

hh CIVVALS

Chartered Accountants
Registered Auditors
Independent Financial Advisers

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2004**

FOR

**MEDICAL COURIERS LIMITED
COMPANY NO: 4049953**



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MEDICAL COURIERS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2004

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MEDICAL COURIERS LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2004

DIRECTORS:

H Lewis
A Teper
K Kasinos

SECRETARY:

H Lewis

REGISTERED OFFICE:

Lewis Day Building
76 East Road
London
N1 6AB

REGISTERED NUMBER:

4049953

AUDITORS:

Civvals
Marble Arch House
66 - 68 Seymour Street
London
W1H 5AF

MEDICAL COURIERS LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31 MARCH 2004**

The directors present their report with the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of courier services and vehicle hire.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2004.

DIRECTORS

The directors holding office at 31 March 2003 did not hold any beneficial interest in the issued share capital at that date. K Kasinos owned 9,090 shares at the start and the end of the period in the ultimate holding company. H Lewis had an interest in the shares of the ultimate holding company at the start and end of the period as he is a trustee of the ultimate holding company's pension scheme which holds 55% of the share capital.

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 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.

AUDITORS

The auditors, Civvals, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
H Lewis - Secretary

Date: 7 July 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MEDICAL COURIERS LIMITED**

We have audited the financial statements of Medical Couriers Limited for the year ended 31 March 2004 on pages four to nine. 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 company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors is not consistent with the financial statements, if the company 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

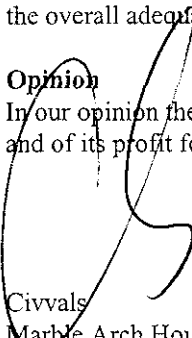
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Civvals
Marble Arch House
66 - 68 Seymour Street
London
W1H 5AF

Date: 7/7/04

MEDICAL COURIERS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

		YEAR ENDED	PERIOD
		31.3.04	1.9.02
			TO
			31.3.03
	Notes	£	£
TURNOVER		414,334	136,274
Administrative expenses		328,569	105,194
OPERATING PROFIT	2	85,765	31,080
Interest payable and similar charges	3	38,208	24,703
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		47,557	6,377
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		47,557	6,377
Deficit brought forward		(63,075)	(69,452)
DEFICIT CARRIED FORWARD		£(15,518)	£(63,075)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.

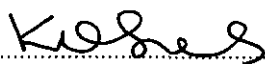
MEDICAL COURIERS LIMITED**BALANCE SHEET****31 MARCH 2004**

		2004	2003
	Notes	£	£
FIXED ASSETS:			
Tangible assets	5	1,668,168	723,768
CURRENT ASSETS:			
Cash at bank		400	450
CREDITORS: Amounts falling due within one year	6	848,714	373,763
NET CURRENT LIABILITIES:		(848,314)	(373,313)
TOTAL ASSETS LESS CURRENT LIABILITIES:		819,854	350,455
CREDITORS: Amounts falling due after more than one year	7	835,369	413,527
		£(15,515)	£(63,072)
CAPITAL AND RESERVES:			
Called up share capital	10	3	3
Profit and loss account		(15,518)	(63,075)
SHAREHOLDERS' FUNDS:	13	£(15,515)	£(63,072)

ON BEHALF OF THE BOARD:



H Lewis - Director



K Kasinos - Director

Approved by the Board on 7 July 2004

The notes form part of these financial statements

MEDICAL COURIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2004**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis. This assumes that the parent company will continue to provide such funds as are needed to meet the company's liabilities as they fall due.

Accounting convention

The financial statements have been prepared under the historical cost convention and applicable accounting standards.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Exemption from FRS1

The company has not provided a cashflow statement as consolidated financial statements are available which include the results of this company.

2. OPERATING PROFIT

The operating profit is stated after charging:

	YEAR ENDED	PERIOD
	31.3.04	1.9.02
	£	£
Hire of plant and machinery	3,213	2,878
Depreciation - owned assets	299,881	101,315
Loss on disposal of fixed assets	10,993	-
Auditors' remuneration	1,500	1,000
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

MEDICAL COURIERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004****3. INTEREST PAYABLE AND SIMILAR CHARGES**

	PERIOD 1.9.02 TO 31.3.03
YEAR ENDED 31.3.04	£
£	£
Hire purchase interest	24,703
38,208	24,703

4. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2004 nor for the period ended 31 March 2003.

5. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 April 2003	4,504	830,842	835,346
Additions	-	1,257,575	1,257,575
Disposals	-	(21,649)	(21,649)
At 31 March 2004	4,504	2,066,768	2,071,272
DEPRECIATION:			
At 1 April 2003	2,604	108,974	111,578
Charge for year	475	299,406	299,881
Eliminated on disposals	-	(8,355)	(8,355)
At 31 March 2004	3,079	400,025	403,104
NET BOOK VALUE:			
At 31 March 2004	1,425	1,666,743	1,668,168
At 31 March 2003	1,900	721,868	723,768

The net book value of motor vehicles held under hire purchase agreements amounted to £1,665,863 at 31.3.04.
The depreciation charged on these assets in the year amounted to £299,386.

MEDICAL COURIERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2004**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Obligations under finance leases and hire purchase contracts	686,831	268,178
Amount due to group company	93,192	12,364
Directors' current accounts	67,191	67,191
Value added tax	-	24,480
Accrued expenses	1,500	1,550
	<u>848,714</u>	<u>373,763</u>

**7. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Hire purchase contracts (see note 8)	<u>835,369</u>	<u>413,527</u>

8. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2004 £	2003 £
Gross obligations repayable: Between one and five years	<u>932,545</u>	<u>452,102</u>
Finance charges repayable: Between one and five years	<u>97,176</u>	<u>38,575</u>
Net obligations repayable: Between one and five years	<u>835,369</u>	<u>413,527</u>

9. SECURED DEBTS

The following secured debts are included within creditors:

	2004 £	2003 £
Hire purchase contracts	<u>835,369</u>	<u>413,527</u>

The hire purchase liabilities are secured on the underlying assets.

MEDICAL COURIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2004	2003
		value:	£	£
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	2004	2003
		value:	£	£
3	Ordinary shares	£1	<u>3</u>	<u>3</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Lewis Day Transport plc which owns 100% of the issued share capital.

12. RELATED PARTY DISCLOSURES

The company sold services totalling £414,334 to other group companies. These transactions were at open market value.

At 31.3.04 the company owed £93,192 to Lewis Day Transport plc.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit for the financial year	47,557	6,377
Shares issued		
Net addition to shareholders' funds	<u>47,557</u>	<u>6,377</u>
Opening shareholders' funds	(63,072)	(69,449)
Closing shareholders' funds	<u>(15,515)</u>	<u>(63,072)</u>
Equity interests	<u>(15,515)</u>	<u>(63,072)</u>