

SBS Worldwide Limited

Company No. 1739816



Consolidated Financial Statements

For the year ended

30 June 2005



SBS Worldwide Limited

Company Information

Directors

S. Black
S. Walker
N. Walker
M.C. Clark
R.K. Snelson

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 30 June 2005.

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 5. The directors consider the results for the year to be satisfactory and expect growth in the future.

The company paid an interim dividend of £150,000 (2004 : £100,000) during the year under review. The directors have not recommended the payment of a final dividend.

Directors

The following directors have held office since 1 July 2004:

S. Black

S. Walker

N. Walker

B.R. White (Resigned 20 May 2005)

M.C. Clark

R.K. Snelson (Appointed 1 June 2005)

Directors and their interests

The directors who served the company during the year and their beneficial interest in the company's issued share capital were as follows:

	Ordinary shares of £1 each	
	At 30 June 2005	At 1 July 2004
	£	£
S. Black	15,000	15,000
S. Walker	32,998	32,998
N. Walker	27,002	27,002
B.R. White	-	-
M.C. Clark	-	-
R.K. Snelson	-	-

	Deferred shares of £1 each	
	At 30 June 2005	At 1 July 2004
S. Black	35,955	35,955
S. Walker	-	-
N. Walker	-	-
B.R. White	-	-
M.C. Clark	-	-
R.K. Snelson	-	-

SBS Worldwide Limited has an interest in group undertakings as detailed in Note 11(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.

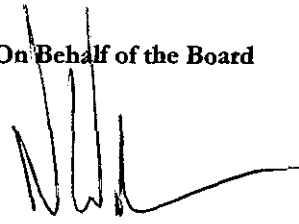
SBS Worldwide Limited

Report of the Directors (continued)

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.

On Behalf of the Board



N. Walker
Director

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

Dated : 21 April 2006

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 Shareholders of SBS Worldwide Limited

We have audited the financial statements of SBS Worldwide Limited for the year ended 30 June 2005 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 audit 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 2005 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 : *28 April 2006*

SBS Worldwide Limited
Consolidated Profit and Loss Account
For the year ended 30 June 2005

	Note	2005 £	2004 £
Turnover	2	34,466,201	30,998,494
Cost of sales		<u>(25,449,893)</u>	<u>(22,906,352)</u>
Gross profit		9,016,308	8,092,142
Administrative expenses		<u>(8,541,381)</u>	<u>(7,507,408)</u>
Operating profit	3	474,927	584,734
Interest receivable and similar income	5	9,255	10,230
Interest payable and similar charges	6	<u>(136,683)</u>	<u>(129,309)</u>
Profit on ordinary activities before taxation		347,499	465,655
Taxation	7	<u>(162,137)</u>	<u>(166,118)</u>
Profit on ordinary activities after taxation		185,362	299,537
Dividends	9	<u>(150,000)</u>	<u>(100,000)</u>
Retained profit transferred to reserves	16(a)	<u>35,362</u>	<u>199,537</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 2005

	2005 £	2004 £
Profit for the financial year after taxation	185,362	299,537
Currency translation differences on foreign currency net investments	-	(8,788)
Total gains and losses relating to the year	<u>185,362</u>	<u>290,749</u>

SBS Worldwide Limited

Consolidated Balance Sheet as at 30 June 2005

	Notes	2005		2004	
		£	£	£	£
Fixed Assets					
Tangible assets	10(a)	476,370		394,208	
Investments	11(a)	<u>112</u>		<u>112</u>	
			476,482		394,320
Current Assets					
Debtors	12	6,646,232		6,329,038	
Cash at bank and in hand		<u>294,027</u>		<u>133,711</u>	
		6,940,259		6,462,749	
Creditors : Amounts falling due within one year	13	<u>(5,667,950)</u>		<u>(5,133,153)</u>	
Net Current Assets			<u>1,272,309</u>		<u>1,329,596</u>
Total Assets Less Current Liabilities			1,748,791		1,723,916
Creditors: Amounts falling due after more than one year	14		-		(10,487)
Net Assets			<u>1,748,791</u>		<u>1,713,429</u>
Capital and Reserves					
Called up share capital	16(a)		120,479		120,479
Share premium account	16(a)		7,500		7,500
Other reserves	16(a)		11		11
Capital redemption reserve	16(a)		89,521		89,521
Profit and loss account	16(a)		<u>1,531,280</u>		<u>1,495,918</u>
Shareholders' Funds (non equity interests included)			<u>1,748,791</u>		<u>1,713,429</u>

