

**SBS WORLDWIDE LIMITED**

**Company No. 1739816**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2003**



# **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

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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 30th June 2003.

### 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 directors did not recommend the payment of a dividend during the year under review (2002: £200,000).

### 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 2003	At 1 July 2002
	£	£
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 (2002 : 35,955) £1 deferred shares

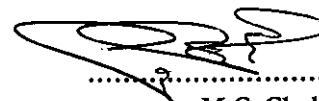
M.C. Clark and B.R. White have no interest in the shares of any group company.

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 company 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:

# **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 30th June 2003 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 the 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

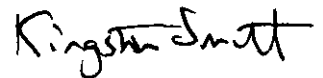
We conducted our audit in accordance with the Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

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 2003 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  
Chartered Accountants  
and Registered Auditors

Middlesex House  
800 Uxbridge Road  
Hayes  
Middlesex  
UB4 0RS

Dated: 23 January 2004

# SBS Worldwide Limited

## Consolidated Profit and Loss Account For the year ended 30 June 2003

	Note	2003 £	2002 £
<b>Turnover - continuing activities</b>	2	30,369,611	31,234,188
Cost of sales		<u>(22,056,765)</u>	<u>(22,622,300)</u>
<b>Gross Profit</b>		8,312,846	8,611,888
Administrative expenses		<u>(7,745,083)</u>	<u>(7,775,848)</u>
<b>Operating Profit - continuing activities</b>	3	567,763	836,040
Interest receivable and similar income	6	3,327	8,049
Interest payable and similar charges	7	(143,273)	(89,228)
Disposal of subsidiary	4	<u>212,044</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		639,861	754,861
Taxation	8	<u>(165,314)</u>	<u>(212,153)</u>
<b>Profit on ordinary activities after taxation</b>		474,547	542,708
Equity minority interest	9	<u>(32,983)</u>	<u>(38,622)</u>
<b>Profit for the year</b>		441,564	504,086
Dividends	11	-	(200,000)
<b>Retained Profit transferred to reserves</b>	18(a)	<u>441,564</u>	<u>304,086</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 2003

	2003 £	2002 £
Profit for the financial year after taxation	441,564	304,086
Currency translation differences on foreign currency net investments	(5,285)	(7,105)
<b>Total gains and losses relating to the year</b>	<u><u>436,279</u></u>	<u><u>296,981</u></u>



# SBS Worldwide Limited

## Consolidated Balance Sheet at 30 June 2003

	Notes	2003		2002	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12	425,536		543,609	
Investments	13(a)	<u>112</u>		<u>112</u>	
			425,648		543,721
<b>Current Assets</b>					
Debtors	14	5,770,035		6,864,653	
Cash at bank and in hand		<u>400,118</u>		<u>61,617</u>	
		6,170,153		6,926,270	
<b>Creditors : Amounts falling due within one year</b>	15	<u>(4,884,555)</u>		<u>(5,879,289)</u>	
<b>Net Current Assets</b>			<u>1,285,598</u>		<u>1,046,981</u>
<b>Total Assets Less Current Liabilities</b>			1,711,246		1,590,702
<b>Creditors: Amounts falling due after more than one year</b>	16		(188,566)		(438,201)
Minority interests - equity interests	9		-		(36,700)
<b>Net Assets</b>			<u><u>1,522,680</u></u>		<u><u>1,115,801</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		29,411
Capital redemption reserve	18(a)		89,521		89,521
Profit and loss account	18(a)		<u>1,305,169</u>		<u>868,890</u>
<b>Shareholders' Funds (non equity interests included)</b>			<u><u>1,522,680</u></u>		<u><u>1,115,801</u></u>

