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REVISECATCH LIMITED

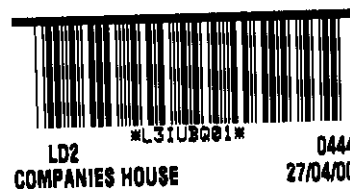
Company No: 2584802

FINANCIAL STATEMENTS

- for the year ended -

30TH JUNE 1999

FISHER PHILLIPS
Chartered Accountants
Summit House
170 Finchley Road, London NW3 6BP



REVISECATCH LIMITED

DIRECTORS

I. W. Oliver
C. Truscott

SECRETARY

B. Oliver

BUSINESS ADDRESS

324 Kensal Road
London
W10 5BZ

REGISTERED OFFICE

PRB House
198 Brooklands Road
Weybridge
Surrey KT13 0RJ

AUDITORS

Fisher Phillips
Chartered Accountants
Summit House
170 Finchley Road
London NW3 6BP

PRINCIPAL BANKERS

Lloyds Bank plc
50 Notting Hill Gate
London W11 3JD

REVISECATCH LIMITED

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REVISECATCH LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the year ended 30 June 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of messenger services.

The results for the year were considered satisfactory and continued growth is anticipated for the future.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>1999</u>	<u>1998</u>
I. W. Oliver	Ordinary shares	106	106
C. Truscott	Ordinary shares	-	-

C. Truscott was appointed as a director on 20 May 1999.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

Fisher Phillips were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985 are willing to be reappointed.

By Order of the Board

Date: 25 April 2000

B. Oliver
Secretary



REVISECATCH LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF
REVISECATCH LIMITED

We have audited the financial statements on pages 3 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FISHER PHILLIPS
Chartered Accountants
Registered Auditors

Summit House
170 Finchley Road
London NW3 6BP

Date: 25 April 2000

REVISECATCH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1999

	Notes	1999 £	1998 £
TURNOVER		5,239,179	4,248,966
Cost of sales		(3,119,564)	(2,647,969)
GROSS PROFIT		2,119,615	1,600,997
Administrative expenses		(1,813,135)	(1,152,867)
OPERATING PROFIT	2	306,480	448,130
Interest receivable	3	54	-
Interest payable	4	(18,398)	(19,130)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		288,136	429,000
Tax on profit on ordinary activities	6	(109,272)	(162,000)
PROFIT FOR THE FINANCIAL YEAR		178,864	267,000
Dividends	7	-	(240,000)
RETAINED PROFIT FOR THE YEAR	15	178,864	27,000

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

REVISECATCH LIMITED

BALANCE SHEET AT 30TH JUNE 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Intangible assets	8	619,136	698,056
Tangible assets	9	224,490	145,446
		843,626	843,502
CURRENT ASSETS			
Debtors	10	1,427,768	1,256,603
Cash at bank and in hand		1,293	39,020
		1,429,061	1,295,623
CREDITORS: Amounts falling due within one year	11	(1,779,207)	(1,814,725)
NET CURRENT LIABILITIES		(350,146)	(519,102)
TOTAL ASSETS LESS CURRENT LIABILITIES		493,480	324,400
CREDITORS: Amounts falling due after more than one year	12	(1,886)	(11,670)
		491,594	312,730
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Capital redemption reserve		1	1
Profit and loss account	15	491,591	312,727
SHAREHOLDERS FUNDS	16	491,594	312,730

The financial statements were approved
by the board on 25 April 2000
and signed on its behalf by

I. W. OLIVER

C. TRUSCOTT

)
) Directors

The notes on pages 6 to 13 form part of these financial statements.

REVISECATCH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 1999

	Notes	1999 £	1998 £
CASH FLOW FROM OPERATING ACTIVITIES	17	507,688	294,244
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	18	(18,344)	(19,130)
TAXATION		(155,000)	(137,293)
CAPITAL EXPENDITURE	18	(150,096)	(87,291)
EQUITY DIVIDENDS PAID		-	(240,000)
Cash inflow before use of liquid resources and financing		184,248	(189,470)
FINANCING	18		
Decrease in debt		(8,776)	(8,335)
		(8,776)	(8,335)
INCREASE IN CASH IN THE YEAR		175,472	(197,805)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT 19

INCREASE IN CASH IN THE YEAR	175,472	(197,805)
Cash outflow from decrease in lease financing	8,776	8,335
Change in net debt resulting from cash flows	184,248	(189,470)
New finance leases	-	(30,007)
Movement in net debt in the year	184,248	(219,477)
Net debt at 1 July 1998	(435,416)	(215,939)
Net debt at 30 June 1999	(251,168)	(435,416)

The notes on pages 6 to 13 form part of these financial statements.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover comprises amounts receivable for goods and services net of VAT and trade discounts.