Approved by the board on ... 21 April 2006

N. Walker.....

S. Walker..... Directors

SBS Worldwide Limited

Company Balance Sheet as at 30 June 2005

	Notes	2005		2004	
		£	£	£	£
Fixed Assets					
Tangible assets	10(b)		299,968		290,065
Investments	11(b)		<u>117</u>		<u>117</u>
			300,085		290,182
Current Assets					
Debtors	12	5,891,353		5,595,886	
Cash at bank and in hand		<u>293,518</u>		<u>94,708</u>	
		6,184,871		5,690,594	
Creditors : Amounts falling due within one year	13	<u>(4,861,976)</u>		<u>(4,447,029)</u>	
Net Current Assets			<u>1,322,895</u>		<u>1,243,565</u>
Total Assets Less Current Liabilities			1,622,980		1,533,747
Creditors: Amounts falling due after more than one year	14		-		(3,036)
Net Assets			<u><u>1,622,980</u></u>		<u><u>1,530,711</u></u>
Capital and Reserves					
Called up share capital	16(b)		120,479		120,479
Share premium account	16(b)		7,500		7,500
Capital redemption reserve	16(b)		89,521		89,521
Profit and loss account	16(b)		<u>1,405,480</u>		<u>1,313,211</u>
Shareholders' Funds (non-equity interests included)			<u><u>1,622,980</u></u>		<u><u>1,530,711</u></u>

Approved by the board on

N. Walker.....

S. Walker.....Directors

SBS Worldwide Limited
Consolidated Cash Flow Statement
For the year ended 30 June 2005

	2005		2004	
	£	£	£	£
Net Cash Inflow from Operating Activities (Note 1)		779,436		193,689
Return on Investments and Servicing of Finance				
Interest received	9,255		7,374	
Interest paid	(38,249)		(35,511)	
Interest element of finance lease rentals	(842)		(1,987)	
Net Cash Outflow from Returns on Investments and Servicing of Finance		(29,836)		(30,124)
Taxation		(136,331)		(127,228)
Capital Expenditure and Financial Investment				
Payments to acquire tangible fixed assets	(269,302)		(170,714)	
Receipts from sales of tangible fixed assets	2,600		5,514	
Net Cash Outflow from Capital Expenditure		(266,702)		(165,200)
Equity Dividends Paid		(150,000)		(100,000)
Cash Inflow/(Outflow) before Financing		196,567		(228,863)
Financing				
New bank loan	167,598		240,224	
Repayment of loan	(191,157)		(264,898)	
Capital element of finance lease rentals	(12,692)		(11,772)	
Net Cash Outflow from Financing		(36,251)		(36,446)
Increase/(Decrease) in Cash (Note 3)		160,316		(265,309)

SBS Worldwide Limited

Notes to the Consolidated Cash Flow Statement For the year ended 30 June 2005

1 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities	2005 £	2004 £
Operating profit	474,927	584,734
Depreciation of tangible fixed assets	183,684	190,622
(Increase) in debtors	(302,225)	(693,447)
Increase in creditors	422,194	112,510
Loss/(Profit) on sale of tangible assets	856	(730)
Net cash inflow from operating activities	779,436	193,689

2 Analysis of Net Debt	At 1 July 2004 £	Cash flows £	Non-cash changes £	Exchange movements £	At 30 June 2005 £
Cash at bank and in hand	133,711	160,316	-	-	294,027
Debt due within one year	(502,856)	16,108	-	-	(486,748)
Debt due after one year	(7,451)	7,451	-	-	-
Finance leases due within one year	(12,280)	9,656	-	-	(2,624)
Finance leases due after one year	(3,036)	3,036	-	-	-
Net Debt	(391,912)	196,567	-	-	(195,345)

3 Reconciliation of Net Cash Flow to Movement in Net Debt (Note 2)	2005 £	2004 £
Increase/(Decrease) in cash during the year	160,316	(265,309)
Loan repayments	191,157	264,898
New bank loan	(167,598)	(240,224)
Capital element of finance lease rentals	12,692	11,772
Change in net debt resulting from cash flows	196,567	(228,863)
New finance leases	-	-
Exchange movements	-	8,433
Net (debt) at at 1 July 2004	(391,912)	(171,482)
Net (debt) at At 30 June 2005	(195,345)	(391,912)

SBS Worldwide Limited

Notes to the Consolidated Financial Statements For the year ended 30 June 2005

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 policies remain unchanged 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.

