

Axis Intermodal (UK) Limited
Financial Statements
For the year ended 31 March 2010

Company No 03832633

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Company Information

Company registration number	03832633
Registered office	15 Fenlock Court Lower Road Long Hanborough Oxfordshire OX29 8LN
Directors	R J Montague CBE S J Ball C Francis D Potter (appointed 20 April 2010) N H Smith
Secretary	N H Smith
Auditor	James Cowper LLP Chartered Accountants Statutory Auditor Willow Court 7 West Way Botley Oxford OX2 0JB

Axis Intermodal (UK) Limited
Financial Statements for the year ended 31 March 2010

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2010

Business Review

Axis Intermodal (UK) Limited is principally an equipment contract hire company that services the supply chain management, logistics and shipping industries worldwide. Its activities comprise contract hire and maintenance of trucks and trailers through Axis Intermodal (UK) Limited ('Axis UK') and leasing of marine containers through the 'Sea Axis' division based in the UK.

Axis UK – Unlike mainland Europe the UK is unable to benefit from an integrated road/rail transport solution due to its smaller size and inferior rail network and therefore road will, for the foreseeable future, remain the pre-eminent medium for the movement of freight around the UK.

Customers in the UK are increasingly demanding new equipment contracts on terms that match their logistics contracts. This provides a significant opportunity for Axis UK to provide a Pan-European service, enabling the Company's customers, many of whom have extensive operations in both mainland Europe and the UK, to benefit from a comprehensive transport and logistics equipment solution, including essential repair and maintenance services.

Axis UK's core business is truck and road trailer contract hire. At 31 March 2010 its combined UK rental fleet stood at 1661 units. Axis UK has advantageous commercial relationships with leading manufacturers, whereby competitive arrangements are offered on pricing, financing, delivery and technical support, as well as cross sales and marketing. The Company's policy is to secure equipment on a managed basis. Axis UK has pioneered a trailer rental maintenance package which ensures trailer quality from pre-delivery right through to the end of the contract.

Sea Axis – Sea Axis is the other primary business of the Company and was launched in December 2007 to lease marine containers worldwide. The business concentrates on the term leasing of marine containers, in particular SeaCell² cellular pallet wide boxes, Sea Fresh refrigerated containers, Sea Rack flat racks and Tank containers, as well as dry freight boxes.

Offices have been opened in London, Spain, Hong Kong, Shanghai and Singapore and agents appointed to cover the division's worldwide activities in Antwerp (for Benelux), Florida (for US and the Caribbean), Argentina and France.

Sea Axis manages 9626 TEU (twenty foot equivalent units, the standard measurement used in the container industry) primarily specialised, marine containers. The majority of these containers are less than three years old and are built to the latest specification by major Chinese and South African manufacturers and are leased out to a range of shipping companies, chemical companies and other operators worldwide on flexible lease agreements.

The Company enters into funding and non recourse agreements with German KG funds (a form of limited partnership) in respect of its logistical assets. These funding structures are designed to offer tax-efficient investment under German law for retail investors to invest in a variety of assets. KGs have invested in containers for a number of years but Axis's agreements include trucks and trailers as well as marine containers.

Contract hire and leasing, as opposed to the purchase of equipment, has become increasingly attractive for the transport and logistics industry. The Company seeks to continue its expansion as progressively more companies recognise the benefits of meeting their equipment requirements by these means.

Key Performance Indicators

The Board use a range of financial and non financial Key Performance Indicators (KPI's) in the management of the company, such as gearing, interest cover and debtor / creditor days' analysis. Such KPI's are also used in the overall management of Axis Intermodal Limited Group of companies and for this reason the relevant KPI's have been stated in the consolidated Axis Intermodal Limited Group Accounts.

New allotment of shares

During the year the company issued and allotted to its sole shareholder, Axis Intermodal Limited, 1,500,000 new ordinary shares of £1.00 each which were issued at par.

