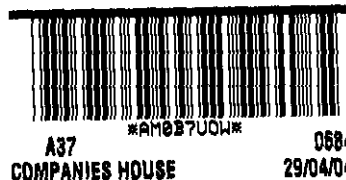


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FRANCK & TOBIESEN (U.K.) LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2003



BENNETT NASH WOOLF

Chartered Accountants & Registered Auditors
Premier House
309 Ballards Lane
London N12 8LU

FRANCK & TOBIESEN (U.K.) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

CONTENTS	PAGE
The directors' report	1
Independent auditors' report to the shareholders	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
The following pages do not form part of the financial statements	
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

FRANCK & TOBIESEN (U.K.) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company and its subsidiary undertaking during the year was that of shipping and forwarding agents and worldwide chartering.

There were no significant changes in the operation of the company's business during the year under review. In the opinion of the directors the company was in a satisfactory position at 31st December 2003.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003 £	2002 £
Dividends paid on ordinary shares	<u>132,450</u>	<u>388,432</u>

DIRECTORS

The directors who served the company during the year were as follows:

P Aandahl
P Lomholdt
D Smith

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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. The directors 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.

FRANCK & TOBIESEN (U.K.) LIMITED**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2003****DONATIONS**

During the year the company made the following contributions:

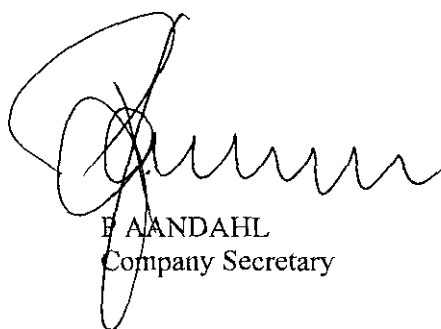
	2003	2002
	£	£
Charitable	<u>500</u>	<u>620</u>

AUDITORS

A resolution to re-appoint Bennett Nash Woolf as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Premier House
309 Ballards Lane
North Finchley
London N12 8LU

Signed by order of the directors



F. A. ANDAHL
Company Secretary

Approved by the directors on 20 April 2004

FRANCK & TOBIESEN (U.K.) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 DECEMBER 2003

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 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.

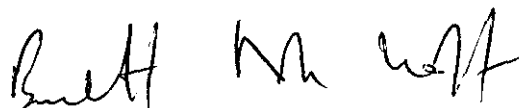
FRANCK & TOBIESEN (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 DECEMBER 2003

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Premier House
309 Ballards Lane
London N12 8LU

BENNETT NASH WOOLF
Chartered Accountants
& Registered Auditors

20 April 2004

FRANCK & TOBIESEN (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	3,144,903	4,155,649
Distribution Costs		2,788,423	3,712,677
Administrative expenses		344,452	356,692
Other operating income	3	(2,275)	(4,156)
OPERATING PROFIT	4	14,303	90,436
Income from shares in group undertakings	7	132,450	389,111
Interest receivable		8,379	11,401
Interest payable	8	(3,538)	(435)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		151,594	490,513
Tax on profit on ordinary activities	9	11,618	(14,818)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		139,976	505,331
Dividends	10	132,450	388,432
RETAINED PROFIT FOR THE FINANCIAL YEAR		7,526	116,899
Balance brought forward		<u>611,669</u>	<u>494,770</u>
Balance carried forward		<u>619,195</u>	<u>611,669</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

FRANCK & TOBIESEN (U.K.) LIMITED

BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	11	4,437	21,427
Investments	12	15,596	15,596
		<u>20,033</u>	<u>37,023</u>
CURRENT ASSETS			
Debtors	13	592,923	846,742
Cash at bank		827,110	543,123
		<u>1,420,033</u>	<u>1,389,865</u>
CREDITORS: Amounts falling due within one year	14	815,871	810,219
NET CURRENT ASSETS		<u>604,162</u>	<u>579,646</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>624,195</u>	<u>616,669</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	5,000	5,000
Profit and loss account		619,195	611,669
SHAREHOLDERS' FUNDS	19	<u>624,195</u>	<u>616,669</u>

These financial statements were approved by the directors on the 20 April 2004 and are signed on their behalf by:

P AANDAHL



FRANCK & TOBIESEN (U.K.) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 2003****1. ACCOUNTING POLICIES****Basis of accounting**

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

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

The company is a wholly owned subsidiary and it has taken advantage of the exemption available under Financial Reporting Standard No.8 from disclosing transactions with group companies.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	15% on cost
Motor vehicles	25% on cost
Equipment	20% on cost

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

FRANCK & TOBIESEN (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2003 £	2002 £
United Kingdom	1,435,626	1,557,750
Overseas	1,709,277	2,597,899
	<u>3,144,903</u>	<u>4,155,649</u>

