

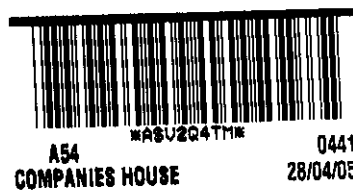
## **SBS Worldwide Limited**

**Company No. 1739816**

### **Consolidated Financial Statements**

**For the year ended**

**30 June 2004**



# SBS Worldwide Limited

## Company Information

### Directors

S. Black  
S. Walker  
N. Walker  
B.R. White  
M.C. Clark

### Secretary

M.C. Clark

### Registered Office

SBS Cargo Centre  
Anchor Boulevard  
Crossways Business Park  
Dartford  
Kent  
DA2 6SB

### Bankers

Barclays Bank Plc  
PO Box 544  
Lombard Street  
London  
EC3V 9EX

### Auditors

Kingston Smith  
Middlesex House  
800 Uxbridge Road  
Hayes  
Middlesex  
UB4 0RS

# SBS Worldwide Limited

Management Information

Based on the

Financial Statements

For the year ended

At 30 June 2004

# SBS Worldwide Limited

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# SBS Worldwide Limited

## Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 30 June 2004.

### Principal activities

The principal activities of the company and group throughout the year was that of shipping and forwarding agents.

### Results and dividend

The results of the group for the year are set out on page 4. The directors consider the results for the year to be satisfactory and expect growth in the future.

The company paid an interim dividend of £100,000 (2003 : £nil) during the year under review. The directors have not recommended the payment of a final dividend.

### Directors and their interests

The directors who served the company during the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

	Ordinary shares of £1 each	
	At 30 June 2004	At 1 July 2003
	£	£
S. Black	15,000	15,000
S. Walker	32,998	32,998
N. Walker	27,002	27,002
B.R. White	-	-
M.C. Clark	-	-

S. Black also holds 35,955 (2003 : 35,955) £1 deferred shares

M.C. Clark and B.R. White have no interest in the shares of any group company.

SBS Worldwide Limited has an interest in group undertakings as detailed in Note 13(b). S. Black, S. Walker and N. Walker have an indirect interest in these subsidiary companies as a result of their shareholdings in SBS Worldwide Limited.

### Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act 1985 it is proposed that they be re-appointed auditors to the group for the ensuing year.

By Order of the Board

  
M.C. Clark  
Secretary

SBS Cargo Centre  
Anchor Boulevard  
Crossways Business Park  
Dartford  
Kent  
DA2 6SB

Dated: .....

25 April 2005.

# **SBS Worldwide Limited**

## **Directors' Responsibilities and Report of the Auditors**

### **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 the group and of the profit or loss of the group 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 group 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 group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Independent Auditors' Report to the Members of SBS Worldwide Limited**

We have audited the financial statements of SBS Worldwide Limited for the year ended 30 June 2004 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Recognised Gains and Losses, the Consolidated Balance Sheet, the Company Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the group's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the group's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and auditors**

As described in the Statement of directors' responsibilities, the group'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 group 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.

# SBS Worldwide Limited

## Director's Responsibilities and Report of the Auditors (continued)

### Basis of opinion

We conducted our audit in accordance with the 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 and group'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 and of the group as at 30 June 2004 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Kingston Smith*

