

Crown Worldwide Movers Limited

DIRECTORS

S W Brown

M I Shanks

(resigned 31 December 1997)

A F Howe

(resigned 20 June 1997)

SECRETARY

R F Davidson

AUDITORS

Ernst & Young

George House

50 George Square

Glasgow

G2 1RR

REGISTERED OFFICE

Containerbase

Gartsherrie Road

Coatbridge

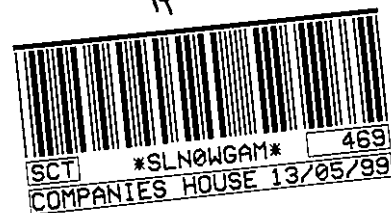
Lanarkshire

ML5 2EL

COMPANY REGISTRATION NUMBER

SC122997

ERNST & YOUNG



DIRECTORS' REPORT

The directors present their report and accounts for the period ended 30 June 1998.

PRINCIPAL ACTIVITY

The company's principal activity during the period was the provision of services to other group companies. The profit after tax for the period ended 30 June 1998 was £11,123 (1997 : £9,221) and this amount has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period were:

S W Brown

M I Shanks (resigned 31 December 1997)

In terms of the company's articles of association the directors do not retire by rotation.

There are no directors' interests requiring disclosure under the Companies Act 1985.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

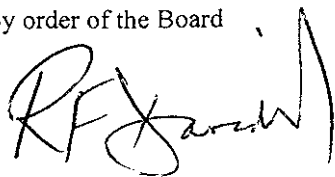
Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

The cost of implementing the action plans is not expected to be material and will be subsumed into the recurring activities of the departments involved, with these being resourced internally.

AUDITORS

A resolution to re-appoint Ernst & Young will be put to the members at the Annual General Meeting.

By order of the Board



R F Davidson
Company Secretary

Date: 4/5/99

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Crown Worldwide Movers Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

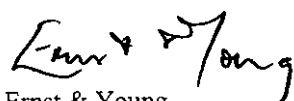
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts 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 period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Ernst & Young
Registered Auditor
Glasgow

Date: 4.5.99

Crown Worldwide Movers Limited

PROFIT AND LOSS ACCOUNT for the period ended 30 June 1998

		<i>Period ended</i> <i>30 June</i> <i>1998</i> £	<i>Period ended</i> <i>30 June</i> <i>1997</i> £
	<i>Notes</i>		
TURNOVER	2	3,198,754	2,392,391
Operating costs		3,184,377	2,380,601
OPERATING PROFIT		14,377	11,790
Taxation	6	3,254	2,569
PROFIT FOR THE FINANCIAL PERIOD		11,123	9,221

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit on ordinary activities after tax of the company of £11,123 in the period ended 30 June 1998 (30 June 1997 - £9,221).

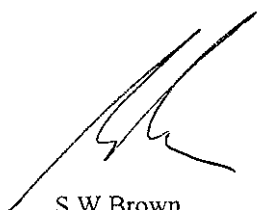
Crown Worldwide Movers Limited

BALANCE SHEET

at 30 June 1998

	Notes	30 June 1998 £	30 June 1997 £
CURRENT ASSETS			
Debtors	4	131,463	96,544
CREDITORS: amounts falling due within one year	5	104,950	81,154
NET CURRENT ASSETS		<u>26,513</u>	<u>15,390</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>26,513</u>	<u>15,390</u>
CAPITAL AND RESERVES			
Called up share capital	7	1,000	1,000
Profit and loss account	8	25,513	14,390
Equity shareholders' funds		<u>26,513</u>	<u>15,390</u>

ERNST & YOUNG



S W Brown

Director

Date: 4/5/99

Crown Worldwide Movers Limited

NOTES TO THE ACCOUNTS

at 30 June 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that the liability will crystallise.

Pension costs

The group operates a defined benefit pension scheme. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. The regular cost is attributed to individual years using the projected unit credit method. Variations in pension costs, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

2. TURNOVER

Turnover, arising solely in the UK, represents the total amount receivable in respect of services supplied to group companies during the period exclusive of VAT.

3. OPERATING PROFIT

This is stated after charging:

	<i>Period ended 30 June 1998 £</i>	<i>Period ended 30 June 1997 £</i>
Directors' remuneration	55,809	158,393
Auditors' remuneration	2,500	2,500
	<hr/>	<hr/>
The number of directors to whom benefits accrued under the company's defined benefits scheme during the year were:	-	3
	<hr/>	<hr/>

4. DEBTORS

	<i>30 June 1998 £</i>	<i>30 June 1997 £</i>
Amounts due by parent undertaking	131,463	96,544
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5. CREDITORS: amounts falling due within one year

	<i>30 June 1998 £</i>	<i>30 June 1997 £</i>
Corporation Tax	3,254	2,569
Other creditors	101,696	78,585
	<hr/>	<hr/>
	104,950	81,154
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NOTES TO THE ACCOUNTS

at 30 June 1998

6. DEFERRED TAXATION

No provision for deferred taxation at 30 June 1998 is required. There are no potential liabilities in respect of deferred taxation on timing differences.

7. CALLED UP SHARE CAPITAL

	30 June 1998 £	30 June 1997 £
Authorised:		
Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	1,000	1,000

8. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT IN RESERVES

	Share capital £	Profit and loss account £	Total £
At 30 June 1997	1,000	14,390	15,390
Profit for the period	-	11,123	11,123
At 30 June 1998	1,000	25,513	26,513

9. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £Nil (30 June 1997 - £Nil).

10. PENSIONS

The company pension scheme is of the defined benefit type.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the members working lives. The contributions are determined by a qualified actuary using the projected unit method. The most recent actuarial valuation was at 1 July 1994.

The principal assumptions used for the purposes of the assessment at 1 July 1994 are that dividend growth will be 5.5%, that investment returns would exceed earnings increases by 2.5% per annum and an allowance that post-retirement pensions would increase by 4.5%. The most recent actuarial assessment showed the market value of the scheme's assets at 1 July 1994 was £810,000 representing a funding level of 97%, and a past service deficit of £28,000. The joint contributions of the company and employees were accordingly increased from 1 July 1995 to 19.25% of contributory salaries.

The charge for the year is £88,198 (1997 : £59,869) and £20,127 (1997 : £5,765) was payable at the year end.

NOTES TO THE ACCOUNTS
at 30 June 1998

11. RELATED PARTIES

The company's immediate parent undertaking is Crown Worldwide Limited, a company registered in Scotland. It has included the company in its group accounts, copies of which are available from its registered office: Containerbase, Gartsherrie Road, Coatbridge, Lanarkshire.

In the directors' opinion, the company's ultimate parent company and controlling party is Crown Worldwide Holdings Limited, which is incorporated in Hong Kong. Copies of its group accounts, which include the company, are available from Suite 2001, Evergo House, 38 Gloucester Road, Hong Kong.