other directors:	<u>Numbers</u>	<u>Numbers</u>
£0 - £5,000	<u>1</u>	<u>1</u>

5 TAXATION OF PROFIT ON ORDINARY ACTIVITIES

Corporation tax @ 25%	<u>10,240</u>	<u>221</u>
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CONNECTION FREIGHT LIMITEDNOTES ON THE ACCOUNTSFor the year ended 31 December 1994

(continued)

6 DIVIDEND

	£	£
Ordinary: 13,000% paid 31 December 1994	<u>13,000</u>	<u>-</u>

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 1994</u>	<u>Total 1993</u>
<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
1 January 1994	19,154	8,718	27,872	33,704
Additions	13,720	6,232	19,952	2,528
(Sales)	(11,503)	-	(11,503)	(8,360)
31 December 1994	<u>21,371</u>	<u>14,950</u>	<u>36,321</u>	<u>27,872</u>
<u>Depreciation</u>				
1 January 1994	15,799	5,479	21,278	23,261
Provided	3,093	1,584	4,677	5,819
(On sales)	(10,783)	-	(10,783)	(7,802)
31 December 1994	<u>8,109</u>	<u>7,063</u>	<u>15,172</u>	<u>21,278</u>
<u>Net book values</u>				
31 December 1994	<u>13,262</u>	<u>7,887</u>	<u>21,149</u>	<u>6,594</u>

Depreciation is provided at the following rates based on cost:

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

8 DEBTORS

	<u>1994</u>	<u>1993</u>
Trade debtors	135,866	121,076
Prepayments and accrued income	20,561	27,147
	<u>156,427</u>	<u>148,223</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Loan: Holding company	5,247	5,247
Hire purchase loans	4,126	575
Trade creditors	99,835	75,922
Social security	12,113	5,687
Accruals	35,297	15,269
Corporation tax payable 1 October 1995	10,240	221
	<u>166,858</u>	<u>102,921</u>

CONNECTION FREIGHT LIMITEDNOTES ON THE ACCOUNTSFor the year ended 31 December 1994

(continued)

10 CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	<u>1994</u>	<u>1993</u>
Loan: Holding company	13,000	-
Hire purchase loans	<u>4,127</u>	<u>-</u>
	<u>17,127</u>	<u>-</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.