

EAGLE COURIERS (SCOTLAND) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31 May 1998

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SPECIAL AUDITORS' REPORT TO THE DIRECTORS OF

**EAGLE COURIERS (SCOTLAND) LIMITED
UNDER SECTION 247B TO THE COMPANIES ACT 1985**



We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Eagle Couriers (Scotland) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 May 1998, and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with those provisions.

CHIENE & TAIT, CA
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

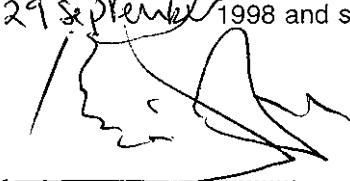
26 October 1998

EAGLE COURIERS (SCOTLAND) LIMITED**ABBREVIATED BALANCE SHEET****As at 31 May 1998**

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	2	74,290	92,322
Investment		-	500
		-----	-----
		74,290	92,822
Current assets			
Debtors		364,400	374,216
Cash in hand		1,117	785
		-----	-----
		365,517	375,001
Creditors			
Amounts falling due within one year	3	285,761	328,854
		-----	-----
Net current assets		79,756	46,147
		-----	-----
Total assets less current liabilities		154,046	138,969
Creditors			
Amounts falling due after more than one year		9,359	6,096
		-----	-----
Net assets		144,687	132,873
		=====	=====
Capital and reserves			
Called up share capital	4	60,000	60,000
Profit and loss account		84,687	72,873
		-----	-----
Shareholders' funds		144,687	132,873
		=====	=====

The financial statements 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.

Approved by the Board of Directors on 29 September 1998 and signed on its behalf by:


 Director
 David B Bennett

The notes on pages 3 and 4 form part of these abbreviated accounts.

EAGLE COURIERS (SCOTLAND) LIMITED

NOTES to the ABBREVIATED ACCOUNTS

Year ended 31 May 1998

1. Accounting policies

a) Basis of preparation of accounts

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

b) Depreciation of fixed assets

The provision for depreciation is calculated to write off the cost of the tangible fixed assets by equal annual instalments over the period of their estimated lives at the following rates:

Motor vehicles	25% - 50%
Equipment and fittings	15%
Computer equipment	33.3%

Expenditure on leasehold property is written off by equal annual instalments over the remaining period of the lease.

c) Leasing and hire purchase

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

d) Cash flow statement

The company is a small company as defined by S247 of the Companies Act 1985 and is entitled to exemption from the preparation of a cash flow statement as required under FRS1 (revised). Consequently, a cash flow statement has not been prepared.

2. Fixed assets	Total £
Cost	
At 31 May 1997	251,891
Additions	32,999
Disposals	(16,813)

At 31 May 1998	268,077

Aggregate depreciation	
At 31 May 1997	159,569
Charge for year	44,300
Disposals	(10,082)

At 31 May 1998	193,787

Net book value	
At 31 May 1998	74,290
	=====
At 31 May 1997	92,322
	=====

The investment consists of a 10% holding in the issued ordinary share capital of Quantum Logistics Limited, an unquoted company registered in England. The directors consider that the value of the unlisted investment is nil (1997: £500).

EAGLE COURIERS (SCOTLAND) LIMITED**NOTES to the ABBREVIATED FINANCIAL STATEMENTS****Year ended 31 May 1998****3. Creditors:** amounts falling due within one year

The balance of £260,260 (1997: £328,854) includes an interest-free loan from Osprey Holidays Limited, a related party, of £Nil (1997: £5,000). The maximum liability during the year in respect of this loan was £30,000.

4. Share capital

	1998	1997
	£	£
Authorised, issued and fully paid 60,000 Ordinary shares of £1 each	60,000	60,000
	=====	=====