3. OTHER OPERATING INCOME

	2003 £	2002 £
Profit on disposal of fixed assets	<u>2,275</u>	<u>4,156</u>

FRANCK & TOBIESEN (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Directors' emoluments	36,422	38,846
Depreciation of owned fixed assets	4,417	13,415
Profit on disposal of fixed assets	(2,275)	(4,156)
Auditors' remuneration		
- as auditors	5,500	4,500
Net loss on foreign currency translation	<u>80,206</u>	<u>66,992</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of administrative staff	4	4
Number of management staff	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	131,379	136,451
Social security costs	16,762	15,661
Other pension costs	3,333	10,000
	<u>151,474</u>	<u>162,112</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	36,422	38,846
Value of company pension contributions to money purchase schemes	3,333	10,000
	<u>39,755</u>	<u>48,846</u>

FRANCK & TOBIESEN (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

6. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>1</u>	<u>1</u>

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2003 £	2002 £
Income from group undertakings	<u>132,450</u>	<u>389,111</u>

8. INTEREST PAYABLE

	2003 £	2002 £
Other similar charges payable	<u>3,538</u>	<u>435</u>

9. TAX ON PROFIT ON ORDINARY ACTIVITIES**(a) Analysis of charge in the year**

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	5,575	32,709
Over/under provision in prior year	<u>6,043</u>	<u>(47,527)</u>
Total current tax	<u>11,618</u>	<u>(14,818)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>151,594</u>	<u>490,513</u>
Profit/(loss) on ordinary activities by rate of tax	45,478	147,154
Expenses not deductible for tax purposes	1,344	2,543
Accelerated capital allowances	(1,512)	(255)
Double tax relief	(39,735)	(116,733)
Adjustment in respect of prior years corporation tax	<u>6,043</u>	<u>(47,527)</u>
Total current tax (note 9(a))	<u>11,618</u>	<u>(14,818)</u>

FRANCK & TOBIESEN (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

10. DIVIDENDS

The following dividends have been paid in respect of the year:

	2003 £	2002 £
Dividend paid on ordinary shares	<u>132,450</u>	<u>388,432</u>

11. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 January 2003	12,423	50,210	21,642	84,275
Additions	—	—	1,052	1,052
Disposals	—	(32,718)	(9,249)	(41,967)
At 31 December 2003	<u>12,423</u>	<u>17,492</u>	<u>13,445</u>	<u>43,360</u>
DEPRECIATION				
At 1 January 2003	8,265	36,585	17,998	62,848
Charge for the year	1,728	—	2,689	4,417
On disposals	—	(19,093)	(9,249)	(28,342)
At 31 December 2003	<u>9,993</u>	<u>17,492</u>	<u>11,438</u>	<u>38,923</u>
NET BOOK VALUE				
At 31 December 2003	<u>2,430</u>	—	<u>2,007</u>	<u>4,437</u>
At 31 December 2002	<u>4,158</u>	<u>13,625</u>	<u>3,644</u>	<u>21,427</u>

12. INVESTMENTS

Shares in subsidiary	Total £
COST	
At 1 January 2003 and 31 December 2003	<u>15,596</u>
NET BOOK VALUE	
At 31 December 2003	<u>15,596</u>
At 31 December 2002	<u>15,596</u>

Investments represent two thirds of the issued share capital of BEVO Spedition-GmbH, a company incorporated in Germany. The principal activity of the company is that of shipping and forwarding agents and worldwide chartering.

FRANCK & TOBIESEN (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

13. DEBTORS

	2003	2002
	£	£
Trade debtors	448,401	521,215
Amounts owed by group undertakings	73,432	264,226
Corporation tax repayable	7,948	—
VAT recoverable	10,196	5,820
Other debtors	13,727	3,190
Prepayments and accrued income	39,219	52,291
	<u>592,923</u>	<u>846,742</u>

14. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Trade creditors	179,824	159,520
Amounts owed to group undertakings	109,974	281,262
Other creditors including taxation and social security:		
Corporation tax	—	33,265
PAYE and social security	4,813	708
Other creditors	<u>362,379</u>	<u>157,522</u>
	367,192	191,495
Accruals and deferred income	<u>158,881</u>	<u>177,942</u>
	<u>815,871</u>	<u>810,219</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	8,500	—
After more than 5 years	—	10,250
	<u>8,500</u>	<u>10,250</u>

16. CONTINGENCIES

Guarantees given by the bank to third parties and counter indemnified by the company amounted to £11,400 at 31 December 2003.

FRANCK & TOBIESEN (U.K.) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2003

17. RELATED PARTY TRANSACTIONS

Aandahl A/S assumed control of the company on 23 May 2003. Prior to that date the company was under the control of Franck & Tobiesen A/S.

The company sold a vehicle to Mr D Smith for the sum of £3,000 during the year. This amount was still owing at 31 December 2003 and is shown in the financial statements under other debtors. The loan was repaid on 17 March 2004.

The company has taken advantage of the exemption available under FRS 8 from disclosing transactions with group companies.

13. SHARE CAPITAL**Authorised share capital:**

	2003	2002
	£	£
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	139,976	505,331
Dividends	(132,450)	(388,432)
	<u>7,526</u>	<u>116,899</u>
Opening shareholders' equity funds	<u>616,669</u>	<u>499,770</u>
Closing shareholders' equity funds	<u>624,195</u>	<u>616,669</u>

20. ULTIMATE PARENT COMPANY

The ultimate parent company is Aandahl A/S, incorporated in Denmark.