Approved by the board on 16 January 2004

N. Walker.....

S. Walker..... Directors

# SBS Worldwide Limited

## Company Balance Sheet at 30 June 2003

	Notes	2003		2002	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12(b)		334,176		379,812
Investments	(b)		<u>116</u>		<u>117</u>
			334,292		379,929
<b>Current Assets</b>					
Debtors	14	5,312,681		6,424,177	
Cash at bank and in hand		<u>386,082</u>		<u>36,412</u>	
		5,698,763		6,460,589	
Creditors : Amounts falling due within one year	15	<u>(4,414,695)</u>		<u>(5,329,129)</u>	
<b>Net Current Assets</b>			<u>1,284,068</u>		<u>1,131,460</u>
<b>Total Assets Less Current Liabilities</b>			1,618,360		1,511,389
Creditors: Amounts falling due after more than one year	16		(188,566)		(423,249)
<b>Net Assets</b>			<u><u>1,429,794</u></u>		<u><u>1,088,140</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>1,212,294</u>		<u>870,640</u>
<b>Shareholders' Funds (non-equity interests included)</b>			<u><u>1,429,794</u></u>		<u><u>1,088,140</u></u>

Approved by the board on 16 January 2004.

N. Walker.....

S. Walker.....Directors

# SBS Worldwide Limited

## Consolidated Cash Flow Statement For the year ended 30 June 2003

	2003		2002	
	£	£	£	£
<b>Net Cash Inflow from Operating Activities (Note 1)</b>		1,189,173		404,192
<b>Return on Investments and Servicing of Finance</b>				
Interest received	3,327		8,049	
Interest paid	(62,141)		(78,279)	
Interest element of finance lease rentals	(3,830)		(10,949)	
<b>Net Cash (Outflow) from Returns on Investments and Servicing of Finance</b>		(62,644)		(81,179)
<b>Taxation paid</b>		(207,995)		(318,228)
<b>Capital Expenditure</b>				
Payments to acquire tangible fixed assets	(141,609)		(192,372)	
Payments to acquire investments	-		(112)	
Receipts from sales of tangible fixed assets	41,601		1,645	
Receipts from sale of shares	-		15,789	
Receipts from sale of subsidiary	66,421		-	
Cash and overdrafts disposed of in subsidiary	(191,141)		-	
<b>Net Cash (Outflow) from Investing Activities</b>		(224,728)		(175,050)
<b>Equity dividends paid</b>		(150,000)		(50,000)
<b>Cash Inflow/(Outflow) before Financing</b>		543,806		(220,265)
<b>Financing</b>				
New bank loan	121,212		15,868	
Repayment of loan	(270,156)		(275,237)	
Capital element of finance lease rentals	(55,510)		(87,250)	
<b>Net Cash Outflow from Financing</b>		(204,454)		(346,619)
<b>Increase/(Decrease) in cash</b>		339,352		(566,884)

# SBS Worldwide Limited

## Notes to the Consolidated Cash Flow Statement

For the year ended 30 June 2003

1 Reconciliation of Operating Profit to net cash inflow from Operating Activities	2003 £	2002 £
Operating profit	567,763	836,040
Depreciation of tangible fixed assets	229,619	243,002
Decrease/(Increase) in debtors	1,245,829	(446,171)
(Decrease) in creditors	(857,621)	(231,953)
Loss on sale of tangible assets	3,583	3,274
<b>Net cash inflow from operating activities</b>	<b>1,189,173</b>	<b>404,192</b>

2 Analysis of changes in Net Debt	At 1 July 2002 £	Cash flows £	Non-cash changes £	Exchange movements £	At 30 June 2003 £
Cash at bank and in hand	61,617	339,352	-	(851)	400,118
Debt due within one year	(257,171)	(114,606)	-	565	(371,212)
Debt due after one year	(437,958)	263,550	-	1,159	(173,249)
Finance leases due within one year	(48,430)	35,620	-	988	(11,822)
Finance leases due after one year	(243)	19,890	(34,985)	21	(15,317)
<b>Net Debt</b>	<b>(682,185)</b>	<b>543,806</b>	<b>(34,985)</b>	<b>1,882</b>	<b>(171,482)</b>

3 Reconciliation of cash flow to movement in net debt	2003 £	2002 £
Increase/(Decrease) in cash during the year	339,352	(566,884)
Loan repayments	270,156	275,237
New bank loan	(121,212)	(15,868)
Capital element of finance lease rentals	55,510	87,250
Change in net debt resulting from cash flows	543,806	(220,265)
New finance leases	(34,985)	-
Exchange movements	1,882	-
Net (debt) at 1 July 2002	(682,185)	(461,920)
<b>Net (debt) At 30 June 2003</b>	<b>(171,482)</b>	<b>(682,185)</b>

#### 4 Major Non-Cash Transactions

During the year, the group entered into new hire purchase agreements with a total value of £34,985.