Kingston Smith  
Chartered Accountants  
and Registered Auditors

Middlesex House  
800 Uxbridge Road  
Hayes  
Middlesex  
UB4 0RS

Dated: ..... 27 April 2005

**SBS Worldwide Limited**  
**Consolidated Profit and Loss Account**  
**For the year ended 30 June 2004**

	Note	2004 £	2003 £
<b>Turnover - continuing activities</b>	2	30,998,494	30,369,611
Cost of sales		<u>(22,906,352)</u>	<u>(22,056,765)</u>
<b>Gross profit</b>		8,092,142	8,312,846
Administrative expenses		<u>(7,507,408)</u>	<u>(7,745,083)</u>
<b>Operating profit - continuing activities</b>	3	584,734	567,763
Interest receivable and similar income	6	10,230	3,327
Interest payable and similar charges	7	(129,309)	(143,273)
Disposal of subsidiary	4	<u>-</u>	<u>212,044</u>
<b>Profit on ordinary activities before taxation</b>		465,655	639,861
Taxation	8	(166,118)	(165,314)
<b>Profit on ordinary activities after taxation</b>		<u>299,537</u>	<u>474,547</u>
Equity minority interest	9	-	(32,983)
<b>Profit for the year</b>		<u>299,537</u>	<u>441,564</u>
Dividends	11	(100,000)	-
<b>Retained profit transferred to reserves</b>	18(a)	<u><u>199,537</u></u>	<u><u>441,564</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing activities.



**SBS Worldwide Limited**  
**Consolidated Statement of Recognised Gains and Losses**  
**For the year ended 30 June 2004**

	2004 £	2003 £
Profit for the financial year after taxation	299,537	441,564
Currency translation differences on foreign currency net investments	(8,788)	(5,285)
<b>Total gains and losses relating to the year</b>	<u><u>290,749</u></u>	<u><u>436,279</u></u>

# SBS Worldwide Limited

## Consolidated Balance Sheet at 30 June 2004

	Notes	2004		2003	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12	394,208		425,536	
Investments	13(a)	<u>112</u>		<u>112</u>	
			394,320		425,648
<b>Current Assets</b>					
Debtors	14	6,329,038		5,770,035	
Cash at bank and in hand		<u>133,711</u>		<u>400,118</u>	
		6,462,749		6,170,153	
<b>Creditors : Amounts falling due within one year</b>	15	<u>(5,133,153)</u>		<u>(4,884,555)</u>	
<b>Net Current Assets</b>			<u>1,329,596</u>		<u>1,285,598</u>
<b>Total Assets Less Current Liabilities</b>			1,723,916		1,711,246
<b>Creditors: Amounts falling due after more than one year</b>	16		(10,487)		(188,566)
Minority interests - equity interests	9		<u>-</u>		<u>-</u>
<b>Net Assets</b>			<u><u>1,713,429</u></u>		<u><u>1,522,680</u></u>
<b>Capital and Reserves</b>					
Called up share capital	18(a)		120,479		120,479
Share premium account	18(a)		7,500		7,500
Other reserves	18(a)		11		11
Capital redemption reserve	18(a)		89,521		89,521
Profit and loss account	18(a)		<u>1,495,918</u>		<u>1,305,169</u>
<b>Shareholders' Funds (non equity interests included)</b>			<u><u>1,713,429</u></u>		<u><u>1,522,680</u></u>

Approved by the board on

25 April 2005

N. Walker

S. Walker Directors

# SBS Worldwide Limited

## Company Balance Sheet at 30 June 2004

	Notes	2004		2003	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12(b)		290,065		334,176
Investments	13(b)		<u>117</u>		<u>116</u>
			290,182		334,292
<b>Current Assets</b>					
Debtors	14	5,595,886		5,312,681	
Cash at bank and in hand		<u>94,708</u>		<u>386,082</u>	
		5,690,594		5,698,763	
Creditors : Amounts falling due within one year	15	<u>(4,447,029)</u>		<u>(4,414,695)</u>	
<b>Net Current Assets</b>			<u>1,243,565</u>		<u>1,284,068</u>
<b>Total Assets Less Current Liabilities</b>			1,533,747		1,618,360
Creditors: Amounts falling due after more than one year	16		(3,036)		(188,566)
<b>Net Assets</b>			<u><u>1,530,711</u></u>		<u><u>1,429,794</u></u>
<b>Capital and Reserves</b>					
Called up share capital	18(b)		120,479		120,479
Share premium account	18(b)		7,500		7,500
Capital redemption reserve	18(b)		89,521		89,521
Profit and loss account	18(b)		<u>1,313,211</u>		<u>1,212,294</u>
<b>Shareholders' Funds (non-equity interests included)</b>			<u><u>1,530,711</u></u>		<u><u>1,429,794</u></u>

