

Earnest Express (Europe) Limited
Abbreviated accounts
for the year ended 31 December 2002

Registration number 3893042



Earnest Express (Europe) Limited

Contents

	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3 - 4

LANCASTER ■ CLEMENTS

CHARTERED CERTIFIED ACCOUNTANTS

Registered Auditors

Regulated for a range of investment business activities by the
Association of Chartered Certified Accountants

Independent auditors' report to Earnest Express (Europe) Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 4 together with the financial statements of Earnest Express (Europe) Limited for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 December 2002, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



**Lancaster Clements Limited
Chartered Certified Accountants and
Registered Auditors**

26 May 2003

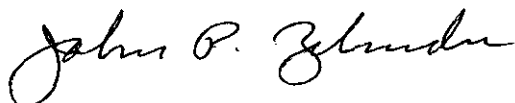
Earnest Express (Europe) Limited

Abbreviated balance sheet as at 31 December 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		33,546		37,779
Current assets					
Stocks		443,424		367,953	
Debtors		348,214		212,741	
Cash at bank and in hand		13,136		86,725	
		<u>804,774</u>		<u>667,419</u>	
Creditors: amounts falling due within one year		(1,270,101)		(1,077,725)	
Net current liabilities			(465,327)		(410,306)
Total assets less current liabilities			(431,781)		(372,527)
Creditors: amounts falling due after more than one year			(2,100)		(3,900)
Deficiency of assets			<u>(433,881)</u>		<u>(376,427)</u>
Capital and reserves					
Called up share capital	3		10,000		10,000
Profit and loss account			(443,881)		(386,427)
Shareholders' funds			<u>(433,881)</u>		<u>(376,427)</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board on 26 May 2003 and signed on its behalf by



John Phillip Zehnder
Director

Earnest Express (Europe) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

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

Plant and machinery	-	20% reducing balance basis
Fixtures, fittings and equipment	-	15% reducing balance basis
French office assets	-	not depreciated

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Deferred taxation

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year. Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date. Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

Earnest Express (Europe) Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

2. Fixed assets	Tangible fixed assets £
Cost	
At 1 January 2002	50,854
Additions	2,000
At 31 December 2002	<u>52,854</u>
Depreciation	
At 1 January 2002	13,075
Charge for year	6,233
At 31 December 2002	<u>19,308</u>
Net book values	
At 31 December 2002	<u>33,546</u>
At 31 December 2001	<u>37,779</u>

3. Share capital	2002 £	2001 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

4. Ultimate parent undertaking

The ultimate parent undertaking is Earnest Machine Products Co., a company registered in the United States of America. During the year Earnest Express (Europe) Limited traded with its parent company making purchases of £592,616 (2001 £539,932) and at the balance sheet date the net amount due to that company was £1,003,349 (2001 £1,078,519).