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REVISECATCH LIMITED

Company No: 2584802

FINANCIAL STATEMENTS

- for the year ended -

30 June 1998

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



REVISECATCH LIMITED

DIRECTOR'S REPORT

The director presents his report and audited financial statements for the year ended 30 June 1998.

PRINCIPAL ACTIVITIES

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.

YEAR 2000 ISSUE

The directors have ensured that the company's computer systems are Year 2000 compliant.

DIVIDENDS

The director has paid an interim dividend of £240,000, and does not recommend payment of a final dividend.

DIRECTOR AND HIS INTERESTS

The director at 30 June 1998 and his interests in the company during the year were:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1998</u>	<u>1997</u>
I. W. Oliver	Ordinary shares	106	106

C. Truscott was appointed as a director on 20 May 1999. He has no interest in the shares of the company.

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.

Registered Office

PRB House
198 Brooklands Road
Weybridge
Surrey KT13 0RJ

Date: 28 June 1999

By Order of the Board

B. Oliver

Secretary

REVISECATCH LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

REVISECATCH LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
REVISECATCH LIMITED**

We have audited the financial statements on pages 4 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 director and auditors

As described on Page 2, the company director is 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 director 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 1998 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
and Registered Auditors

Date: 28 June 1999

Summit House
170 Finchley Road
London NW3 6BP

REVISECATCH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 June 1998

	Notes	1998 £	1997 £
TURNOVER		4,248,966	2,764,539
Cost of sales		(2,647,969)	(1,573,588)
GROSS PROFIT		1,600,997	1,190,951
Administrative expenses		(1,152,867)	(765,645)
OPERATING PROFIT	2	448,130	425,306
Interest receivable	3	-	2,391
Interest payable	4	(19,130)	(11,696)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		429,000	416,001
Tax on profit on ordinary activities	6	(162,000)	(144,915)
PROFIT FOR THE FINANCIAL YEAR		267,000	271,086
Dividends	7	(240,000)	-
RETAINED PROFIT FOR THE YEAR	16	27,000	271,086

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 30 June 1998**

	Notes	£	1998 £	£	1997 £
FIXED ASSETS					
Intangible assets	8		698,056		721,388
Tangible assets	9		145,446		63,388
			<u>843,502</u>		<u>784,776</u>
CURRENT ASSETS					
Debtors	10	1,256,603		805,811	
Cash at bank and in hand		39,020		4,703	
		<u>1,295,623</u>		<u>810,514</u>	
CREDITORS: Amounts falling due within one year	11	<u>(1,814,725)</u>		<u>(1,302,788)</u>	
NET CURRENT LIABILITIES			<u>(519,102)</u>		<u>(492,274)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			324,400		292,502
CREDITORS: Amounts falling due after more than one year	12		(11,670)		-
PROVISIONS FOR LIABILITIES AND CHARGES	14		-		(6,772)
			<u>312,730</u>		<u>285,730</u>
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Capital redemption reserve			1		1
Profit and loss account	16		312,727		285,727
SHAREHOLDERS FUNDS			<u>312,730</u>		<u>285,730</u>

The financial statements were approved
by the board on 28 June 1999
and signed on its behalf by

I. W. OLIVER

Director

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

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998

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

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 their useful lives. Finance charges and interest are taken to the profit and loss account evenly over the term of the contract.

2. OPERATING PROFIT

The operating profit is stated after charging:

	1998 £	1997 £
Depreciation	29,572	11,186
Amortisation of goodwill	29,000	28,000
Auditors' remuneration	6,500	1,750

REVISECATCH LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998**

3. INTEREST RECEIVABLE	1998	1997
	£	£
Bank and other interest receivable	-	2,391
	<u>-</u>	<u>2,391</u>
	<u>-</u>	<u>2,391</u>
4. INTEREST PAYABLE AND SIMILAR CHARGES	1998	1997
	£	£
On bank loans and overdrafts	15,405	6,205
On overdue tax	2,504	5,491
Lease finance charges and hire purchase interest	1,221	-
	<u>19,130</u>	<u>11,696</u>
	<u>19,130</u>	<u>11,696</u>
5. DIRECTOR AND EMPLOYEES	1998	1997
	£	£
Staff costs:		
Wages and salaries	504,270	288,696
Social security costs	48,047	26,137
	<u>552,317</u>	<u>314,833</u>
	<u>552,317</u>	<u>314,833</u>
The average number of employees during the year was made up as follows:	Number	Number
Administration	36	31
	<u>36</u>	<u>31</u>
Director's emoluments:	£	£
Remuneration for management services	24,180	24,180
	<u>24,180</u>	<u>24,180</u>
	<u>24,180</u>	<u>24,180</u>
6. TAX ON PROFIT ON ORDINARY ACTIVITIES	1998	1997
	£	£
The taxation charge comprises:		
U.K. corporation tax at 31% (1997 - 31%)	133,345	138,143
Transfer from deferred taxation	(6,772)	6,772
	<u>126,573</u>	<u>144,915</u>
Adjustment in respect of prior years	35,427	-
	<u>162,000</u>	<u>144,915</u>
	<u>162,000</u>	<u>144,915</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998