Approved by the board on 25 April 2005

N. Walker.....

S. Walker.....Directors

**SBS Worldwide Limited**  
**Consolidated Cash Flow Statement**  
**For the year ended 30 June 2004**

	2004		2003	
	£	£	£	£
<b>Net Cash Inflow from Operating Activities (Note 1)</b>		193,689		1,189,173
<b>Return on Investments and Servicing of Finance</b>				
Interest received	7,374		3,327	
Interest paid	(35,511)		(62,141)	
Interest element of finance lease rentals	(1,987)		(3,830)	
<b>Net Cash (Outflow) from Returns on Investments and Servicing of Finance</b>		(30,124)		(62,644)
<b>Taxation paid</b>		(127,228)		(207,995)
<b>Capital Expenditure and Financial Investment</b>				
Payments to acquire tangible fixed assets	(170,714)		(141,609)	
Receipts from sales of tangible fixed assets	5,514		41,601	
Receipts from sale of subsidiary	-		66,421	
Cash and overdrafts disposed of in subsidiary	-		(191,141)	
<b>Net Cash (Outflow) from Investing Activities</b>		(165,200)		(224,728)
<b>Equity dividends paid</b>		(100,000)		(150,000)
<b>Cash (Outflow)/Inflow before Financing</b>		(228,863)		543,806
<b>Financing</b>				
New bank loan	240,224		121,212	
Repayment of loan	(264,898)		(270,156)	
Capital element of finance lease rentals	(11,772)		(55,510)	
<b>Net Cash Outflow from Financing</b>		(36,446)		(204,454)
<b>(Decrease)/Increase in cash</b>		(265,309)		339,352

# SBS Worldwide Limited

## Notes to the Consolidated Cash Flow Statement

For the year ended 30 June 2004

1 Reconciliation of Operating Profit to net cash inflow from Operating Activities	2004 £	2003 £
Operating profit	584,734	567,763
Depreciation of tangible fixed assets	190,622	229,619
(Increase)/Decrease in debtors	(693,447)	1,245,829
Increase/(Decrease) in creditors	112,510	(857,621)
(Profit)/Loss on sale of tangible assets	(730)	3,583
<b>Net cash inflow from operating activities</b>	<b>193,689</b>	<b>1,189,173</b>

2 Analysis of changes in Net Debt	At 1 July 2003 £	Cash flows £	Non-cash changes £	Exchange movements £	At 30 June 2004 £
Cash at bank and in hand	400,118	(265,309)	-	(1,098)	133,711
Debt due within one year	(371,212)	(141,124)	-	9,480	(502,856)
Debt due after one year	(173,249)	165,798	-	-	(7,451)
Finance leases due within one year	(11,822)	(509)	-	51	(12,280)
Finance leases due after one year	(15,317)	12,281	-	-	(3,036)
<b>Net Debt</b>	<b>(171,482)</b>	<b>(228,863)</b>	<b>-</b>	<b>8,433</b>	<b>(391,912)</b>

3 Reconciliation of cash flow to movement in net debt	2004 £	2003 £
(Decrease)/Increase in cash during the year	(265,309)	339,352
Loan repayments	264,898	270,156
New bank loan	(240,224)	(121,212)
Capital element of finance lease rentals	11,772	55,510
Change in net debt resulting from cash flows	(228,863)	543,806
New finance leases	-	(34,985)
Exchange movements	8,433	1,882
New (debt) at at 1 July 2003	(171,482)	(682,185)
<b>Net (debt) at At 30 June 2004</b>	<b>(391,912)</b>	<b>(171,482)</b>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 1 Principal Accounting Policies

#### Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. There were no changes from the previous year.