# SBS Worldwide Limited

## Notes to the Consolidated Cash Flow Statement (continued)

For the year ended 30 June 2003

<b>5 Disposal of subsidiary</b>	<b>2003</b>
	<b>£</b>
<b>Net assets disposed of:</b>	
Tangible fixed assets	6,407
Debtors	371,064
Deferred tax asset	5,515
Cash and overdrafts	191,141
Creditors	(269,048)
Taxation	(15,515)
Loans	(153,253)
	<u>136,311</u>
51% Net assets	69,517
Profit on disposal	<u>212,044</u>
	<u>281,561</u>
<b>Satisfied by:</b>	
Repayment of loan	61,818
Cash received	89,697
Deferred consideration	151,515
Costs of disposal	(21,469)
	<u>281,561</u>

The subsidiary sold during the year contributed £166,628 to the group's net operating cash flows.

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

### 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. The accounting policy in respect of deferred taxation changed during the year as described in the deferred tax accounting policy note.

#### 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 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.

#### 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.

#### 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. Exchange differences are taken into account in arriving at the operating profit.

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.

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2003

### Deferred Taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19 - Deferred Tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of this standard has not required a prior period adjustment.

### 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.

### Fixed Assets investments

Investments are stated at cost or valuation less any provisions for impairment.

## 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 2003 £	Group 2002 £
The operating profit is stated after charging:		
Depreciation:		
- owned tangible fixed assets	189,987	187,529
- assets held under finance leases	39,632	55,484
Audit fee:		
- group	39,253	38,734
- company	19,000	18,800
Auditors remuneration - non-audit services	29,328	18,368
Operating leases:		
- Plant and machinery	47,069	87,741
- Other	583,599	611,286
Foreign exchange differences	10,889	25,395
Loss on sale of fixed assets	<u>3,583</u>	<u>3,274</u>

## 4 Sale of Subsidiary

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 year end.

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.

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

### 5 Employee Information

	Group 2003 £	Group 2002 £
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	4,325,355	4,176,264
Social security costs	420,868	387,795
Other pension costs	95,493	94,037
	<u>4,841,716</u>	<u>4,658,096</u>

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

	Group 2003	Group 2002
Office and Management	<u>143</u>	<u>147</u>

### Directors' Emoluments

	Group 2003 £	Group 2002 £
Aggregate emoluments	668,282	588,569
Pension contributions	<u>28,349</u>	<u>28,168</u>
	<u>696,631</u>	<u>616,737</u>

Four directors accrue benefits under the money purchase pension scheme to which contributions were paid in 2002 and 2003.

Money purchase pension contributions paid in respect of the highest paid director were £10,750 (2002 : £10,758).

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

	Group 2003 £	Group 2002 £
Highest paid director	<u>214,381</u>	<u>192,682</u>

### 6 Interest Receivable

	Group 2003 £	Group 2002 £
Bank interest	<u>3,327</u>	<u>8,049</u>



# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

### 7 Interest Payable

	Group 2003 £	Group 2002 £
Interest payable on bank loans and overdrafts wholly repayable within 5 years	57,242	76,081
Interest on other loans	4,899	2,198
Interest on finance leases and hire purchase contracts	3,830	10,949
Loss on foreign exchange	77,302	-
	<u>143,273</u>	<u>89,228</u>

### 8 Taxation

#### (a) Analysis of charges for the year

##### Current year tax

	Group 2003 £	Group 2002 £
UK corporation tax	90,374	229,188
Foreign tax	<u>68,840</u>	<u>8,062</u>

##### Current tax charge

	159,214	237,250
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##### Deferred tax

	Group 2003 £	Group 2002 £
Deferred tax charge/(credit) for year	12,415	(25,097)
Adjustment for prior years	<u>(6,315)</u>	<u>-</u>

	<u>165,314</u>	<u>212,153</u>
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#### (b) Factors effecting the tax charge for the year

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:

	Group 2003 £	Group 2002 £
Profit on ordinary activities before tax	<u>639,861</u>	<u>754,861</u>

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%

	191,958	226,458
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Effects of:

	Group 2003 £	Group 2002 £
Expenses not deductible for tax purposes	36,433	38,231
Depreciation	47,192	48,821
Capital allowances	(54,155)	(40,963)
Adjustments to previous periods	269	-
Chargeable disposals	(65,923)	-
Other tax differences	<u>3,440</u>	<u>(35,297)</u>
Current tax charge for the year	<u>159,214</u>	<u>237,250</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

### 9 Minority Interest

	Group 2003 £	Group 2002 £
Balance at 1st July 2002	(36,700)	(10,936)
Share premium	-	12,858
Profit for the year	(32,983)	(38,622)
Disposal of subsidiary	69,683	-
<b>Balance at 30th June 2003</b>	<b>-</b>	<b>(36,700)</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 £341,654 (2002 : £409,636).

### 11 Dividends

	Group 2003 £	Group 2002 £
Interim dividends paid - Equity shares	-	50,000
Final dividends proposed - Equity shares	-	150,000
	-	200,000

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2003

### 12 (a) Tangible Assets - Group

	Leasehold Improve- ments £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2002	52,427	1,037,982	602,242	138,893	1,831,544
Difference on exchange	(897)	(14,243)	(9,927)	-	(25,067)
Additions	-	159,377	17,217	-	176,594
Disposals	-	-	-	(123,771)	(123,771)
Elimination on sale of subsidiary	-	(49,579)	(4,675)	-	(54,254)
<b>At 30 June 2003</b>	<b>51,530</b>	<b>1,133,537</b>	<b>604,857</b>	<b>15,122</b>	<b>1,805,046</b>
<b>Depreciation</b>					
At 1 July 2002	33,855	821,906	344,844	87,330	1,287,935
Difference on exchange	(415)	(6,597)	(4,598)	-	(11,610)
Charge for the year	3,861	164,619	59,544	1,595	229,619
On disposals	-	-	-	(78,587)	(78,587)
Elimination on sale of subsidiary	-	(43,845)	(4,002)	-	(47,847)
<b>At 30 June 2003</b>	<b>37,301</b>	<b>936,083</b>	<b>395,788</b>	<b>10,338</b>	<b>1,379,510</b>
<b>Net Book Value</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>
<b>At 30 June 2002</b>	<b>18,572</b>	<b>216,076</b>	<b>257,398</b>	<b>51,563</b>	<b>543,609</b>

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

	Net Book Value		Depreciation	
	2003	2002	2003	2002
	£	£	£	£
Computer equipment	21,176	17,712	24,771	32,037
Fixtures, fittings and equipment	29,128	37,239	14,861	8,711
Motor vehicles	-	44,209	-	14,736
	<b>50,304</b>	<b>99,160</b>	<b>39,632</b>	<b>55,484</b>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2003

### 12 (b) Tangible Assets - Company

	Leasehold Improve- ments £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 July 2002	41,047	813,135	484,095	138,893	1,477,170
Additions	-	148,680	8,175	-	156,855
Disposals	-	-	-	(123,771)	(123,771)
At 30 June 2003	41,047	961,815	492,270	15,122	1,510,254
<b>Depreciation</b>					
At 1 July 2002	32,347	662,868	314,813	87,330	1,097,358
Charge for the year	2,363	117,880	35,469	1,595	157,307
Eliminated on disposal	-	-	-	(78,587)	(78,587)
At 30 June 2003	34,710	780,748	350,282	10,338	1,176,078
<b>Net Book Value</b>					
At 30 June 2003	6,337	181,067	141,988	4,784	334,176
At 30 June 2002	8,700	150,267	169,282	51,563	379,812

