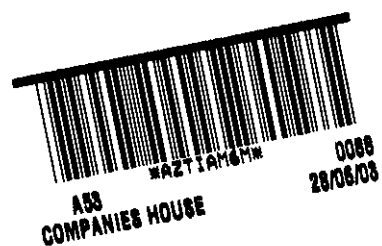


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**Report of the Directors and
Financial Statements for the year ended 31 August 2002
for
SCARLET COURIERS (SLOUGH) LIMITED**



SCARLET COURIERS (SLOUGH) LIMITED

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SCARLET COURIERS (SLOUGH) LIMITED

**Company Information
for the year ended 31 August 2002**

DIRECTORS: Mr J J Barber
Mr A R Barber

SECRETARY: Mrs J A Barber

REGISTERED OFFICE: Almac House
Church Lane
Bisley
Surrey
GU24 9DR

REGISTERED NUMBER: 1658317 (England and Wales)

AUDITORS: Tilbury Young
Chartered Accountants
Registered Auditors
Almac House
Church Lane
Bisley
Surrey. GU24 9DR

SCARLET COURIERS (SLOUGH) LIMITED

Report of the Directors for the year ended 31 August 2002

The directors present their report with the financial statements of the company for the year ended 31 August 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of courier and express delivery services.

DIRECTORS

The directors during the year under review were:

Mr J J Barber

Mr A R Barber - appointed 1.9.01

The beneficial interests of the directors holding office on 31 August 2002 in the issued share capital of the company were as follows:

	31.8.02	1.9.01 or date of appointment if later
Ordinary £1 shares		
Mr J J Barber	-	58
Mr A R Barber	-	-

BUSINESS REVIEW

The directors are pleased to report a satisfactory outcome for 2002. Although the business environment in which the company operates continues to be challenging the directors are able to report increased profits before taxation and dividends. The company grows by providing services customers require and the directors expect growth to continue in 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 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;
- 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 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 financial statements 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.

SCARLET COURIERS (SLOUGH) LIMITED

**Report of the Directors
for the year ended 31 August 2002**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J.A. Barber'. The signature is written in a cursive style with a long horizontal stroke at the beginning.

Mrs J A Barber - SECRETARY

Dated: 23.1.03

SCARLET COURIERS (SLOUGH) LIMITED

Report of the Independent Auditors to the Shareholders of Scarlet Couriers (Slough) Limited

We have audited the financial statements of Scarlet Couriers (Slough) Limited for the year ended 31 August 2002 on pages five to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company 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 transactions with the company is not disclosed.

We read the Report of the Directors 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 United Kingdom 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 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Tilbury Young
Chartered Accountants
Registered Auditors
Almac House
Church Lane
Bisley
Surrey. GU24 9DR

Dated: 24/6/02

SCARLET COURIERS (SLOUGH) LIMITED

**Profit and Loss Account
for the year ended 31 August 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
TURNOVER		2,890,059	2,573,349
Cost of sales		<u>2,053,123</u>	<u>1,859,767</u>
GROSS PROFIT		836,936	713,582
Administrative expenses		<u>750,048</u>	<u>675,902</u>
OPERATING PROFIT	2	86,888	37,680
Interest receivable and similar income		<u>280</u>	<u>483</u>
		87,168	38,163
Interest payable and similar charges		<u>28,825</u>	<u>32,376</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		58,343	5,787
Tax on profit on ordinary activities	3	<u>12,702</u>	<u>2,144</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		45,641	3,643
Dividends	4	<u>100,000</u>	<u>-</u>
(DEFICIT)/RETAINED PROFIT FOR THE YEAR		<u>£(54,359)</u>	<u>£3,643</u>

The notes form part of these financial statements

SCARLET COURIERS (SLOUGH) LIMITED

**Statement of Total Recognised Gains and Losses
for the year ended 31 August 2002**

	<u>2002</u>	<u>2001</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	45,641	3,643
Surplus on revaluation	3,500	-
Deferred tax	2,000	-
	<u> </u>	<u> </u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£51,141</u>	<u>£3,643</u>

