

EXEL TASKFORCE LIMITED

(formerly Panocean Storage & Transport (1995) Limited)

Annual Report and Financial Statements

for the year ended

31 December 2001



EXEL TASKFORCE LIMITED
(formerly Panocean Storage & Transport (1995) Limited)

Directors

Exel Secretarial Services Limited
Exel Nominee No 2 Limited

Directors' Report

The Directors present their report and financial statements for the year ended 31 December 2001.

1 Change of name

On 27 November 2001 the Company changed its name from Panocean Storage & Transport (1995) Limited to Exel Taskforce Limited.

2 Results and dividends

The profit for the year was £50, transferred to reserves. The Directors do not recommend the payment of a dividend.

3 Principal activities and accounts

The Company is an investment company and it is expected that its activity will continue for the foreseeable future.

4 Directors

The Directors at the date of this report are shown above. There were no changes in the Board during the year.

5 Directors' interests

According to the registers kept by the Company under section 325 of the Companies Act 1985, the Directors at the end of the financial year had no notifiable interests in the shares of the Company or of Exel plc, the ultimate parent company.

6 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 and loss of the Company for that year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

EXEL TASKFORCE LIMITED
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Directors' Report (continued)

7 Auditors

Ernst & Young LLP continue as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985.

By order of the Board



Authorised Signatory
Exel Secretarial Services Limited
Secretary

S. H. COFFEY

Registered Office: Ocean House
The Ring
Bracknell
Berkshire
RG12 1AN

1st October 2002

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EXEL TASKFORCE LIMITED
(formerly Panocean Storage & Transport (1995) Limited)**

We have audited the Company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 5. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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 Directors' Report 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 Directors' Report 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 affairs of the Company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

2 OCTOBER 2002

EXEL TASKFORCE LIMITED
(formerly Panocean Storage & Transport (1995) Limited)

Profit and loss account

for the year ended 31 December 2001

| | Year to 31.12.2001 | Year to 31.12.2000 |
|---|-------------------------------|-------------------------------|
| | £ | £ |
| Interest receivable – group undertakings | 50 | 50 |
| Profit on ordinary activities before taxation | 50 | 50 |
| Tax on profit on ordinary activities | - | - |
| Profit on ordinary activities after taxation transferred to reserves | 50 | 50 |

There are no recognised gains or losses other than the profit for the year.

EXEL TASKFORCE LIMITED
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Balance Sheet at 31 December 2001

| | Note | 31.12.2001 £ | 31.12.2000 £ |
|---|------|------------------------|-----------------|
| Creditors : Amounts owed to immediate parent undertaking | | <u>(47,956)</u> | <u>(48,006)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 3 | 14,000 | 14,000 |
| Profit and loss account | 4 | <u>(61,956)</u> | <u>(62,006)</u> |
| Total equity shareholders' funds | | <u>(47,956)</u> | <u>(48,006)</u> |

Approved by the Board on *2nd October* 2002 and signed on its behalf.



Authorised Signatory
Exel Nominee No 2 Limited
Director

D.G. EVANS

EXEL TASKFORCE LIMITED
(formerly Panocean Storage & Transport (1995) Limited)

Notes to the financial statements for the year ended 31 December 2001

1 ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and are in accordance with all applicable UK accounting standards.

FRS 1 does not require the Company to prepare a cash flow statement.

FRS 8 exempts the Company from the disclosure of transactions with fellow subsidiary companies.

The ultimate parent undertaking has undertaken to discharge the Company's liability to UK Corporation Tax.

The Directors have concluded that it is appropriate to prepare the accounts on a going concern basis because the parent company, Ocean Group Investments Limited, has given a written undertaking that it will continue to support the Company to allow it to meet its liabilities as they fall due.

2 PROFIT AND LOSS ACCOUNT

The Directors received no remuneration for their services to the Company (2000: £nil) and there are no employees (2000: none). The auditors' remuneration is borne by the ultimate parent undertaking.

3 SHARE CAPITAL

| | 31.12.2001 | 30.12.2000 |
|------------------------------------|-------------------|------------|
| | £ | £ |
| Shares of £1 each | | |
| Authorised | 15,000 | 15,000 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid | 14,000 | 14,000 |
| | <hr/> | <hr/> |

4 MOVEMENTS IN SHAREHOLDERS' FUNDS

| | Share capital £ | Profit and loss account £ | 2001 Total £ | 2000 Total £ |
|-------------------------------|-----------------------|------------------------------------|-----------------------------|--------------------|
| At 1 January | 14,000 | (62,006) | (48,006) | (48,056) |
| Profit for the financial year | - | 50 | 50 | 50 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 December | 14,000 | (61,956) | (47,956) | (48,006) |
| | <hr/> | <hr/> | <hr/> | <hr/> |

5 ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Ocean Group Investments Limited. The Company's ultimate parent undertaking is Exel plc which is registered in England. This is the only group of which the Company is a member for which group financial statements are prepared. Copies of the financial statements of Exel plc can be obtained from Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN.