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**Report of the Directors and
Financial Statements for the year ended 31 August 2003
for
SCARLET COURIERS (SLOUGH) LIMITED**



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SCARLET COURIERS (SLOUGH) LIMITED

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SCARLET COURIERS (SLOUGH) LIMITED

**Company Information
for the year ended 31 August 2003**

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 2003

The directors present their report with the financial statements of the company for the year ended 31 August 2003.

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

The directors holding office at 31 August 2003 did not hold any beneficial interest in the issued share capital of the company at 1 September 2002 or 31 August 2003.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

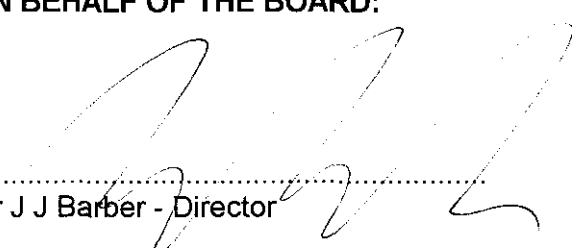
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- 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.

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:


.....
Mr J J Barber - Director

Date: 25 JUNE 2004

**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 2003 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.

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

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.

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

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Tilbury Young

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

Date: *25 JUNE 2004*

SCARLET COURIERS (SLOUGH) LIMITED

**Profit and Loss Account
for the year ended 31 August 2003**

	Notes	2003 £	2002 £
TURNOVER		2,037,059	2,890,059
Cost of sales		1,377,202	1,982,425
GROSS PROFIT		659,857	907,634
Administrative expenses		541,302	820,746
OPERATING PROFIT	2	118,555	86,888
Interest receivable and similar income		400	280
		118,955	87,168
Amounts written off investments	3	375	-
		118,580	87,168
Interest payable and similar charges		30,412	28,825
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		88,168	58,343
Tax on profit on ordinary activities	4	18,021	12,702
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		70,147	45,641
Dividends	5	61,333	100,000
RETAINED PROFIT/(DEFICIT) FOR THE YEAR		8,814	(54,359)

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 2003**

	2003 £	2002 £
PROFIT FOR THE FINANCIAL YEAR	70,147	45,641
Surplus on revaluation	18,500	3,500
Deferred tax	-	2,000
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>88,647</u>	<u>51,141</u>

The notes form part of these financial statements

SCARLET COURIERS (SLOUGH) LIMITED

Balance Sheet 31 August 2003

	Notes	2003 £	£	2002 £	£
FIXED ASSETS					
Tangible assets	6		62,374		61,842
Investments	7		34,000		15,875
			<u>96,374</u>		<u>77,717</u>
CURRENT ASSETS					
Debtors	8	662,352		658,247	
Cash at bank and in hand		598		1,844	
		<u>662,950</u>		<u>660,091</u>	
CREDITORS					
Amounts falling due within one year	9	668,215		674,066	
NET CURRENT LIABILITIES			<u>(5,265)</u>		<u>(13,975)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			91,109		63,742
PROVISIONS FOR LIABILITIES AND CHARGES	11		4,768		4,716
			<u>86,341</u>		<u>59,026</u>
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Revaluation reserve	13		33,000		14,500
Profit and loss account	13		53,241		44,426
SHAREHOLDERS' FUNDS			<u>86,341</u>		<u>59,026</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 25 JUNE 2004

The notes form part of these financial statements

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements for the year ended 31 August 2003

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.

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:

	2003	2002
	£	£
Depreciation - owned assets	24,829	22,979
Loss on disposal of fixed assets	10,110	-
Auditors remuneration	3,250	3,250
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	141,894	145,831
	<u> </u>	<u> </u>

3. AMOUNTS WRITTEN OFF INVESTMENTS

	2003	2002
	£	£
Amounts w/o invs	375	-
	<u> </u>	<u> </u>

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements - continued for the year ended 31 August 2003

4. TAXATION

Analysis of the tax charge

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

	2003 £	2002 £
Current tax:		
UK corporation tax	17,969	12,686
Deferred tax	52	16
	<u>18,021</u>	<u>12,702</u>
Tax on profit on ordinary activities	<u>18,021</u>	<u>12,702</u>

5. DIVIDENDS

	2003 £	2002 £
Interim	<u>61,333</u>	<u>100,000</u>

6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 September 2002	172,356	63,226	235,582
Additions	19,620	15,851	35,471
Disposals	(81,087)	-	(81,087)
	<u>110,889</u>	<u>79,077</u>	<u>189,966</u>
At 31 August 2003	<u>110,889</u>	<u>79,077</u>	<u>189,966</u>
DEPRECIATION			
At 1 September 2002	116,517	57,223	173,740
Charge for year	16,337	8,492	24,829
Eliminated on disposal	(70,977)	-	(70,977)
	<u>61,877</u>	<u>65,715</u>	<u>127,592</u>
At 31 August 2003	<u>61,877</u>	<u>65,715</u>	<u>127,592</u>
NET BOOK VALUE			
At 31 August 2003	<u>49,012</u>	<u>13,362</u>	<u>62,374</u>
At 31 August 2002	<u>55,839</u>	<u>6,003</u>	<u>61,842</u>

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements - continued for the year ended 31 August 2003

7. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST OR VALUATION	
At 1 September 2002	15,875
Revaluations	18,500
Impairments	(375)
At 31 August 2003	34,000
NET BOOK VALUE	
At 31 August 2003	34,000
At 31 August 2002	15,875

The investment costing £1,000 was revalued in 2002 at £15,500. A further revaluation of £18,500 was made in the current year. If the investment was sold tax totalling £6,000 would be payable.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Trade debtors	616,263	621,268
Other debtors	4,210	1,194
Directors' current accounts	-	8,608
Prepayments and accrued income	41,879	27,177
	662,352	658,247

The whole of the trade debtors shown above for 2003 and 2002 represent the amount of factored debts outstanding at the year end.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts	508	36,946
Trade creditors	524,445	528,329
Amounts owed to group undertakings	3,199	-
Tax	17,972	12,686
Social security and other taxes	25,735	(2)
VAT	88,226	74,964
Other creditors	3,337	5,161
Directors' current accounts	-	11,432
Accruals and deferred income	4,793	4,550
	668,215	674,066

SCARLET COURIERS (SLOUGH) LIMITED

Notes to the Financial Statements - continued for the year ended 31 August 2003

10. OPERATING LEASE COMMITMENTS

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

	2003 £	2002 £
<i>Expiring:</i>		
Between one and five years	13,702	36,202
In more than five years	22,500	-
	<u>36,202</u>	<u>36,202</u>

11. PROVISION FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred tax	<u>4,768</u>	<u>4,716</u>
		Deferred tax
		£
Balance at 1 September 2002		4,716
Movement in year		52
		<u>4,768</u>
Balance at 31 August 2003		

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

13. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 September 2002	44,427	14,500	58,927
Retained profit for the year	8,814	-	8,814
Surplus on revaluation	-	18,500	18,500
	<u>53,241</u>	<u>33,000</u>	<u>86,241</u>
At 31 August 2003			

14. ULTIMATE PARENT COMPANY

The ultimate parent company is Scarlet Group Limited.

SCARLET COURIERS (SLOUGH) LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 August 2003**

15. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the year ended 31 August 2003:

£

Mr A R Barber

Balance outstanding at start of year	8,608
Balance outstanding at end of year	1,772
Maximum balance outstanding during year	<u>8,608</u>

Mr J J Barber

Balance outstanding at start of year	-
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>35,267</u>

The above loan was made interest free.

16. 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.