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FREIGHT SYSTEMS EUROPE LIMITED

FINANCIAL STATEMENTS

30 APRIL 1999

Registered number: 02027375

KENNETH TOINTON ASSOCIATES LTD

CHARTERED CERTIFIED ACCOUNTANTS

Westcliff-on-Sea



FREIGHT SYSTEMS EUROPE LIMITED
FINANCIAL STATEMENTS
for the Year ended 30 April 1999

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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FREIGHT SYSTEMS EUROPE LIMITED

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COMPANY INFORMATION

30 April 1999

DATE OF INCORPORATION	1 November 1997
REGISTERED NUMBER	02027375
REGISTERED OFFICE	Cereals House 21 Station Road Westcliff on Sea Essex SS0 7RA
DIRECTORS	L J Vaessen Esq Mrs S E Vaessen
SECRETARY	Mrs S E Vaessen
AUDITORS	Kenneth Tointon Associates Ltd Chartered Certified Accountants Cereals House 21 Station Road Westcliff-on-Sea Essex SS0 7RA

DIRECTORS' REPORT

30 April 1999

The directors present their report and the audited financial statements for the Year ended 30 April 1999.

Principal activity

The principal activity of the company during the year was that of freight forwarders.

Directors

The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30 April 1999 Ordinary shares	1 May 1998 Ordinary shares
L J Vaessen Esq	1	1
Mrs S E Vaessen	1	1

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary, Kenneth Tointon Associates Ltd will continue in office.

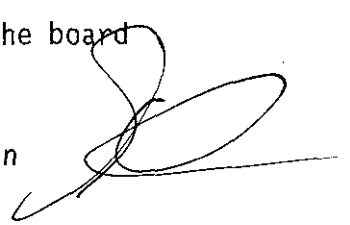
Small company exemptions

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

On behalf of the board

2 December 1999

Mrs S E Vaessen
Secretary



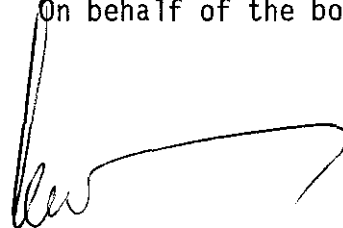
FREIGHT SYSTEMS EUROPE LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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.

On behalf of the board



L J Vaessen Esq
Director

2 December 1999

FREIGHT SYSTEMS EUROPE LIMITED

AUDITORS' REPORT

Auditors' report to the members of
Freight Systems Europe Limited

We have audited the financial statements on pages 5 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

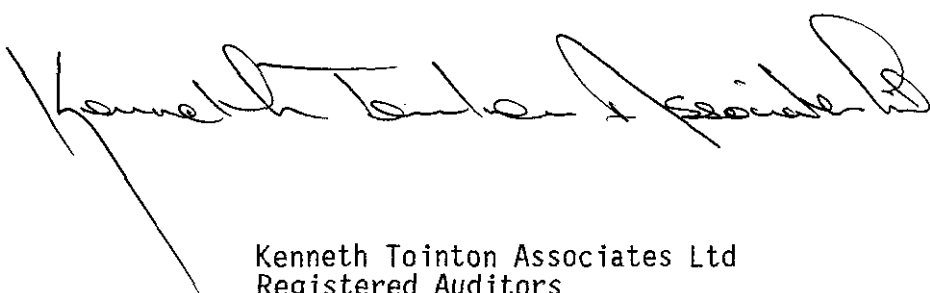
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 error or other irregularity. 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 30 April 1999 and of its profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985.

Westcliff-on-Sea
2 December 1999



Kenneth Tointon Associates Ltd
Registered Auditors
Chartered Certified Accountants

FREIGHT SYSTEMS EUROPE LIMITED

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PROFIT AND LOSS ACCOUNT

for the Year ended 30 April 1999

	Note	1999 £	1998 £
Turnover	2	776,332	254,319
Cost of sales		(644,522)	(208,947)
Gross profit		131,810	45,372
Net operating expenses			
Administrative expenses		(115,519)	(51,478)
Operating profit/(loss)	3	16,291	(6,106)
Investment income	4	561	90
Profit/(loss) on ordinary activities before taxation		16,852	(6,016)
Taxation	5	(1,554)	-
Profit/(loss) on ordinary activities after taxation		15,298	(6,016)
retained for the Year	12		

Movements in reserves are shown in note 12.