Principal activities

The principal activities of the company are the contract hire of trucks, trailers, marine containers and tanks to the transport and logistics industries in the United Kingdom, Europe and international markets

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

A dividend of £nil (2009 nil) was paid to the parent company during the year

Financial risk management objectives and policies

The major risks perceived are foreign currency risk, interest rate and liquidity all of which are actively managed on an on going basis by management

The key business risks of the Company are considered to be the utilisation rate of assets and the financing of new units by funders

Utilisation rates are key to the Company's success as, without a significant utilisation of assets, the Company may incur significant lease and storage costs which are unable to be passed on to customers. The Board manages this risk by ordering new units only when customers have identified a requirement for those units and by aiming to obtain significant repeat business from customers. Additionally, as far as possible, the Company aims to enter into contracts with customers which match the term of the Company's underlying lease contract. During the year the Company re-negotiated the terms of its agreements with its principal funders, resulting in such funders bearing the storage costs of the trucks and trailers funded by them when not on hire. During the year the average utilisation rate of assets was 80% (2009 79%)

Going concern

The directors have reviewed the going concern status of the Company and consider that the Company has adequate resources to meet its liabilities as and when they fall due for the foreseeable future

In making this assessment the directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements, which take account of possible changes in trading performance based on various assumptions that the directors consider are reasonable given their knowledge of the business

Further details are given on page 9 of the accounts

Directors

The directors who have served the company during the year were as follows

R J Montague CBE
S J Ball
C Francis
N H Smith

D Potter was appointed as a director on 20 April 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,

- state whether applicable UK 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 company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 as to disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- He has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Auditor

James Cowper LLP, have been appointed as the Company's auditor since the date of the last Annual General Meeting and, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

BY THE ORDER OF THE BOARD



N H Smith
Secretary

3 June 2010

Independent Auditor's Report to the Shareholder of Axis Intermodal (UK) Limited

We have audited the financial statements of Axis Intermodal (UK) Limited for the year ended 31 March 2010, set out on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditor's 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 Auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Unqualified Opinion on Financial Statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of the company's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other Matter Prescribed by the Companies Act 2006

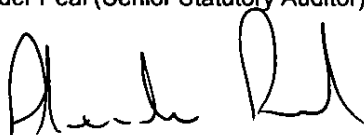
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit

Alexander Peal (Senior Statutory Auditor)

A handwritten signature in black ink, appearing to read 'Alex Peal', written over a horizontal line.

For and on behalf of
James Cowper LLP

Chartered Accountants and Statutory Auditor

Willow Court
7 West Way
Botley
Oxford
OX2 0JB

3 June 2010

Principal Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

The principal accounting policies are set out below. The policies remain unchanged from the previous year.

Going concern

The key business risks to which the Company are exposed are described in the Report of the directors.

In light of the current economic climate, the directors have prepared forecasts for a period of at least 12 months from the date of approval of these financial statements, which take account of possible changes in trading performance based on various assumptions that the directors consider are reasonable given their knowledge of the business and indicate that the Company is able to operate within its funding constraints.

The directors are confident that the Company has adequate resources to meet its liabilities as and when they fall due for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Trucks and trailers	5 – 20 years
Fixtures, fittings and equipment	10 years

Turnover

Turnover (excluding Value Added Tax) comprises contract hire income receivable from third parties relating to trailers, chassis and trucks calculated on a daily rate basis, the supply of maintenance and repair management services, fees chargeable to the transport and logistics industries and commission income from the order of new units. Turnover is recognised once the company has fulfilled its obligations in connection therewith, net of discounts and other sales related taxes.

Revenue is recognised on commissions receivable when, in management's opinion, the Company's obligation to place an order for an asset has passed. There is sometimes a delay between transfer of the Company's obligations, in connection with placing the order and a contractual obligation arising, due to the nature of the global contract negotiations.

Where obligations pass in advance of invoicing, this is recognised as accrued income. Where the effect of time value of money is material, accrued income is discounted using the company's estimated weighted average cost of capital.

Leases

Assets held under finance leases are capitalised at their fair value on the inception of the lease and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Rental costs under operating leases are charged to the profit and loss account in equal amounts over the period of leases.

Pensions

The company operates a defined contribution pension scheme. Pension costs in the year relate to contributions payable by the company.

Deferred taxation

Deferred tax is recognised on all timing differences where the transaction or events that give the group an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the balance sheet date

Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities are denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Share-based payments

In accordance with FRS 20, the fair value of equity-settled share-based payments to employees is determined at the date of grant and is recognised on a straight line basis over the vesting period based on the company's estimate of options that will eventually vest. The fair value is measured by use of the Black Scholes option pricing model.

Where employees are granted options over the shares of the company's parent, Axis Intermodal Limited, a share option charge is recognised through the company's profit and loss account with a respective credit recognised through a capital contribution over the option vesting period.

Further details are set out in note 13.

Key judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors considered reasonable at the time, but actual results may differ from those estimates.

Key estimates are made regarding revenue recognition on commissions (see turnover accounting policy) and regarding the use of tax losses and recognition of a deferred tax asset.