#### Turnover

Turnover represents the amounts receivable for services provided net of value added tax and trade discounts.

#### Basis of consolidation

The group profit and loss account and balance sheet consist of the financial statements of the parent company and its subsidiary undertakings.

During the year ended 30 June 2003 the group disposed of a subsidiary, SBS Worldwide (Boston) Inc. This was accounted for in accordance with FRS 2, with the profits to the date of disposal being included in the consolidated profit and loss account together with a profit on disposal. The profit on disposal was calculated by deducting the group share of the net assets at the disposal date from the net proceeds received.

#### Investments

Fixed asset investments are stated at cost less provision for impairment.

#### Depreciation

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

Leasehold improvements	Straight line over the life of the lease, between 3 and 20 years
Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance
Computer equipment	25% straight line

#### Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis, over the lease term.

#### Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Gains and losses arising from trading transactions are disclosed as part of 'administrative expenses' and are taken into account in arriving at the operating profit. Those gains and losses arising from arrangements which are considered as financing are disclosed separately as part of interest payable and similar charges.

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### Foreign currencies (cont....)

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate are taken directly to reserves.

### Deferred taxation

In accordance with FRS19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date. The deferred tax balance has not been discounted.

### Pensions

The group operates a money purchase pension scheme for the directors and certain staff. Contributions are charged to the profit and loss account as they are paid.

## 2 Turnover

The turnover and pre-tax result are mainly attributable to the group's principal activity.

The directors are of the opinion that it would be prejudicial to the interests of the group to disclose the values of turnover attributable to each separate geographical market.

## 3 Operating Profit

	Group 2004 £	Group 2003 £
The operating profit is stated after charging:		
Depreciation:		
- owned tangible fixed assets	174,415	189,987
- assets held under finance leases	16,207	39,632
Audit fee:		
- group	30,056	39,253
- company	20,000	19,000
Auditors remuneration - non-audit services	69,803	29,328
Operating leases:		
- Plant and machinery	18,340	47,069
- Other	540,346	583,599
Foreign exchange differences	13,334	10,889
Loss on sale of fixed assets	-	3,583
and after crediting :		
Profit on disposal of tangible assets	(730)	-

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 4 Sale of subsidiary - Exceptional item

SBS Worldwide Limited sold a shareholding in its subsidiary, SBS Worldwide (Boston) Inc., on 30 June 2003. As a result it ceased to be a member of the group at the end of the comparative year.

SBS Worldwide (Boston) Limited contributed £67,313 profit to the group in the year ended 30 June 2003, and its disposal resulted in a profit to the group of £212,044.

The shares were sold back to the company at fair value, part of the payment being deferred until future periods. This deferred payment was recognised as sales proceeds for the disposal. It is receivable in forty-five equal monthly instalments from 1 February 2005. It is disclosed in Note 14 as part of 'other debtors' and £136,287 is receivable after 30

### 5 Employee information

Staff costs, including directors' remuneration, were as follows:

	Group 2004 £	Group 2003 £
Wages and salaries	4,130,549	4,325,355
Social security costs	419,686	420,868
Other pension costs	103,142	95,493
	<u>4,653,377</u>	<u>4,841,716</u>

The average monthly number of employees, including directors, during the year was as follows:-

	Group 2004	Group 2003
Office and Management	<u>140</u>	<u>143</u>

#### Directors' emoluments

	Group 2004 £	Group 2003 £
Aggregate emoluments	573,300	668,282
Pension contributions	<u>28,518</u>	<u>28,349</u>
	<u>601,818</u>	<u>696,631</u>

Four directors accrue benefits under the money purchase pension scheme to which contributions were paid in 2003 and 2004.

Money purchase pension contributions paid in respect of the highest paid director were £10,750 (2003 : £10,750).