7. DIVIDENDS	1998	1997
	£	£
Equity interests		
Ordinary:-		
Interim dividend paid 30 June 1998	240,000	-
	<u>240,000</u>	<u>-</u>
8. INTANGIBLE ASSETS		Goodwill
		£
<u>Cost</u>		
At 1 July 1997		749,388
Additions		5,668
At 30 June 1998		<u>755,056</u>
<u>Amortisation</u>		
At 1 July 1997		28,000
Charge for year		29,000
At 30 June 1998		<u>57,000</u>
<u>Net book value at</u>		
<u>30 June 1998</u>		<u>698,056</u>
<u>Net book value at</u>		
<u>30 June 1997</u>		<u>721,388</u>

Since April 1997 the company has made payments in respect of the goodwill of The Phoenix Courier Partnership. The director is of the opinion that this goodwill should be written off over a period of 10 years commencing 1 July 1998.

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998

9. TANGIBLE ASSETS

	Furniture & equipment £	Motor vehicles £	Total £
<u>Cost</u>			
At 1 July 1997	88,334	-	88,334
Additions	78,434	33,196	111,630
At 30 June 1998	<u>166,768</u>	<u>33,196</u>	<u>199,964</u>
<u>Depreciation</u>			
At 1 July 1997	24,946	-	24,946
Charge for year	21,273	8,299	29,572
At 30 June 1998	<u>46,219</u>	<u>8,299</u>	<u>54,518</u>
<u>Net book value at 30 June 1998</u>	<u>120,549</u>	<u>24,897</u>	<u>145,446</u>
<u>Net book value at 30 June 1997</u>	<u>63,388</u>	<u>-</u>	<u>63,388</u>

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

	1998 £	1997 £
Net book values:		
Motor vehicles	<u>24,897</u>	<u>-</u>
Depreciation charge for the year:		
Motor vehicles	<u>8,299</u>	<u>-</u>

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

REVISECATCH LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998**

10. DEBTORS	1998	1997
	£	£
Trade debtors	1,024,570	794,526
Other debtors	161,063	5,000
Advance corporation tax	60,000	-
Prepayments and accrued income	10,970	6,285
	<u>1,256,603</u>	<u>805,811</u>

Included in other debtors is an amount due from factors of £151,938. At the previous balance sheet date the amount due to the factors was £40,122. 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.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1998	1997
	£	£
Bank loans and overdrafts	452,764	220,642
Trade creditors	82,440	56,770
Corporation tax	193,345	101,866
Other taxes and social security costs	194,356	169,502
Net obligations under finance lease and hire purchase contracts	10,002	-
Director's current account	136	5,811
Other creditors	865,712	688,165
Accruals and deferred income	15,970	60,032
	<u>1,814,725</u>	<u>1,302,788</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	1998	1997
	£	£
Net obligations under finance leases and hire purchase contracts	11,670	-
	<u>11,670</u>	<u>-</u>

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998

13. NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1998 £	1997 £
<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	-
Between one and two years	11,467	-
Between two and five years	1,912	-
	<hr/> 24,846	<hr/> -
Finance charges and interest allocated to future accounting periods	(3,174)	-
	<hr/> 21,672	<hr/> -
Included in current liabilities	(10,002)	-
	<hr/> <hr/> 11,670	<hr/> <hr/> -

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 31% (1997 - 21%) analysed over the following timing differences:

	Fully Provided	
	1998 £	1997 £
On the excess of capital allowances over depreciation	-	6,772
	<hr/> -	<hr/> 6,772

Movements on the provision for deferred taxation are:

	£
At 1 July 1997	6,772
Transferred to profit and loss account	(6,772)
	<hr/> -
At 30 June 1998	<hr/> <hr/> -

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998

15. SHARE CAPITAL	1998 £	1997 £
<u>Authorised</u>		
<u>Equity interests:</u>		
100,000 Ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>
<u>Allotted, called up and fully paid</u>		
<u>Equity interests:</u>		
200 Ordinary shares of 1p each	<u>2</u>	<u>2</u>

16. PROFIT AND LOSS ACCOUNT	1998 £	1997 £
Retained profits at 1 July 1997	285,727	14,641
Retained profit for the year	<u>27,000</u>	<u>271,086</u>
Retained profits at 30 June 1998	<u>312,727</u>	<u>285,727</u>

17. CONTINGENT LIABILITIES

The company has guaranteed the bank overdraft of Milematic Limited, a related party, to a maximum of £180,000. At 30 June 1998 the overdraft stood at £15,891 (1997: £33,662).

18. CONTROLLING PARTY

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

REVISECATCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 1998

19. RELATED PARTY DISCLOSURES

I. W. Oliver controls Milematic Limited. During the year the company paid Milematic Limited £120,000 (1997: £130,200) for management services and £317,175 (1997: £208,258) for rent of bikes and vans. At the year end the company owed Milematic Limited £591,716 (1997: £578,973).

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 £107,768 (1997: £39,699). At the year end the company owed PRB Public Relations £79,268 (1997: £28,254).

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 (1997: £24,000).

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