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 11 years
Motor vehicles	25% reducing balance basis
Fixtures and fittings	20% reducing balance basis
Computer equipment	25% straight line basis

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.

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 2005

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. The assets of the scheme are held separately from the assets of the company. Contributions are charged to the profit and loss account in the year they become due.

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 2005 £	Group 2004 £
The operating profit is stated after charging:		
Depreciation:		
- owned tangible fixed assets	176,625	174,415
- assets held under finance leases	7,059	13,613
Audit fee:		
- group	46,788	30,056
- company	25,000	20,000
Auditors remuneration - non-audit services	51,478	69,803
Operating leases:		
- Plant and machinery	-	18,340
- Other	560,579	540,346
Foreign exchange differences	16,592	13,334
Loss on sale of fixed assets	856	-
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 2005

4 Employee information

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

	Group 2005 £	Group 2004 £
Wages and salaries	4,690,176	4,130,549
Social security costs	474,602	419,686
Other pension costs	105,968	103,142
	<u>5,270,746</u>	<u>4,653,377</u>

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

	Group 2005	Group 2004
Office and Management	<u>165</u>	<u>140</u>

Directors' emoluments

	Group 2005 £	Group 2004 £
Emoluments for qualifying services	619,441	573,300
Company pension contributions to money purchase schemes	29,220	28,518
	<u>648,661</u>	<u>601,818</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2004: 4).

Money purchase pension contributions paid in respect of the highest paid director were £10,750 (2004 : £10,750).

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

	Group 2005 £	Group 2004 £
Highest paid director	<u>219,702</u>	<u>201,009</u>

SBS Worldwide Limited

Notes to the Consolidated Financial Statements For the year ended 30 June 2005

5 Interest receivable

	Group 2005 £	Group 2004 £
Bank interest	9,255	7,374
Other interest	-	2,856
	<u>9,255</u>	<u>10,230</u>

6 Interest payable

	Group 2005 £	Group 2004 £
Interest payable on bank loans and overdrafts wholly repayable within 5 years	36,790	31,250
Interest on other loans	2,056	4,261
Interest on finance leases and hire purchase contracts	842	1,987
Loss on foreign exchange	96,995	91,811
	<u>136,683</u>	<u>129,309</u>

7 Taxation

(a) Analysis of charges for the year

Current year tax

UK corporation tax	142,027	121,496
Foreign tax	<u>12,347</u>	<u>38,454</u>

Current tax charge

	154,374	159,950
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Deferred tax

Deferred tax charge for year	6,227	4,648
Adjustment for prior years	<u>1,536</u>	<u>1,520</u>

	<u>162,137</u>	<u>166,118</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% (2004 : 30%)

The differences are explained below:

	Group 2005 £	Group 2004 £
Profit on ordinary activities before tax	<u>347,499</u>	<u>465,655</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 : 30%)	104,250	139,696
Effects of :		
Expenses not deductible for tax purposes	30,899	40,700
Depreciation	40,179	45,077
Capital allowances	(45,795)	(37,639)
Adjustments to previous periods	-	(14,563)
Other tax differences	<u>24,841</u>	<u>(13,321)</u>
Current tax charge for the year	<u>154,374</u>	<u>159,950</u>

SBS Worldwide Limited

Notes to the Consolidated Financial Statements For the year ended 30 June 2005

8 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 £242,269 (2004 : £200,917).

9 Dividends

	Group 2005 £	Group 2004 £
Interim dividends paid - Equity shares	<u>150,000</u>	<u>100,000</u>

10 (a) Tangible Assets - Group

	Leasehold Improve- ments £	Computer equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 July 2004	53,774	1,253,929	623,215	5,083	1,936,001
Additions	-	212,271	57,031	-	269,302
Disposals	-	-	(6,750)	-	(6,750)
At 30 June 2005	<u>53,774</u>	<u>1,466,200</u>	<u>673,496</u>	<u>5,083</u>	<u>2,198,553</u>
Depreciation					
At 1 July 2004	41,368	1,051,995	447,583	847	1,541,793
Charge for the year	3,065	124,579	55,023	1,017	183,684
On disposals	-	-	(3,294)	-	(3,294)
At 30 June 2005	<u>44,433</u>	<u>1,176,574</u>	<u>499,312</u>	<u>1,864</u>	<u>1,722,183</u>
Net Book Value					
At 30 June 2005	<u>9,341</u>	<u>289,626</u>	<u>174,184</u>	<u>3,219</u>	<u>476,370</u>
At 30 June 2004	<u>12,406</u>	<u>201,934</u>	<u>175,632</u>	<u>4,236</u>	<u>394,208</u>