The notes form part of these financial statements

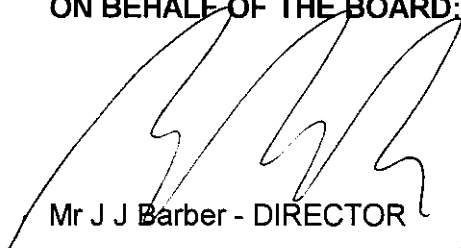
SCARLET COURIERS (SLOUGH) LIMITED

Balance Sheet 31 August 2002

	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		61,842		65,174
Investments	6		15,875		12,000
			<u>77,717</u>		<u>77,174</u>
CURRENT ASSETS					
Debtors	7	658,247		474,406	
Cash at bank and in hand		1,844		2,138	
		<u>660,091</u>		<u>476,544</u>	
CREDITORS					
Amounts falling due within one year	8	674,066		439,135	
		<u>674,066</u>		<u>439,135</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(13,975)</u>		<u>37,409</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			63,742		114,583
PROVISIONS FOR LIABILITIES AND CHARGES	10		4,716		6,700
			<u>£59,026</u>		<u>£107,883</u>
CAPITAL AND RESERVES					
Called up share capital	11		100		100
Revaluation reserve	12		14,500		9,000
Profit and loss account	12		44,426		98,783
			<u>£59,026</u>		<u>£107,883</u>
SHAREHOLDERS' FUNDS			<u>£59,026</u>		<u>£107,883</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


Mr J J Barber - DIRECTOR

Approved by the Board on 23/01/03

The notes form part of these financial statements

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements for the year ended 31 August 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- at rates up to 33.33% straight line

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. In accordance with the FRSSE (effective June 2002) deferred tax is longer provided on the revalued investment. As a result, the previous provision of £2,000 has been transferred to the revaluation reserve.

Fixed asset investments

Investments are included at valuation less amounts written off. The investments have been revalued to market value where values are obtainable and the revalued amount is substantially greater than cost. Otherwise the investments are included at cost less any provision for diminution in value.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	22,979	29,160
Loss on disposal of fixed assets	-	1,782
Auditors remuneration	3,250	3,250
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	145,831	134,910
	<u> </u>	<u> </u>

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements for the year ended 31 August 2002

3. TAXATION

Analysis of the tax charge

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

	2002 £	2001 £
Current tax:		
UK corporation tax	12,686	2,144
Deferred tax:		
Deferred taxation	16	-
Tax on profit on ordinary activities	<u>12,702</u>	<u>2,144</u>

4. DIVIDENDS

	2002 £	2001 £
Interim	<u>100,000</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST:			
At 1 September 2001	152,709	63,226	215,935
Additions	<u>19,646</u>	<u>-</u>	<u>19,646</u>
At 31 August 2002	<u>172,355</u>	<u>63,226</u>	<u>235,581</u>
DEPRECIATION:			
At 1 September 2001	101,072	49,688	150,760
Charge for year	<u>15,444</u>	<u>7,535</u>	<u>22,979</u>
At 31 August 2002	<u>116,516</u>	<u>57,223</u>	<u>173,739</u>
NET BOOK VALUE:			
At 31 August 2002	<u>55,839</u>	<u>6,003</u>	<u>61,842</u>
At 31 August 2001	<u>51,637</u>	<u>13,538</u>	<u>65,175</u>

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements for the year ended 31 August 2002

6. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION:	
At 1 September 2001	12,000
Addition	375
Revaluation	3,500
At 31 August 2002	15,875
NET BOOK VALUE:	
At 31 August 2002	15,875
At 31 August 2001	12,000

The investment costing £1,000 was revalued in 1999 at £12,000. At 31/08/2002 the investment was revalued at 15,500. An additional investment of £375 was made in the year. This has been included at cost.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	621,268	448,666
Other debtors	36,979	25,740
	658,247	474,406

The whole of the trade debtors shown above for 2002 and 2001 represent the amount of factored debts outstanding at the year end.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts totalling £400,556 of trade creditors are secured.

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2002 £	2001 £
Expiring:		
Between one and five years	36,202	22,500

10. PROVISION FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred tax	4,716	6,700

Notes to the Financial Statements for the year ended 31 August 2002

	Deferred tax £
Balance at 1 September 2001	6,700
Movement in year	16
Tax on investments	(2,000)
Balance at 31 August 2002	4,716

Deferred tax provision	2002	2001
	£	£
Deferred taxation	4,716	6,700
	<u>4,716</u>	<u>6,700</u>

Number:	Class:	Nominal value:	2002 £	2001 £
100	Ordinary	£1	100	100

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 September 2001	98,785	9,000	107,785
Loss for the year	(54,359)	-	(54,359)
Surplus on revaluation	-	3,500	3,500
Deferred tax	-	2,000	2,000
At 31 August 2002	44,426	14,500	58,926

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SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements for the year ended 31 August 2002

14. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31 August 2002:
£

Mr A R Barber

Balance outstanding at start of year	-
Balance outstanding at end of year	8,608
Maximum balance outstanding during year	<u>8,608</u>

The above loan was made interest free and will be repaid by 31st May 2003.

15. RELATED PARTY DISCLOSURES

Mr J Barber director of the company has provided its bankers with a personal guarantee not exceeding £30,000 in total in respect of the company's overdraft and an unlimited guarantee in respect of amounts advanced against factored debts.