

Fracht UK Ltd

FINANCIAL STATEMENTS

for the period ended

30 June 1998

CM O'Brien & Co
Chartered Accountants
244a High Street
Bromley
Kent BR1 1PQ



Fracht UK Ltd

Annual Report and Financial Statements for the period ended 30 June 1998

Contents

Page:

2	Report of the Directors
3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6	Notes forming part of the Financial Statements

Directors

MF Haley
R Reisdorf

Secretary and Registered Office

M Haley, Justin House, 6 West Street, Bromley, Kent BR1 1JN

Company Number

3327321

Auditors

CM O'Brien & Co, 244a High Street, Bromley, BR1 1PQ

Report of the directors for the period ended 30 June 1998

The directors present their report and financial statements of the company for the period ended 30 June 1998.

Principal activities

The principal activity of the company in the period under review was that of freight forwarding agents.

Directors and their interests

The directors who served the company during the period with their interests (including family interests) in the issued share capital at the beginning and end of the period were as follows:

	At 30 June 1998	Ordinary Shares of £1 each At 4 March 1997 or subsequent date of appointment
	£	£
MF Haley (appointed 16/5/97)	1	1
R Reisdorf (appointed 4/3/97)	-	-

All the directors, being eligible, offer themselves for re-election at the next Annual General Meeting.

Auditors

Messrs CM O'Brien & Co have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit and 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Date:

19/10/98.

By order of the Board

MF Haley
Director

Auditors' Report to the members of Fracht UK Ltd

We have audited the financial statements on pages 4 to 10 which have been prepared under the historic cost convention and the accounting policies as set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the 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.

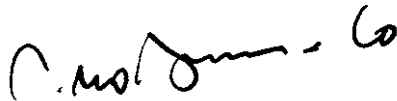
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 30 June 1998 and of its profit/loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



CM O'Brien & Co
Chartered Accountants
and Registered Auditors
244a High Street
Bromley
Kent BR1 1PQ

Date: 19/10/98

Fracht UK Ltd

Profit and loss account for the period ended 30 June 1998

	Note	1998 £
TURNOVER	2	886,939
Cost of Sales		(699,194)
GROSS PROFIT		<u>187,745</u>
Net operating expenses	3	(162,607)
Profit on ordinary activities before interest		<u>25,138</u>
Interest receivable and similar income		1,146
Interest payable and similar charges		(74)
Profit on ordinary activities before taxation	4	<u>26,210</u>
Tax on results on ordinary activities	6	(6,000)
Profit on ordinary activities after taxation		<u>20,210</u>
Dividends on equity shares	-	-
Retained profit for the period		<u><u>20,210</u></u>

There are no recognised gains and losses in the year other than the profit/loss for the year.

The notes on pages 6 to 10 form part of these financial statements.

Fracht UK Ltd

Balance sheet as at 30 June 1998

	Note	£	1998 £
Fixed assets:			
Tangible assets	8		3,399
Current Assets:			
Debtors	9	268,554	
Cash at bank and in hand		<u>33,227</u>	
		301,781	
Creditors: amounts falling due within one year	10	<u>(233,937)</u>	
Net current assets			<u>67,844</u>
Total assets less current liabilities			<u>71,243</u>
Creditors: amounts falling due after one year	11		<u>(51,031)</u>
NET ASSETS			<u>20,212</u>
Called Up Share Capital	7		2
Profit & Loss Account	7		<u>20,210</u>
SHAREHOLDERS' FUNDS			<u>20,212</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.

Approved by the Board on 19/6/98 .

MF Haley
Director

The notes on pages 6 to 10 form part of these financial statements.

1 Accounting Policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents the invoiced amounts of goods and services provided, net of value added tax.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including, where appropriate, a proportion of manufacturing overheads.

Depreciation

Depreciation on all tangible assets is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures & fittings	25% per annum on cost
Computer Equipment	33.333% per annum on cost

Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Foreign Currencies

Transactions denominated in foreign currencies are translated in Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial period. All exchange differences are dealt with in the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease on a straight line basis.

Rentals under operating leases have been charged to profit and loss account on a straight - line basis.

Pension scheme arrangements

The company operates a defined contributions pension scheme on behalf of its employees. The contributions made by the company are charged against profits on an accruals basis.