Included in the above are emoluments, excluding pension contributions, paid to :

	Group 2004 £	Group 2003 £
Highest paid director	<u>201,009</u>	<u>214,381</u>



# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

<b>6 Interest receivable</b>	<b>Group 2004 £</b>	<b>Group 2003 £</b>
Bank interest	7,374	3,327
Other interest	2,856	-
	<u>10,230</u>	<u>3,327</u>
<b>7 Interest payable</b>	<b>Group 2004 £</b>	<b>Group 2003 £</b>
Interest payable on bank loans and overdrafts wholly repayable within 5 years	31,250	57,242
Interest on other loans	4,261	4,899
Interest on finance leases and hire purchase contracts	1,987	3,830
Loss on foreign exchange	91,811	77,302
	<u>129,309</u>	<u>143,273</u>
<b>8 Taxation</b>	<b>Group 2004 £</b>	<b>Group 2003 £</b>
<b>(a) Analysis of charges for the year</b>		
<b>Current year tax</b>		
UK corporation tax	121,496	90,374
Foreign tax	38,454	68,840
<b>Current tax charge</b>	<u>159,950</u>	<u>159,214</u>
<b>Deferred tax</b>		
Deferred tax charge for year	4,648	12,415
Adjustment for prior years	1,520	(6,315)
	<u>166,118</u>	<u>165,314</u>
<b>(b) Factors effecting the tax charge for the year</b>		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%		
The differences are explained below:		
Profit on ordinary activities before tax	<u>465,655</u>	<u>639,861</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	139,696	191,958
Effects of :		
Expenses not deductible for tax purposes	40,700	36,433
Depreciation	45,077	47,192
Capital allowances	(37,639)	(54,155)
Adjustments to previous periods	(14,563)	269
Chargeable disposals	-	(65,923)
Other tax differences	(13,321)	3,440
<b>Current tax charge for the year</b>	<u>159,950</u>	<u>159,214</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 9 Minority interest

	Group 2004 £	Group 2003 £
Balance at 1 July 2003	-	(36,700)
Profit for the year	-	(32,983)
Disposal of subsidiary	-	69,683
<b>Balance at 30 June 2004</b>	<b>-</b>	<b>-</b>

### 10 Results of parent company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company made a profit after taxation in the year of £200,917 (2003 : £341,654).

### 11 Dividends

	Group 2004 £	Group 2003 £
Interim dividends paid - Equity shares	100,000	-

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 12 (a) Tangible Assets - Group

	Leasehold Improve- ments £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2003	51,530	1,133,537	604,857	15,122	1,805,046
Difference on exchange	(819)	(18,217)	(5,601)	-	(24,637)
Additions	3,063	138,609	23,959	5,083	170,714
Disposals	-	-	-	(15,122)	(15,122)
<b>At 30 June 2004</b>	<b>53,774</b>	<b>1,253,929</b>	<b>623,215</b>	<b>5,083</b>	<b>1,936,001</b>
<b>Depreciation</b>					
At 1 July 2003	37,301	936,083	395,788	10,338	1,379,510
Difference on exchange	87	(16,927)	(1,161)	-	(18,001)
Charge for the year	3,980	132,839	52,956	847	190,622
On disposals	-	-	-	(10,338)	(10,338)
<b>At 30 June 2004</b>	<b>41,368</b>	<b>1,051,995</b>	<b>447,583</b>	<b>847</b>	<b>1,541,793</b>
<b>Net Book Value</b>					
<b>At 30 June 2004</b>	<b>12,406</b>	<b>201,934</b>	<b>175,632</b>	<b>4,236</b>	<b>394,208</b>
<b>At 30 June 2003</b>	<b>14,229</b>	<b>197,454</b>	<b>209,069</b>	<b>4,784</b>	<b>425,536</b>

Included above are assets held under hire purchase contracts as follows:-

	Net Book Value		Depreciation	
	2004	2003	2004	2003
	£	£	£	£
Computer equipment	14,119	21,176	7,058	24,771
Fixtures, fittings and equipment	25,331	29,128	9,149	14,861
	<u>39,450</u>	<u>50,304</u>	<u>16,207</u>	<u>39,632</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 12 (b) Tangible Assets - Company