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

	Net Book Value		Depreciation	
	2005 £	2004 £	2005 £	2004 £
Computer equipment	7,059	14,119	7,059	7,058
Fixtures, fittings and equipment	-	19,926	-	6,555
	<u>7,059</u>	<u>34,045</u>	<u>7,059</u>	<u>13,613</u>

SBS Worldwide Limited

Notes to the Consolidated Financial Statements

For the year ended 30 June 2005

10 (b) Tangible Assets - Company

	Leasehold Improve- ments £	Computer equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2004	44,110	1,051,994	509,957	1,606,061
Additions	-	106,792	40,498	147,290
Disposals	-	-	(6,750)	(6,750)
At 30 June 2005	44,110	1,158,786	543,705	1,746,601
Depreciation				
At 1 July 2004	37,080	896,721	382,195	1,315,996
Charge for the year	1,454	99,711	32,766	133,931
Eliminated on disposal	-	-	(3,294)	(3,294)
At 30 June 2005	38,534	996,432	411,667	1,446,633
Net Book Value				
At 30 June 2005	5,576	162,354	132,038	299,968
At 30 June 2004	7,030	155,273	127,762	290,065

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

	Net book value		Depreciation	
	2005 £	2004 £	2005 £	2004 £
Computer equipment	7,059	14,119	7,059	7,058
Fixtures, fittings and equipment	-	13,084	-	3,271
	7,059	27,203	7,059	10,329

SBS Worldwide Limited

Notes to the Consolidated Financial Statements For the year ended 30 June 2005

11 (a) Fixed Asset Investments - Group

	Other Shares £
Cost	
At 1 July 2004 and 30 June 2005	<u>112</u>

11 (b) Fixed Asset Investment - Company

	Other Shares £	Shares in group undertaking £	Total £
Cost			
At 1 July 2004 and 30 June 2005	<u>112</u>	<u>5</u>	<u>117</u>
Net Book Value			
At 30 June 2004 and 30 June 2005	<u>112</u>	<u>5</u>	<u>117</u>

The company holds more than 20% of the following:

Name	Country of registration or incorporation	Class of share Class	%	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 Inc. (formerly SBS Worldwide (Chicago) Inc.)	U.S.A.	Ordinary	100	Shipping and forwarding
Bookshippers Worldwide Inc.	U.S.A.	Ordinary	100	Shipping and forwarding

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/(loss) for the year £
S. Black (Shipping) Limited	2	-
Commercial Transport International (Europe) Limited	2	-
SBS Worldwide Inc. (formerly SBS Worldwide (Chicago) Inc.)	242,040	59,321
Bookshippers Worldwide Inc.	<u>(116,224)</u>	<u>(116,225)</u>

SBS Worldwide Limited

Notes to the Consolidated Financial Statements For the year ended 30 June 2005

12 Debtors	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Trade debtors	5,917,584	4,809,463	5,675,604	4,850,347
Amounts owed by group undertakings	-	461,933	-	137,983
Other debtors	325,611	297,471	278,960	272,019
Prepayments and accrued income	403,037	322,486	374,474	335,537
	<u>6,646,232</u>	<u>5,891,353</u>	<u>6,329,038</u>	<u>5,595,886</u>

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

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Amounts owed by group undertakings	-	-	-	47,069
Other debtors	86,903	86,903	136,287	136,287
	<u>86,903</u>	<u>86,903</u>	<u>136,287</u>	<u>183,356</u>

13 Creditors : Amounts falling due within one year	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Bank loans and overdrafts	486,748	-	502,856	173,249
Trade creditors	4,691,472	3,912,576	4,235,031	3,660,927
Amounts owed to group undertakings	-	459,670	-	217,587
Corporation tax	142,027	142,027	101,249	101,249
Social security and other taxes	129,185	129,185	125,614	125,614
Obligations under finance leases and hire purchase contracts	2,624	2,624	12,280	12,280
Accruals and deferred income	215,894	215,894	156,123	156,123
	<u>5,667,950</u>	<u>4,861,976</u>	<u>5,133,153</u>	<u>4,447,029</u>

14 Creditors : Amounts falling due after more than one year	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Bank loans	-	-	7,451	-
Obligations under finance leases	-	-	3,036	3,036
	<u>-</u>	<u>-</u>	<u>10,487</u>	<u>3,036</u>

