

hh CIVVALS

Chartered Accountants
Registered Auditors
Independent Financial Advisers

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005
FOR
MEDICAL COURIERS LIMITED
COMPANY NO: 4049953**

Marble Arch House

66 - 68 Seymour Street

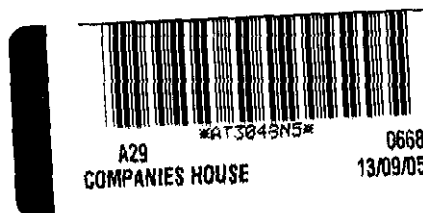
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MEDICAL COURIERS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2005

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MEDICAL COURIERS LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2005

DIRECTORS:

H Lewis
A Teper
K Kasinos

SECRETARY:

H Lewis

REGISTERED OFFICE:

The 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 2005

The directors present their report with the financial statements of the company for the year ended 31 March 2005.

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 2005.

DIRECTORS

The directors holding office at 31 March 2005 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 controlled 55% of the share capital of the ultimate holding company at the start and end of the period.

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

30 August 2005

**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 2005 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.

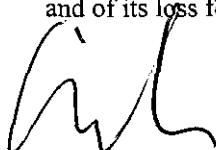
Basis of audit opinion

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 2005 and of its loss 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

30 August 2005

MEDICAL COURIERS LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
TURNOVER		1,031,413	414,334
Administrative expenses		<u>888,297</u>	<u>328,569</u>
OPERATING PROFIT	3	143,116	85,765
Interest payable and similar charges	4	<u>143,707</u>	<u>38,208</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(591)	47,557
Tax on (loss)/profit on ordinary activities	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(591)	47,557
Deficit brought forward		<u>(15,518)</u>	<u>(63,075)</u>
DEFICIT CARRIED FORWARD		<u>£(16,109)</u>	<u>£(15,518)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

MEDICAL COURIERS LIMITED**BALANCE SHEET****31 MARCH 2005**

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		3,768,074		1,668,168
CURRENT ASSETS:					
Debtors	7	14,658		-	
Cash at bank		-		400	
		14,658		400	
CREDITORS: Amounts falling due within one year	8	1,823,724		848,714	
NET CURRENT LIABILITIES:			(1,809,066)		(848,314)
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,959,008		819,854
CREDITORS: Amounts falling due after more than one year	9		1,975,114		835,369
			£(16,106)		£(15,515)
CAPITAL AND RESERVES:					
Called up share capital	12		3		3
Profit and loss account			(16,109)		(15,518)
SHAREHOLDERS' FUNDS:	15		£(16,106)		£(15,515)

ON BEHALF OF THE BOARD:

H Lewis - Director



K Kasinos - Director



Approved by the Board on 30 August 2005

MEDICAL COURIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2005**

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. STAFF COSTS

There were no staff costs for the year ended 31 March 2005 nor for the year ended 31 March 2004.

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

2005	2004
=	=

MEDICAL COURIERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2005**3. OPERATING PROFIT**

The operating profit is stated after charging:

	2005 £	2004 £
Hire of plant and machinery	-	3,213
Depreciation - owned assets	779,291	299,881
Loss on disposal of fixed assets	105,007	10,993
Auditors' remuneration	4,000	1,500
	<u> </u>	<u> </u>
Directors' emoluments	-	-
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Hire purchase interest	143,707	38,208
	<u> </u>	<u> </u>

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

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2005 nor for the year ended 31 March 2004.

6. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 April 2004	4,504	2,066,769	2,071,273
Additions	-	3,241,869	3,241,869
Disposals	-	(627,588)	(627,588)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2005	4,504	4,681,050	4,685,554
	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION:			
At 1 April 2004	3,079	400,024	403,103
Charge for year	356	778,935	779,291
Eliminated on disposals	-	(264,914)	(264,914)
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2005	3,435	914,045	917,480
	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE:			
At 31 March 2005	1,069	3,767,005	3,768,074
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2004	1,425	1,666,743	1,668,168
	<u> </u>	<u> </u>	<u> </u>

The net book value of motor vehicles held under hire purchase agreements amounted to £3,709,501 at 31.3.05 (2004 £1,665,863). The depreciation charged on these assets in the year amounted to £763,207 (2004 £299,386).

MEDICAL COURIERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2005**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Other debtors	14,658	-

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2005 £	2004 £
Obligations under finance leases and hire purchase contracts	1,505,710	686,831
Amount due to group company	315,014	93,192
Directors' current accounts	-	67,191
Accrued expenses	3,000	1,500
	1,823,724	848,714

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

	2005 £	2004 £
Directors' loans	67,191	-
Hire purchase contracts (see note 10)	1,907,923	835,369
	1,975,114	835,369

10. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2005 £	2004 £
Gross obligations repayable: Between one and five years	2,120,267	932,545
Finance charges repayable: Between one and five years	212,344	97,176
Net obligations repayable: Between one and five years	1,907,923	835,369

MEDICAL COURIERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2005**11. SECURED DEBTS**

The following secured debts are included within creditors:

	2005 £	2004 £
Hire purchase contracts	<u>3,413,633</u>	<u>1,522,200</u>

The hire purchase liabilities are secured on the underlying assets.

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005 £	2004 £
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005 £	2004 £
3	Ordinary shares	£1	<u>3</u>	<u>3</u>

13. ULTIMATE PARENT COMPANY

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

14. RELATED PARTY DISCLOSURES

The company sold services during the year totalling £1,031,413 to other group companies. These transactions were at open market value.

At 31.3.05 the company owed £315,014 to Lewis Day Transport plc.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
(Loss)/Profit for the financial year	(591)	47,557
Shares issued		
Net (reduction)/addition to shareholders' funds	<u>(591)</u>	<u>47,557</u>
Opening shareholders' funds	<u>(15,515)</u>	<u>(63,072)</u>
Closing shareholders' funds	<u>(16,106)</u>	<u>(15,515)</u>
Equity interests	<u>(16,106)</u>	<u>(15,515)</u>