1.3 GOODWILL

The company's policy is to write off goodwill evenly over its estimated life of 10 years.

1.4 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	15% Reducing balance
Motor vehicles	25% Reducing balance
Computer Equipment	33.33% Straight line

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

2. OPERATING PROFIT

	1999	1998
	£	£
The operating profit is stated after charging:		
Depreciation	149,972	58,572
Auditors' remuneration	6,500	6,500
Operating lease rentals:		
Land and buildings	5,870	-

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

3. INTEREST RECEIVABLE

	1999	1998
	£	£
Bank and other interest receivable	54	-
	54	-

4. INTEREST PAYABLE AND SIMILAR CHARGES*

	1999	1998
	£	£
On bank loans and overdrafts	12,522	15,405
On overdue tax	3,184	2,504
Lease finance charges and hire purchase interest	2,692	1,221
	18,398	19,130

5. DIRECTORS AND EMPLOYEES

	1999	1998
	£	£
Staff costs:		
Wages and salaries	923,584	504,270
Social security costs	93,509	48,047
	<u>1,017,093</u>	<u>552,317</u>

The average number of employees during the year was made up as follows:

	Number	Number
Administration	41	36

Directors' emoluments:

	£	£
Remuneration for management services	295,248	24,180

The division of directors' emoluments is as follows:

	£	£
Highest paid director	280,921	24,180
Highest paid director pension costs	-	-
	280,921	24,180

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge comprises:		
U.K. corporation tax at 31% (1998 - 31%)	109,272	133,345
Transfer from deferred taxation	-	(6,772)
	109,272	126,573
Adjustment in respect of prior years	-	35,427
	109,272	162,000

7. DIVIDENDS

	1999 £	1998 £
Equity interests		
Ordinary:-		
Interim dividend paid 30 June 1999	-	240,000
	-	240,000

8. INTANGIBLE ASSETS

	At start of year £	Additions £	Written off £	At end of year £
<u>Cost</u>				
Goodwill	755,057	(3,461)	-	751,596
	755,057	(3,461)	-	751,596
	At start of year £	Charge for year £	Written off £	At end of year £
<u>Amortisation</u>				
Goodwill	57,000	75,460	-	132,460
	57,000	75,460	-	132,460
<u>Net book value</u>	698,057			619,136

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

9. TANGIBLE ASSETS

<u>Cost</u>	Beginning of year £	Additions £	End of year £
Fixtures and fittings	122,777	31,975	154,752
Motor vehicles	33,196	65,500	98,696
Computer equipment	43,990	56,082	100,072
	199,963	153,557	353,520
 <u>Depreciation</u>	 Beginning of year £	 Charge for year £	 End of year £
Fixtures and fittings	31,385	18,534	49,919
Motor vehicles	8,299	22,599	30,898
Computer equipment	14,835	33,378	48,213
	54,519	74,511	129,030
 <u>Total net book values</u>	 Beginning of year £		 End of year £
	145,444		224,490

Included above are assets held under finance leases or hire purchase contracts as follows:

	1999 £	1998 £
Net book values:		
Motor vehicles	18,673	24,897
Depreciation charge for the year:		
Motor vehicles	6,224	8,299

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

10. DEBTORS

	1999 £	1998 £
Trade debtors	1,302,040	1,024,570
Other debtors	112,403	161,063
Advance corporation tax	-	60,000
Prepayments and accrued income	13,325	10,970
	1,427,768	1,256,603

Included in other debtors is an amount due from factors of £109,778 (1998: £151,938). The factors hold a floating charge over the proceeds from all company debtors. They also have a fixed charge over all debtors not assigned to them.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank overdraft	239,565	452,764
Trade creditors	88,978	82,440
Corporation tax	87,617	193,345
Other taxes and social security costs	372,336	194,356
Net obligations under finance lease and hire purchase contracts	11,010	10,002
Directors' current accounts	331	136
Other creditors	902,204	865,712
Accruals and deferred income	77,166	15,970
	<u>1,779,207</u>	<u>1,814,725</u>