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

	Net book value		Depreciation	
	2003	2002	2003	2002
	£	£	£	£
Computer equipment	21,177	-	7,059	-
Fixtures, fittings and equipment	16,355	13,694	4,089	3,424
Motor vehicles	-	44,209	-	14,736
	37,532	57,903	11,148	18,160

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

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

	Other Shares £
Cost	
At 1 July 2002 and 30 June 2003	<u>112</u>

### (b) Fixed Asset Investment - Company

Cost	Other Shares £	Shares in group undertaking £	Total £
At 1 July 2002	112	5	117
Disposal in year	-	(1)	(1)
At 30 June 2003	<u>112</u>	<u>4</u>	<u>116</u>
 Net Book Value			
At 30 June 2003	<u>112</u>	<u>4</u>	<u>116</u>
At 30 June 2002	<u>112</u>	<u>5</u>	<u>117</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

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.	<u>112,370</u>	<u>86,153</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

14 Debtors	Group 2003 £	Company 2003 £	Group 2002 £	Company 2002 £
Trade debtors	5,110,716	4,529,112	6,262,393	5,201,142
Amounts owed by group undertakings	-	187,200	-	689,622
Other debtors	272,076	267,592	167,524	150,353
Prepayments and accrued income	387,243	328,777	434,736	383,060
	<u>5,770,035</u>	<u>5,312,681</u>	<u>6,864,653</u>	<u>6,424,177</u>

Included in other debtors is an amount of £153,323 due after one year from SBS Worldwide (Boston) Inc.

15 Creditors : Amounts falling due within one year	Group 2003 £	Company 2003 £	Group 2002 £	Company 2002 £
Bank loans and overdrafts	371,212	250,000	257,171	250,000
Trade creditors	4,181,543	3,637,738	4,601,660	4,123,808
Amounts owed to group undertakings	-	227,214	-	284,436
Corporation tax	97,263	55,105	158,622	158,622
Social security and other taxes	125,227	125,227	119,112	115,925
Proposed dividends	-	-	150,000	150,000
Obligations under finance leases and hire purchase contracts	11,822	11,164	48,430	36,880
Accruals and deferred income	97,488	108,247	544,294	209,458
	<u>4,884,555</u>	<u>4,414,695</u>	<u>5,879,289</u>	<u>5,329,129</u>

16 Creditors : Amounts falling due after more than one year	Group 2003 £	Company 2003 £	Group 2002 £	Company 2002 £
Bank loans	173,249	173,249	437,958	423,249
Obligations under finance leases	15,317	15,317	243	-
	<u>188,566</u>	<u>188,566</u>	<u>438,201</u>	<u>423,249</u>

Included within the above are amounts falling due as follows:

	Group 2003 £	Company 2003 £	Group 2002 £	Company 2002 £
<b>Due within 1 -2 years</b>				
Bank loans	173,249	173,249	264,709	250,000
Finance lease and hire purchase obligations	15,317	15,317	243	-
	<u>188,566</u>	<u>188,566</u>	<u>264,952</u>	<u>250,000</u>
<b>Due within 2 -5 years</b>				
Bank loans	-	-	173,249	173,249
Finance lease and hire purchase obligations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 2003

### 17 Deferred Tax Asset

	2003 £	2002 £
Movements on the deferred taxation asset are as follows:-		
At 1 July 2002	32,663	-
Adjustment for prior year	6,315	-
Difference on exchange	(497)	-
Transferred to the profit and loss account (Note 8)	(12,415)	32,663
Disposal of subsidiary	4,485	-
At 30 June 2003	<u>30,551</u>	<u>32,663</u>
	2003 £	2002 £
Depreciation in excess of capital allowances	<u>36,066</u>	<u>32,663</u>