Deferred tax assets are recognised by the Company when management have sufficient certainty that the company will generate taxable profits in the foreseeable future. When the company has a history of recent losses, deferred tax assets are recognised when management believe there is convincing other evidence that taxable profits will be generated in the foreseeable future.

PROFIT & LOSS ACCOUNT

	Note:	Year ended 31 March 2010 GBP £	15 months 31 March 2009 GBP £
Turnover	1	10,266,033	15,434,016
Cost of sales		(8,371,338)	(11,891,127)
Gross profit		1,894,695	3,542,889
Other operating income and charges	2	(1,337,960)	(4,371,395)
Exceptional operating expenses	2	-	(1,477,483)
Operating profit / (loss)	3	556,735	(2,305,989)
Interest receivable		28	410
Interest payable and similar charges	4	(307,351)	(437,715)
Profit / (loss) on ordinary activities		249,412	(2,743,294)
Tax on ordinary activities	5	(73,452)	741,045
Profit / (loss) transferred to reserves	11	175,960	(2,002,249)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period set out above

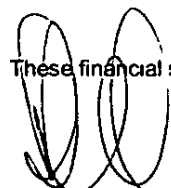
The accounting policies and notes on pages 13 to 19 form part of these financial statements

Company No. 03832633

BALANCE SHEET

	<i>Note:</i>	Year ended 31 March 2010 GBP £	15 months 31 March 2009 GBP £
Fixed assets			
Tangible assets	6	4,085,983	4,554,511
		<u>4,085,983</u>	<u>4,554,511</u>
Current assets			
Debtors	7	4,656,677	4,076,750
Cash at bank and in hand		177,236	43,954
		<u>4,833,912</u>	<u>4,120,704</u>
Creditors amounts falling due within one year	8	4,533,592	4,092,772
Net current assets		<u>300,321</u>	<u>27,932</u>
Total assets less current liabilities		4,386,303	4,582,443
Creditors amounts falling due after more than one year	9	2,617,296	4,489,394
		<u>1,769,008</u>	<u>93,049</u>
Capital and Reserves			
Called up equity share capital	10	4,000,000	2,500,000
Share based payment reserve	11	164,172	164,172
Profit and loss account	11	(2,395,164)	(2,571,123)
Shareholder's deficit	12	<u>1,769,008</u>	<u>93,049</u>

These financial statements were approved by the board on 3 June 2010 and are signed on their behalf by



R J Montague CBE
Director

The accounting policies and notes on pages 13 to 19 form part of these financial statements

Notes to the financial statements

1 Turnover

The turnover and profit / (2009 loss) before tax are attributable to the principal activity of the company.
An analysis of turnover is given below

	2010 GBP £	2009 GBP £
United Kingdom	8,746,304	12,961,635
Rest of Europe	275,218	2,101,379
Rest of the World	1,244,511	371,002
	10,266,033	15,434,016

2 Other operating income and charges

	2010 GBP £	2009 GBP £
Administration expenses	3,300,625	4,926,512
Management charges	(1,962,665)	(555,117)
Operating income and charges	1,337,960	4,371,395
Exceptional operating expenses	-	1,477,483
	1,337,960	5,848,878

3 Operating profit / (loss)

	2010 GBP £	2009 GBP £
Operating profit / (loss) is stated after charging -		
Net foreign exchange losses	24,339	511,347
Share based payment credit	-	(28,008)
Depreciation of tangible assets	499,238	522,198
Loss / (profit) on disposal of tangible assets	18,902	(33,870)
Exceptional items		
- Restructure costs	-	936,890
- Bad debt write offs	206,160	540,594
Operating lease rentals		
- Plant and machinery	3,892,908	7,932,563
Auditors remuneration		
- Audit	19,980	15,000
- Non audit	5,550	13,855
	4,667,077	10,410,569

The Company has borne audit costs relating to other group companies amounting to £12,135

4 Interest payable

	2010 GBP £	2009 GBP £
Included in interest payable are the following amounts:-		
Bank overdraft interest	8,765	60,568
Hire purchase interest	224,366	269,216
Loan interest payable	71,193	83,894
Other interest	3,027	-
Intercompany interest payable	-	24,037
	<u>307,351</u>	<u>437,715</u>

5 Tax on profit / (loss) on ordinary activities

	2010 GBP £	2009 GBP £
Profit on ordinary activities before tax	<u>249,412</u>	<u>(2,743,294)</u>
Profit on ordinary activities by rate of tax 28% (2009 28%)	<u>69,835</u>	<u>(679,376)</u>
Expenses not deductible	13,841	6,845
Losses in current year carried forward	-	954,397
Utilisation of losses	(16,695)	-
Differences in timing allowances	(73,143)	(281,866)
Adjustment in respect of prior year	-	16,100
Foreign tax	9,452	-
Group relief	6,162	-
Corporation tax charge for the period	<u>9,452</u>	<u>16,100</u>
Deferred tax	64,000	(757,145)
Current period tax charge / (credit)	<u>73,452</u>	<u>(741,045)</u>