The bank overdraft is secured by an unscheduled mortgage debenture over all the assets of the company.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Net obligations under finance leases and hire purchase contracts	1,886	11,670
	<u>1,886</u>	<u>11,670</u>

13. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1999 £	1998 £
<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
In one year, or less or on demand	11,467	11,467
Between one and two years	1,911	11,467
Between two and five years	-	1,912
	<u>13,378</u>	<u>24,846</u>
Finance charges and interest allocated to future accounting periods	(482)	(3,174)
	<u>12,896</u>	<u>21,672</u>
Included in current liabilities	(11,010)	(10,002)
	<u>1,886</u>	<u>11,670</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

14. SHARE CAPITAL

	1999 £	1998 £
<u>Authorised</u>		
Equity interests:		
100,000 Ordinary shares of 1p each	1,000	1,000
<u>Allotted, called up and fully paid</u>		
Equity interests:		
206 Ordinary shares of 1p each	2	2

15. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Retained profits at 1 July 1998	312,727	285,727
Profit for the financial year	178,864	27,000
Retained profits at 30 June 1999	491,591	312,727

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	178,864	267,000
Dividends	-	(240,000)
Shareholders' funds at 1 July 1998	312,730	285,730
Shareholders' funds at 30 June 1999	491,594	312,730
Represented by:-		
Equity interests	491,594	312,730
	491,594	312,730

17. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	1999 £	1998 £
Operating profit	306,480	448,130
Depreciation	149,972	58,572
Increase in debtors	(231,165)	(390,792)
Increase in creditors due within one year	282,401	178,334
Cash flow from operating activities	507,688	294,244

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1999 £	1998 £
Returns on investments and servicing of finance		
Interest received	54	-
Interest paid	(15,706)	(17,909)
Interest element on finance lease rental payments	(2,692)	(1,221)
Net cash outflow from returns on investments and servicing of finance	(18,344)	(19,130)
Capital expenditure		
Purchase of intangible fixed assets	3,461	(5,668)
Purchase of tangible fixed assets	(153,557)	(81,623)
Net cash outflow from capital expenditure	(150,096)	(87,291)
Financing		
Repayment of capital on hire purchase contracts and finance leases rentals	(8,776)	(8,335)
Net cash outflow from financing	(8,776)	(8,335)

19. ANALYSIS OF NET DEBT

	Beginning of year £	1999 Cash flow £	Other movements £	End of year £
Cash at bank and in hand	39,020	(37,727)	-	1,293
Bank overdrafts	(452,764)	213,199	-	(239,565)
Finance leases	(21,672)	8,776	-	(12,896)
	(435,416)	184,248	-	(251,168)

The movement in net debt includes £11,010 of leases reclassified from liabilities falling due after more than one year to liabilities falling due within one year.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1999

20. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

<u>Land and buildings</u>	1999 £	1998 £
Expiry date:		
Between one and five years	24,975	-
	24,975	-

21. CONTINGENT LIABILITIES

The company has guaranteed the bank overdraft of Milematic Limited, a related party, to a maximum of £180,000. At 30 June 1999 the overdraft stood at £1,475 (1998: £15,891).

22. CONTROL

The company is controlled by I. W. Oliver who has a beneficial interest in 106 ordinary shares.

23. RELATED PARTY DISCLOSURES

I. W. Oliver controls Milematic Limited. During the year the company paid Milematic Limited £0 (1998: £120,000) for management services, £441,565 (1998: £317,175) for rent of bikes and vans, and £265,375 (1998: Nil) for advertising. At the year end the company owed Milematic Limited £608,162 (1998: £591,716).

PRB Public Relations is a business run by I. W. Oliver's wife, B. Oliver. During the year PRB Public Relations provided the company with advertising and promotional services totalling £56,731 (1998: £107,768). At the year end the company owed PRB Public Relations £0 (1998: £79,268).

During the year the company paid rent for its business premises to the Milematic Limited Pension Scheme, set up for the benefit of I. W. and Mrs B. Oliver, of £24,000 (1998: £24,000).

I. W. Oliver has personally guaranteed the company's overdraft up to £200,000 with a mortgage over a property held personally.