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

### 18 (a) 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
Profit for the year	-	-	-	441,564	-	441,564
Elimination of 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>

	2003 £	2002 £
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 2003

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

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

#### Shareholders' Funds - Group

2002	Share premium account	Other reserves	Capital redemption reserve	Profit and loss account	Share capital	Total
	£	£	£	£	£	£
At 1 July 2001	7,500	27,434	89,521	571,909	120,479	816,843
Profit for the year	-	-	-	304,086	-	304,086
Group share of subsidiaries' post acquisition share	-	1,977	-	-	-	1,977
Foreign exchange difference	-	-	-	(7,105)	-	(7,105)
At 30 June 2002	<u>7,500</u>	<u>29,411</u>	<u>89,521</u>	<u>868,890</u>	<u>120,479</u>	<u>1,115,801</u>

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

	2003	2002
	£	£
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 movements in shareholders' funds in the previous year are set out below:

2002	Share premium account	Capital redemption reserve	Profit and loss account	Share capital	Total
	£	£	£	£	£
At 1 July 2001	7,500	89,521	661,004	120,479	878,504
Profit for the year	-	-	209,636	-	209,636
At 30 June 2002	<u>7,500</u>	<u>89,521</u>	<u>870,640</u>	<u>120,479</u>	<u>1,088,140</u>



# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements

For the year ended 30 June 2003

<b>19 Reconciliation of Movements on Shareholder's Funds</b>	<b>Group 2003 £</b>	<b>Company 2003 £</b>	<b>Group 2002 £</b>	<b>Company 2002 £</b>
Reconciliation of movements on shareholder's funds				
Profit for the year	441,564	341,654	504,086	409,636
Dividends	-	-	(200,000)	(200,000)
	<u>441,564</u>	<u>341,654</u>	<u>304,086</u>	<u>209,636</u>
Elimination of Group share of subsidiaries' post acquisition share premium account	(29,400)	-	1,977	-
Foreign exchange differences	(5,285)	-	(7,105)	-
	<u>406,879</u>	<u>341,654</u>	<u>298,958</u>	<u>209,636</u>
Opening shareholders' funds	<u>1,115,801</u>	<u>870,640</u>	<u>816,843</u>	<u>878,504</u>
Closing shareholders' funds	<u>1,522,680</u>	<u>1,212,294</u>	<u>1,115,801</u>	<u>1,088,140</u>
 <b>Analysis of shareholders' funds</b>	 <b>Group 2003 £</b>	 <b>Company 2003 £</b>	 <b>Group 2002 £</b>	 <b>Company 2002 £</b>
Non equity interest	45,479	45,479	45,479	45,479
Equity interest	<u>1,477,201</u>	<u>1,166,815</u>	<u>1,070,322</u>	<u>1,042,661</u>
	<u>1,522,680</u>	<u>1,212,294</u>	<u>1,115,801</u>	<u>1,088,140</u>

# SBS Worldwide Limited

## Notes to the Consolidated Financial Statements For the year ended 30 June 2003

### 20 Financial Commitments

	Group 2003 £	Group 2002 £
At 30th June 2003, the group had the following commitments		
(a) Annual commitments under non-cancellable operating leases as follows:-	Land and buildings	Land and buildings
Expiry date:		
Within 1 year	-	14,500
Between 2 and 5 years	333,201	199,263
In more than 5 years	194,000	408,191

### (b) Finance leases

At 30th June 2002, the company had obligations under finance leases and hire purchase contracts which are set out below:-

	Group 2003 £	Company 2003 £	Group 2002 £	Company 2002 £
Net amount payable :				
Due within one year (Note 15)	11,822	11,164	48,430	36,880
Due within 2-5 years (Note 16)	15,317	15,317	243	-
	<u>27,139</u>	<u>26,481</u>	<u>48,673</u>	<u>36,880</u>

(c) Forward foreign exchange contracts	-	-	1,588,788	1,656,752
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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 £350,293 (2002: £307,604) 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, 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.