	Leasehold Improve- ments £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2003	41,047	961,815	492,270	15,122	1,510,254
Additions	3,063	90,179	17,687	-	110,929
Disposals	-	-	-	(15,122)	(15,122)
At 30 June 2004	44,110	1,051,994	509,957	-	1,606,061
<b>Depreciation</b>					
At 1 July 2003	34,710	780,748	350,282	10,338	1,176,078
Charge for the year	2,370	115,973	31,913	-	150,256
Eliminated on disposal	-	-	-	(10,338)	(10,338)
At 30 June 2004	37,080	896,721	382,195	-	1,315,996
<b>Net Book Value</b>					
At 30 June 2004	7,030	155,273	127,762	-	290,065
At 30 June 2003	6,337	181,067	141,988	4,784	334,176

Included above are assets held under hire purchase contracts as follows:-

	Net book value		Depreciation	
	2004	2003	2004	2003
	£	£	£	£
Computer equipment	14,119	21,176	7,058	7,059
Fixtures, fittings and equipment	13,084	16,355	3,271	4,089
	27,203	37,531	10,329	11,148

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 13 (a) Fixed Asset Investments - Group

	Other Shares £
Cost	
At 1 July 2003 and 30 June 2004	<u>112</u>

### 13 (b) Fixed Asset Investment - Company

	Other Shares £	Shares in group undertaking £	Total £
At 1 July 2003	112	4	116
Additions	-	1	1
At 30 June 2004	<u>112</u>	<u>5</u>	<u>117</u>
Net Book Value			
At 30 June 2004	<u>112</u>	<u>5</u>	<u>117</u>
At 30 June 2003	<u>112</u>	<u>4</u>	<u>116</u>

The company holds more than 20% of the following:

Name	Country of Incorporation	Class of share	Proportion held	Nature of business
S. Black (Shipping) Limited	England and Wales	Ordinary	100	Dormant
Commercial Transport International (Europe) Limited	England and Wales	Ordinary	50	Dormant
SBS Worldwide (Chicago) Inc.	U.S.A.	Ordinary	100	Shipping and forwarding
Bookshippers Worldwide Inc.	U.S.A.	Ordinary	100	Dormant

On 30 June 2003 the company's subsidiary SBS Worldwide (Boston) Inc., bought back the remaining 51% of its shares from SBS Worldwide Limited, and it ceased to be a subsidiary of the company.

Voting rights for each subsidiary are in line with the percentage held.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and Reserves £	Profit for the year £
S. Black (Shipping) Limited	2	-
Commercial Transport International (Europe) Limited	2	-
SBS Worldwide (Chicago) Inc.	182,719	79,137
Bookshippers Worldwide Inc.	<u>1</u>	<u>-</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

14 Debtors	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Trade debtors	5,675,604	4,850,347	5,110,716	4,529,112
Amounts owed by group undertakings	-	137,983	-	187,200
Other debtors	278,960	272,019	272,076	267,592
Prepayments and accrued income	374,474	335,537	387,243	328,777
	<u>6,329,038</u>	<u>5,595,886</u>	<u>5,770,035</u>	<u>5,312,681</u>

Amounts falling due after more than one year and included in the debtors above are :

	2004 £	2003 £
Other debtors (Note 4)	<u>136,287</u>	<u>153,323</u>

15 Creditors : Amounts falling due within one year	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Bank loans and overdrafts	502,856	173,249	371,212	250,000
Trade creditors	4,235,031	3,660,927	4,181,543	3,637,738
Amounts owed to group undertakings	-	217,587	-	227,214
Corporation tax	101,249	101,249	97,263	55,105
Social security and other taxes	125,614	125,614	125,227	125,227
Obligations under finance leases and hire purchase contracts	12,280	12,280	11,822	11,164
Accruals and deferred income	156,123	156,123	97,488	108,247
	<u>5,133,153</u>	<u>4,447,029</u>	<u>4,884,555</u>	<u>4,414,695</u>