Included within the above are amounts falling due as follows:

Due within 1 -2 years	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Bank loans	-	-	7,451	-
Finance lease and hire purchase obligations	-	-	3,036	3,036
	<u>-</u>	<u>-</u>	<u>10,487</u>	<u>3,036</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 2005

15 Deferred tax asset

Movements on the deferred taxation asset are as follows:-

	2005 £	2004 £
At 1 July 2004	24,032	30,551
Adjustment for prior year	(1,536)	(1,520)
Difference on exchange	-	(351)
Current year deferred tax charge	(6,227)	(4,648)
At 30 June 2005	<u>16,269</u>	<u>24,032</u>
	2005 £	2004 £
Depreciation in excess of capital allowances	<u>16,269</u>	<u>24,032</u>

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

16 (a) Shareholders' Funds - Group

2005	Share premium account £	Other reserves £	Capital redemption reserve £	Profit and loss account £	Share capital £	Total £
At 1 July 2004	7,500	11	89,521	1,495,918	120,479	1,713,429
Retained profit for the year	-	-	-	35,362	-	35,362
Foreign exchange difference	-	-	-	-	-	-
At 30 June 2005	<u>7,500</u>	<u>11</u>	<u>89,521</u>	<u>1,531,280</u>	<u>120,479</u>	<u>1,748,791</u>

The share capital comprises:

Authorised:

190,000 Ordinary shares of £1 each

60,000 Deferred shares of £1 each

Called up, allotted and fully paid:

75,000 Ordinary shares of £1 each

45,479 Deferred shares of £1 each

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

	2005 £	2004 £
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>
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>

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Notes to the Consolidated Financial Statements For the year ended 30 June 2005

16 (a) continued/.....

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

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>

16 (b) Shareholders' Funds - Company

2005	Share premium account	Capital redemption reserve	Profit and loss account	Share capital	Total
	£	£	£	£	£
At 1 July 2004	7,500	89,521	1,313,211	120,479	1,530,711
Retained profit for the year	-	-	92,269	-	92,269
At 30 June 2005	<u>7,500</u>	<u>89,521</u>	<u>1,405,480</u>	<u>120,479</u>	<u>1,622,980</u>

	2005	2004
	£	£
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>

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Notes to the Consolidated Financial Statements For the year ended 30 June 2005

16 (b) continued/.....

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

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
Retained 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>

17 Reconciliation of Movements on Shareholder's Funds

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Reconciliation of movements on shareholder's funds				
Profit for the year	35,362	92,269	199,537	100,917
Foreign exchange differences	-	-	(8,788)	-
	<u>35,362</u>	<u>92,269</u>	<u>190,749</u>	<u>100,917</u>
Opening shareholders' funds	<u>1,713,429</u>	<u>1,530,711</u>	<u>1,522,680</u>	<u>1,429,794</u>
Closing shareholders' funds	<u>1,748,791</u>	<u>1,622,980</u>	<u>1,713,429</u>	<u>1,530,711</u>

Analysis of shareholders' funds

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Non equity interest	45,479	45,479	45,479	45,479
Equity interest	<u>1,703,312</u>	<u>1,577,501</u>	<u>1,667,950</u>	<u>1,485,232</u>
	<u>1,748,791</u>	<u>1,622,980</u>	<u>1,713,429</u>	<u>1,530,711</u>

SBS Worldwide Limited

Notes to the Consolidated Financial Statements For the year ended 30 June 2005

18 Financial Commitments

At 30 June 2005, the group had the following commitments:

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

Expiry date:	Group 2005 Land and buildings £	Group 2004 Land and buildings £
Within 1 year	-	23,000
Between 2 and 5 years	448,461	192,897
In more than 5 years	194,000	315,000

(b) Finance leases

At 30 June 2005, the company had obligations under finance leases and hire purchase contracts which are set out below:-

Net amount payable :	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Due within one year (Note 13)	2,624	2,624	12,280	12,280
Due within 2-5 years (Note 14)	-	-	3,036	3,036
	2,624	2,624	15,316	15,316

(c) Forward foreign exchange contracts

-	-	223,464	223,464
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19 Ultimate Controlling Party

The directors consider that there is no ultimate controlling party.

20 Related Party Transactions

During the year, SBS Worldwide Limited made sales of £456,672 (2004: £388,404) to S Black Limited, a company in which Mr S. Black, a director, has a material interest. At the year end there was a balance owed of £36,035 (2004 : £42,820).

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