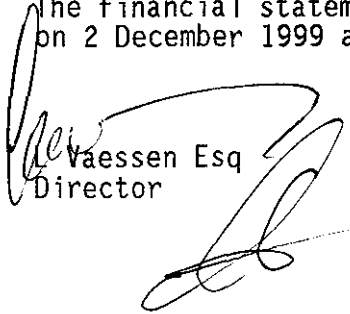
BALANCE SHEET

at 30 April 1999

	Note	£	1999	£	1998	£
Fixed assets						
Intangible assets	6		3,860		4,860	
Tangible assets	7		10,726		14,476	
			<u>14,586</u>		<u>19,336</u>	
Current assets						
Debtors	8	150,881		85,635		
Cash at bank and in hand		48,022		14,378		
		<u>198,903</u>		<u>100,013</u>		
Creditors: amounts falling due within one year	9	(141,064)		(73,363)		
Net current assets			<u>57,839</u>		<u>26,650</u>	
Total assets less current liabilities			<u>72,425</u>		<u>45,986</u>	
Creditors: amounts falling due after more than one year	10		(63,140)		(52,000)	
			<u>9,285</u>		<u>(6,014)</u>	
Capital and reserves						
Called up share capital	11		2		2	
Profit and loss account	12		9,283		(6,016)	
Total shareholders' funds			<u>9,285</u>		<u>(6,014)</u>	

These financial statements are 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 March 1999).

The financial statements on pages 5 to 7 were approved by the board of directors on 2 December 1999 and signed on its behalf by:



S. Vaessen Esq
Director

S Vaessen
Director

NOTES ON FINANCIAL STATEMENTS

30 April 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% Straight Line
Fixtures and fittings	25% Straight Line
Goodwill	Depreciated over 5 years useful life

Pensions

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they fall due for payment.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Turnover

In the opinion of the directors, 19.5% of the turnover of the company is attributable to geographical markets outside the UK (1998 13.0%).

3 Operating profit/(loss)

	1999 £	1998 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible fixed assets (note 7):		
Owned assets	3,750	524
Amortisation of intangible fixed assets	1,000	140
	<u>4,750</u>	<u>664</u>

FREIGHT SYSTEMS EUROPE LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

4 Investment income	1999 £	1998 £
Interest receivable	<u>561</u>	<u>90</u>
5 Taxation	1999 £	1998 £
Corporation tax on profit on ordinary activities at 20% (1998 21%)	<u>1,554</u>	<u>-</u>
6 Intangible fixed assets		
		Goodwill £
Cost		
1 May 1998 and 30 April 1999		<u>5,000</u>
Amortisation		
1 May 1998 Charge for the Year		<u>140</u> <u>1,000</u>
30 April 1999		<u>1,140</u>
Net book amount		
30 April 1999		<u>3,860</u>
1 May 1998		<u>4,860</u>

NOTES ON FINANCIAL STATEMENTS

30 April 1999

7 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1 May 1998 and 30 April 1999	15,000
Depreciation	
1 May 1998	524
Charge for the Year	3,750
30 April 1999	4,274
Net book amount	
30 April 1999	10,726
1 May 1998	14,476

8 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	147,738	85,182
Other debtors	3,143	453
	150,881	85,635

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank overdrafts	-	1,561
Trade creditors	122,415	66,122
Corporation tax	1,554	-
Other taxation and social security	1,342	1,950
Other creditors	15,753	3,730
	141,064	73,363

NOTES ON FINANCIAL STATEMENTS

30 April 1999

10 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Other creditors	63,140	52,000
	<u>63,140</u>	<u>52,000</u>
Creditors other than finance lease and hire purchase contracts		
Amounts falling due after more than five years	<u>63,140</u>	<u>52,000</u>

11 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Allotted, called up and fully paid				
Authorised share capital	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12 Profit and loss account

	1999 £
1 May 1998	(6,015)
Retained profit for the Year	<u>15,298</u>
30 April 1999	<u>9,283</u>

FREIGHT SYSTEMS EUROPE LIMITED

NOTES ON FINANCIAL STATEMENTS

30 April 1999

13 Related parties

The company had the following transactions with related parties during the year ended 30 April 1999 that require disclosure, as in accordance with Financial Reporting Standard Number 8.

DetailsNature

European Spedition Ltd.

During the year the company made sales of £38,345 to European Spedition Ltd and purchased goods and services to the value of £21,559.94 from European Spedition Ltd.

Included in the trade debtors balance at the year end is an amount owed by European Spedition Ltd totaling £6,991.33. There is also a balance included in trade creditors due to European Spedition Ltd totaling £5,424.83.

Included in other creditors is a Inter company loan from European Spedition Ltd. The amount outstanding at the balance sheet date was £63,140.

There is a Inter company service charge included in the profit and loss account totaling £10,200, this relates to a charge paid to European Spedition Ltd in respect of services and premises costs incurred on its behalf.