16 Creditors : Amounts falling due after more than one year	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Bank loans	7,451	-	173,249	173,249
Obligations under finance leases	3,036	3,036	15,317	15,317
	<u>10,487</u>	<u>3,036</u>	<u>188,566</u>	<u>188,566</u>

Included within the above are amounts falling due as follows:

Due within 1 -2 years	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Bank loans	7,451	-	173,249	173,249
Finance lease and hire purchase obligations	3,036	3,036	15,317	15,317

The bank loan is secured by a debenture dated 13 March 2001 held by Barclays Bank plc and life policies on two of the directors, Mr N. Walker and Mr S. Walker.

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 17 Deferred tax asset

Movements on the deferred taxation asset are as follows:-

	2004 £	2003 £
At 1 July 2003	30,551	32,663
Adjustment for prior year	(1,520)	6,315
Difference on exchange	(351)	(497)
Transferred to the profit and loss account (Note 8)	(4,648)	(12,415)
Disposal of subsidiary	-	4,485
	<u>24,032</u>	<u>30,551</u>
At 30 June 2004	24,032	30,551
	<u>24,032</u>	<u>30,551</u>

The deferred tax asset is included in other debtors in both years.

### 18 (a) Shareholders' Funds - Group

2004	Share premium account £	Other reserves £	Capital redemption reserve £	Profit and loss account £	Share capital £	Total £
At 1 July 2003	7,500	11	89,521	1,305,169	120,479	1,522,680
Retained profit for the year	-	-	-	199,537	-	199,537
Foreign exchange difference	-	-	-	(8,788)	-	(8,788)
At 30 June 2004	<u>7,500</u>	<u>11</u>	<u>89,521</u>	<u>1,495,918</u>	<u>120,479</u>	<u>1,713,429</u>

	2004 £	2003 £
The share capital comprises:		
Authorised:		
190,000 Ordinary shares of £1 each	190,000	190,000
60,000 Deferred shares of £1 each	<u>60,000</u>	<u>60,000</u>
	<u>250,000</u>	<u>250,000</u>
Called up, allotted and fully paid:		
75,000 Ordinary shares of £1 each	75,000	75,000
45,479 Deferred shares of £1 each	<u>45,479</u>	<u>45,479</u>
	<u>120,479</u>	<u>120,479</u>

The deferred shares have no dividend, voting or capital rights.

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 18 (a) continued/.....

The movements in shareholders' funds in the previous year are set out below:

#### Shareholders' Funds - Group

2003	Share premium account	Other reserves £	Capital redemption reserve £	Profit and loss account £	Share capital £	Total £
At 1 July 2002	7,500	29,411	89,521	868,890	120,479	1,115,801
Retained profit for the year	-	-	-	441,564	-	441,564
Group share of subsidiaries' post acquisition share premium account	-	(29,400)	-	-	-	(29,400)
Foreign exchange difference	-	-	-	(5,285)	-	(5,285)
At 30 June 2003	<u>7,500</u>	<u>11</u>	<u>89,521</u>	<u>1,305,169</u>	<u>120,479</u>	<u>1,522,680</u>

### 18 (b) Shareholders' Funds - Company

2004	Share premium account £	Capital redemption reserve £	Profit and loss account £	Share capital £	Total £
At 1 July 2003	7,500	89,521	1,212,294	120,479	1,429,794
Profit for the year	-	-	100,917	-	100,917
At 30 June 2004	<u>7,500</u>	<u>89,521</u>	<u>1,313,211</u>	<u>120,479</u>	<u>1,530,711</u>

	2004 £	2003 £
The share capital comprises:		
Authorised:		
190,000 Ordinary shares of £1 each	190,000	190,000
60,000 Deferred shares of £1 each	<u>60,000</u>	<u>60,000</u>
	<u>250,000</u>	<u>250,000</u>
Called up, allotted and fully paid:		
75,000 Ordinary shares of £1 each	75,000	75,000
45,479 Deferred shares of £1 each	<u>45,479</u>	<u>45,479</u>
	<u>120,479</u>	<u>120,479</u>



# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

18 (b) continued/.....