6 Tangible fixed assets

	Trucks and trailers	Fixtures, fittings and equipment	Total
Cost			
At 1 April 2009	5,505,214	231,528	5,736,742
Additions	45,650	11,927	57,577
Disposals	(47,639)	-	(47,639)
At 31 March 2010	<u>5,503,225</u>	<u>243,455</u>	<u>5,746,680</u>
Depreciation			
At 1 April 2009	(1,056,386)	(125,845)	(1,182,231)
Charges for the year	(450,565)	(48,673)	(499,238)
Disposals	15,498	5,274	20,772
At 31 March 2010	<u>(1,491,453)</u>	<u>(169,244)</u>	<u>(1,660,697)</u>
Net book value			
At 31 March 2009	<u>4,448,828</u>	<u>105,683</u>	<u>4,554,511</u>
At 31 March 2010	<u>4,011,772</u>	<u>74,211</u>	<u>4,085,983</u>

Included in the above are assets held under finance lease or hire purchase contract, as follows

	Trucks and trailers
Net book value	
At 31 March 2009	<u>4,385,866</u>
At 31 March 2010	<u>3,597,267</u>
Depreciation charge for the year	
At 31 March 2009	<u>435,363</u>
At 31 March 2010	<u>414,547</u>

7 Debtors

	2010 GBP £	2009 GBP £
Trade debtors	1,401,454	1,283,158
Amounts owed by other group companies	1,604,932	941,164
Other debtors	27,307	27,198
Prepayments and accrued income	1,086,984	1,225,230
Deferred tax asset	536,000	600,000
	<u>4,656,676</u>	<u>4,076,750</u>
The following amounts are due in more than one year		
Amounts owed by other group companies	<u>1,604,932</u>	<u>941,164</u>

8 Creditors: amounts falling due within one year

	2010	2009
	GBP £	GBP £
Bank loans and overdraft	1,133,262	750,369
Net obligations under finance leases and hire purchase	990,390	842,217
Trade creditors	1,467,631	1,282,427
Taxation and social security	428,259	431,600
Other creditors	324,520	479,663
Accruals and deferred income	189,530	306,496
	<u>4,533,592</u>	<u>4,092,772</u>

Bank loans and overdraft include a bank overdraft which is repayable on demand and two bank loans, one repayable over 36 months and the other over 6 months
Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate

9 Creditors: amounts falling due after more than one year

	2010	2009
	GBP £	GBP £
Bank loans	416,667	-
Net obligations under finance leases and hire purchase	2,022,731	2,973,442
Customer deposits	161,559	158,881
Amounts owed to other group companies	16,339	1,357,071
	<u>2,617,296</u>	<u>4,489,394</u>

Amounts due under finance leases and hire purchase contracts are secured on the assets to which they relate

10 Share capital

	2010	2009
	GBP £	GBP £
Authorised share capital		
Ordinary shares of £1 each		
Allotted, issued and fully paid	4,000,000	2,500,000
	<u>4,000,000</u>	<u>2,500,000</u>

During the year the share capital of the company was increased by £1,500,000 and 1,500,000 ordinary shares of £1 each were issued at par

11 Reserves

	Profit and loss account	Share based Payment reserve
Balance at 1 January 2008	<u>(568,877)</u>	<u>192,181</u>
Profit / loss for the financial period	(2,002,246)	-
Share Based Payment Charge	-	(28,009)
At 31 March 2009	<u>(2,571,123)</u>	<u>164,172</u>
Profit for the financial period	175,960	-
At 31 March 2010	<u>(2,395,164)</u>	<u>164,172</u>

12 Reconciliation of movements in shareholder's funds

	2010 GBP £	2009 GBP £
Profit / (loss) for the period	175,960	(2,002,249)
Share based payment charge	-	(28,009)
Increase share capital	1,500,000	2,499,000
Net increase in shareholder's funds	<u>1,675,960</u>	<u>468,742</u>
Opening shareholder's funds	93,048	(375,694)
Closing shareholder's funds	<u><u>1,769,008</u></u>	<u><u>93,048</u></u>

13 Share based payments

During the year, the Company participated in the Intermodal Resource Approved Option Scheme (with Unapproved Schedule) (the "Option Scheme"), to incentivise employees

Option scheme

The option scheme provides for a grant price equal to the average but no longer quoted market price of the Group's shares on the date of grant. The vesting period is three years. If any of the options remain unexercised after a period of ten years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Company before the options are exercised. All options are equity settled.

