

Company Registration No. 00458114

WHITE ARROW EXPRESS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2004



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For the year ended 31 March 2004

DIRECTORS

March Company Director Limited

COMPANY SECRETARY

March Secretarial Services Limited

REGISTERED OFFICE

Universal House
Devonshire Street North
Manchester
M60 6EL

AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

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DIRECTORS' REPORT

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

Principal activity and business review

During the year ended 31 March 2004, the company acted as an agent carrying out business on behalf of another group undertaking and accordingly has not recorded any transactions in its own accounts. Any expenses have been borne by another group undertaking.

On 27 May 2003, the entire share capital of the company's immediate parent undertaking, Reality Group Limited, was acquired by March U.K. Limited.

On 1 April 2004 the company disposed of its investment in White Arrow Leasing Limited to Reality Group Limited.

Results and dividends

The company made a dividend payment on the ordinary shares of 465,302p per share amounting to £4,653,023 (2003: nil).

Directors

The directors that held office during the year were as follows:

C J Holmes	(resigned 27 May 2003)
R W Joyce	(resigned 27 May 2003)
March Company Director Limited	(appointed 27 May 2003)

Directors' interests

No director had any beneficial interest in the shares of the company or any other company within the March U.K. Limited group ("the group") within the disclosure requirements of the Companies Act 1985 at the end of the period.

Elective resolutions

The company has passed elective resolutions to dispense with the holding of annual general meetings and for the laying of the annual report and financial statements before the company in general meetings, until such time as the elections are revoked.

Auditors

The company has passed an elective resolution dispensing with the requirement to re-appoint auditors annually. PricewaterhouseCoopers LLP will therefore continue in office.

By order of the board



Date : 23 July 2004
March Secretarial Services Limited
Company Secretary

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:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures *disclosed and explained in the financial statements*; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 requirements of 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' REPORT ON THE FINANCIAL STATEMENTS

Independent auditors' report to the members of White Arrow Express Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 directors' report 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 is not disclosed.

Basis of audit 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 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.

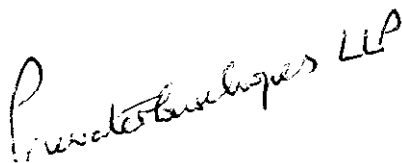
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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Opinion

In our opinion:

- a) the financial statements give a true and fair view of the state of affairs of the company at 31 March 2004 and of the result of the company for the year then ended; and
- b) the financial statements have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
Date : 23 July 2004

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PROFIT AND LOSS ACCOUNT

	<i>Notes</i>	2004 £	2003 £
Turnover		-	-
Net operating expenses	3	10,000	6,000
Operating profit		10,000	6,000
Profit on ordinary activities before taxation		10,000	6,000
Taxation	4	-	-
Profit on ordinary activities after taxation		10,000	6,000
Dividends	5	(4,653,023)	-
Sustained loss for the financial year		(4,643,023)	6,000

The operating profit for the year arises from the company's continuing operations. Any expenses have been borne by another group undertaking.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

There is no difference between the profit on ordinary activities before taxation and the results for the year stated above and their historical cost equivalent.


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BALANCE SHEET

	Notes	2004 £	2003 £
Fixed Assets			
Investments	6	10,000	-
Current Assets			
Debtors	7	6,580	4,659,603
Creditors: Amounts falling due within one year		-	-
Net Current Assets		6,580	4,659,603
Net Assets		16,580	4,659,603
Capital and Reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	15,580	4,658,603
Equity Shareholders' Funds	10	16,580	4,659,603

The financial statements on pages 6 to 12 were approved by the Board of Directors on 23 July 2004.

Signed on its behalf


Director

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards, which have been applied on a consistent basis with previous years.

As the company is a wholly owned subsidiary of a parent undertaking incorporated in the European Community, advantage has been taken of S228 of the Companies Act not to prepare group accounts.

Cash flow statement and related party transactions

The company is a wholly-owned subsidiary of Reality Group Limited at the balance sheet date and is included in the consolidated financial statements of March U.K. Limited from 27 May 2003, which are publicly available. Prior to this date, the company was a wholly-owned subsidiary of GUS plc and included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 'Cash Flow Statements (revised 1996)'.

The company is also exempt under the terms of FRS 8 'Related Party Transactions' from disclosing related party transactions with entities that are part of the group or investees of the group as March U.K. Limited controls 90% or more of the total shareholding and the consolidated accounts of that company are publicly available.

Investments

Investments are included in the balance sheet at their cost on acquisition. Where appropriate, provision is made for any impairment in their value.

2. Directors and employees

During the year the company acted as an agent in carrying out business on behalf of Reality Group Limited and payments made in the year to employees and directors were for services to that company. Accordingly, the employment costs and numbers of employees are included in the financial statements of that company.

None of the directors received any emoluments for services to the company during the year ended 31 March 2004 (2003: nil).

3. Net operating expenses

	2004 £	2003 £
Income from interest in associated undertaking	-	11,000
Other	10,000	(5,000)
	<hr/>	<hr/>
Net operating expenses	10,000	6,000
	<hr/>	<hr/>

4. Taxation

	2004 £	2003 £
Current taxation:		
Tax on profit/(loss) on ordinary activities	-	-
	<hr/>	<hr/>

The tax charge assessed for the period is different to the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	10,000	6,000
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	3,000	1,800
Effects of:		
Income not taxable	(3,000)	(1,800)
	<hr/>	<hr/>
Current tax charge for the period	-	-
	<hr/>	<hr/>

5. Dividends

	2004 £	2003 £
Dividends declared on ordinary shares:		
Interim paid 465,302p per share (2003 - nil)	4,653,023	-
	<hr/>	<hr/>

6. Fixed asset investments

	Shares in group undertakings £
At 1 April 2003	-
Provision release	10,000
	<hr/>
At 31 March 2004	10,000
	<hr/>

The company restated its investment in White Arrow Leasing Limited to cost during the year. The company is a trading entity making a profit in the financial year of £247,000 and has net assets of £831,000 at 31 March 2004, therefore the directors believe a provision for impairment is no longer required.

At 31 March 2004 the company had the following subsidiary:

Company name	Country of incorporation	Class of shares held	Proportion of voting rights held	Nature of business
White Arrow Leasing Limited	Great Britain	Ordinary	100%	Vehicle leasing

7. Debtors

	2004 £	2003 £
Amounts falling due within one year:		
Amounts due from group undertakings	6,580	4,659,603
	<hr/>	<hr/>
	6,580	4,659,603
	<hr/>	<hr/>

8. Share capital

	2004 £	2003 £
Authorised:		
1,000 ordinary shares (2003: 1,000) at £1 each	1,000	1,000
Allotted, issued and fully paid:		
1,000 ordinary shares (2003: 1,000) at £1 each	1,000	1,000

9. Reserves

	Profit & Loss Account £
At 1 April 2003	4,658,603
Loss for the financial year	(4,643,023)
At 31 March 2004	15,580

10. Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Profit for the financial year	10,000	6,000
Dividends	(4,653,023)	-
Net change in shareholders' funds	(4,643,023)	6,000
Equity shareholders' funds at 1 April	4,659,603	4,653,603
Equity shareholders' funds at 31 March	16,580	4,659,603

11. Ultimate parent undertaking

The company's immediate parent undertaking at the balance sheet date was Reality Group Limited. March Corporation Limited, a company registered in Jersey is regarded by the directors as the ultimate parent undertaking which is ultimately controlled by Sir David Barclay and Sir Fredrick Barclay.