2 Turnover and results

The turnover and result before taxation were attributable to the principal activity of the company. The company has derived 62% of its turnover from supplying geographical markets outside the UK.

	1998 £
3 Net operating expenses and comparative details	
Net operating expenses:	
Distribution costs	-
Administrative expenses	162,607
Other operating income	-
	<u>162,607</u>
4 Operating profit	
The Operating profit is stated after charging:	
Auditors remuneration	2,400
Depreciation:	
Owned tangible fixed assets	326
Assets held under finance leases and hire purchase contracts	777
Amortisation of goodwill	
Pension costs - money purchase scheme	3,211
Exchange differences	973
Operating lease rentals:	
Other assets	8,313
	<u>40,430</u>
5 Directors' emoluments	
Directors' emoluments (including benefits & pension contributions)	40,430
	<u>40,430</u>
6 Taxation	
Corporation tax based on the results for the period at the rate of 21.0% (1997: 0.0%)	6,000
Deferred taxation	-
	<u>6,000</u>
The taxation charge for the year has been affected by the disallowance of certain expenditure.	
7 Shareholders' funds	
	Called up share capital £
	Profit and loss account £
	Total £
Shares issued during the period	2
Transfer from profit and loss account	<u>20,210</u>
Balance at 30 June 1998	<u>20,212</u>
The authorised share capital comprises:	
Authorised	1998
100 ordinary shares of £1 each	100
Called up, allotted and fully paid:	
2 ordinary shares of £1 each	2

8 Tangible fixed assets

	Other assets £	Total £
<i>Cost</i>		
At 4 March 1997	-	-
Additions	4,502	4,502
Disposals	-	-
At 30 June 1998	<u>4,502</u>	<u>4,502</u>
<i>Depreciation</i>		
At 4 March 1997	-	-
Charge for the year	1,103	1,103
Disposals	-	-
At 30 June 1998	<u>1,103</u>	<u>1,103</u>
<i>Net book value</i>		
At 4 March 1997	-	-
At 30 June 1998	<u>3,399</u>	<u>3,399</u>

The net book value of fixed assets of £3399 includes an amount of £1554 in respect of
of assets held under finance leases.

9 Debtors

	1998 £
Trade debtors	238,389
Amounts owed by group undertakings	8,989
Other debtors	<u>21,176</u>
	<u>268,554</u>

10 Creditors: amounts falling due within one year

Trade creditors	105,866
Amounts owed to group undertakings	117,642
Corporation tax	6,000
Social security and other taxes	2,972
Obligations under finance lease and hire purchase agreements (note 12)	687
Other creditors	<u>770</u>
	<u>233,937</u>

	1998 £
11 Creditors: amounts falling due after one year	
Amount owed to holding company	50,000
Obligations under finance lease and hire purchase agreements (note 12)	<u>1,031</u>
	51,031
Amounts payable by instalments	
Between one and two years	687
Between two and five years	<u>1,031</u>
	1,718

The amount due to the holding company is unsecured and has no fixed repayment date.

12 Future financial commitments

a) Operating leases

At 30 June 1998 the company had annual commitments under operating leases as set out below:

	1998	
	Land & buildings	Other
Operating lease which expire:		
(a) within one year	-	-
(b) in the second to fifth year	6,072	8,366
(c) after five years	<u>-</u>	<u>-</u>
	6,072	8,366

The lease of land and buildings is subject to rent reviews.

The company's total future financial commitments under operating leases is £47144 .

b) Finance leases

At 30 June 1998 the company had obligations under finance leases and hire purchase contracts which are set out below:

	1998
Gross amount payable:	
between one and two years	687
between two and five years	1,031
over five years	<u>-</u>
	1,718
Deduct: Finance charges allocated to future periods	<u>372</u>
	1,346
Finance leases and hire purchase contracts are analysed as follows:	
due within one year (note 10)	687
due after more than one year (note 11)	<u>1,031</u>
	1,718

13 Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from the assets of the company in an independently administered fund. The pension cost charge represents contributions payable to the scheme and amounted to £3211.

14 Parent undertakings and related parties

The immediate and ultimate parent undertaking is Fracht AG, incorporated in Switzerland. Group accounts can be obtained from Fracht AG, Birsigstrasse 79, Postfach CH-4011, Basel, Switzerland.

The company has taken advantage of the exemptions conferred by FRS 8 para. 3c not to make disclosures concerning related parties.