The movements in shareholders' funds in the previous year are set out below:

2003	Share premium account £	Capital redemption reserve £	Profit and loss account £	Share capital £	Total £
At 1 July 2002	7,500	89,521	870,640	120,479	1,088,140
Profit for the year	-	-	341,654	-	341,654
At 30 June 2003	<u>7,500</u>	<u>89,521</u>	<u>1,212,294</u>	<u>120,479</u>	<u>1,429,794</u>

### 19 Reconciliation of Movements on Shareholder's Funds

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Reconciliation of movements on shareholder's funds				
Profit for the year	199,537	100,917	441,564	341,654
Dividends	-	-	-	-
	<u>199,537</u>	<u>100,917</u>	<u>441,564</u>	<u>341,654</u>
Elimination of Group share of subsidiaries' post acquisition share premium account	-	-	(29,400)	-
Foreign exchange differences	(8,788)	-	(5,285)	-
	<u>190,749</u>	<u>100,917</u>	<u>406,879</u>	<u>341,654</u>
Opening shareholders' funds	<u>1,522,680</u>	<u>1,429,794</u>	<u>1,115,801</u>	<u>1,088,140</u>
Closing shareholders' funds	<u>1,713,429</u>	<u>1,530,711</u>	<u>1,522,680</u>	<u>1,429,794</u>

### Analysis of shareholders' funds

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Non equity interest	45,479	45,479	45,479	45,479
Equity interest	<u>1,667,950</u>	<u>1,485,232</u>	<u>1,477,201</u>	<u>1,384,315</u>
	<u>1,713,429</u>	<u>1,530,711</u>	<u>1,522,680</u>	<u>1,429,794</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2004

### 20 Financial Commitments

At 30 June 2004, the group had the following commitments:

**(a) Annual commitments under non-cancellable operating leases as follows:-**

	Group 2004	Group 2003
	Land and buildings	Land and buildings
Expiry date:	£	£
Within 1 year	23,000	-
Between 2 and 5 years	192,897	333,201
In more than 5 years	315,000	194,000
	<u>530,900</u>	<u>527,201</u>
	Group 2004	Group 2003
	Other	Other
	£	£
Within 1 year	-	22,272
Between 2 and 5 years	-	-
In more than 5 years	-	-
	<u>-</u>	<u>-</u>

**(b) Finance leases**

At 30 June 2004, the company had obligations under finance leases and hire purchase contracts which are set out below:-

	Group 2004	Company 2004	Group 2003	Company 2003
	£	£	£	£
Net amount payable :				
Due within one year (Note 15)	12,280	12,280	11,822	11,164
Due within 2-5 years (Note 16)	3,036	3,036	15,317	15,317
	<u>15,316</u>	<u>15,316</u>	<u>27,139</u>	<u>26,481</u>

**(c) Forward foreign exchange contracts**

	<u>223,464</u>	<u>223,464</u>	<u>1,588,788</u>	<u>1,656,752</u>
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### 21 Ultimate Controlling Party

The directors consider that there is no ultimate controlling party.

### 22 Related Party Transactions

During the year SBS Worldwide Limited made sales of £388,404 (2003: £350,293) to S Black Limited, a company in which Mr S. Black, a director, has a material interest.

The directors, Mr N. Walker and Mr S. Walker, have given personal security in the form of life policies in respect of group debt.

S. Walker and N. Walker both purchased motor vehicles from the company in the year ended 30 June 2003 on an arms length basis for the amount of £20,650 each. This resulted in a total loss on disposal for the group of £3,909.