	2010		2009	
	Options	Weighted average exercise price (in £)	Options	Weighted average exercise price (in £)
Outstanding at beginning of period	3,755,000	0.0983	5,545,000	0.0993
Granted during the period	-	-	360,000	0.0740
Lapsed during the period	(70,000)	0.0917	(2,150,000)	0.0970
Outstanding at the end of the period	<u>3,685,000</u>	<u>0.0984</u>	<u>3,755,000</u>	<u>0.0983</u>

The options outstanding at 31 March 2010 had a weighted average remaining contractual life of six years (six years in 2009).

The fair value of the options was calculated using the Black Scholes model. The inputs were as follows:

Date of grant	Estimated fair value	Share price	Exercise price	Expected volatility	Expected life	Risk free rate
16 August 2004	£0.0429	£0.1000	£0.1000	47.6554%	4.0	5.0015%
12 September 2005	£0.0473	£0.1075	£0.1000	47.1748%	4.0	4.2218%
28 June 2006	£0.0376	£0.0903	£0.1000	50.8227%	4.0	4.9234%
30 January 2007	£0.0235	£0.0625	£0.0625	38.7282%	4.0	5.3430%
18 May 2007	£0.0295	£0.0775	£0.0775	39.2442%	4.0	5.4560%
07 Jan 2008	£0.0473	£0.0775	£0.0775	47.1748%	3.0	4.2218%
25 July 2008	£0.0473	£0.0710	£0.0710	47.1748%	3.0	4.2218%

Expected volatility was determined by calculating the standard deviation of daily continuously compounded returns of peer group companies (listed on AIM and operating in the Transport and Plant and Equipment Leasing industries) share prices calculated back from the date of grant and commensurate with the expected life of the option. This has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise expected life used in the model has restrictions, and behavioural considerations.

14 Directors and employees

The average number of staff employed by the Company during the financial period amounted to

	2010 GBP £	Restated 2009 GBP £
Sales and customer services	17	15
Administrative	16	18
	<u>33</u>	<u>33</u>

The aggregate payroll costs of the above were

	2010 GBP £	Restated 2009 GBP £
Wages and salaries	1,752,962	2,255,700
Social security costs	161,560	229,941
Pension contributions	15,394	4,683
	<u>1,929,916</u>	<u>2,490,324</u>

Included within wages and salaries are staff costs paid on behalf of Axis Intermodal Limited

15 Directors

	2010 GBP £	2009 GBP £
Emoluments receivable	491,644	741,319
Pension costs	5,500	2,200
	<u>497,144</u>	<u>743,519</u>

During the year 1 director (2009 1) received pension contributions into their pension scheme

Remuneration of the highest paid director	<u>250,524</u>	<u>391,011</u>
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16 Borrowings

Net obligations under hire purchase contracts

	2010 GBP £	2009 GBP £
Repayable within one year	990,390	842,217
Repayable between two and five years	1,886,204	2,793,508
Repayable after five years	136,526	179,933
	<u>3,013,120</u>	<u>3,815,658</u>

Due within one year		
	Bank and other borrowings	1,133,262
	Finance leases	990,390
After one year and within five years		
	Bank and other borrowings	416,667
	Finance leases	1,886,204
After five years		
	Bank and other borrowings	-
	Finance leases	136,526

Finance lease and hire purchase creditors are secured on assets concerned

17 Pension costs

	2010 GBP £	2009 GBP £
Pension costs - defined contributions		
Contributions payable by the Company	<u>15,394</u>	<u>4,683</u>

18 Financial commitments

As at 31 March 2010 the Company was committed to making the following payments under non cancellable operating leases

	2010 GBP £	2009 GBP £
Operating leases which expire		
Within one year	241,273	2,158,308
Between two and five years	3,483,591	5,583,234
	<u>3,724,864</u>	<u>7,741,542</u>

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities as at 31 March 2010 or 31 March 2009

20 Ultimate parent company

The ultimate parent undertaking of this company is its parent company Axis Intermodal Limited, a company registered in England and Wales

Copies of group accounts can be obtained from 15 Fenlock Court, Lower Road, Long Hanborough Oxfordshire, OX29 8LN

21 Related party transactions

No transactions with related parties were undertaken such as required to be disclosed under Financial Reporting Standard 8