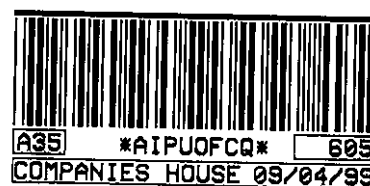


AIRSEA CONTAINERS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 1998



PANNELL KERR FORSTER
Chartered Accountants

AIRSEA CONTAINERS LIMITED

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**AUDITORS' REPORT TO
AIRSEA CONTAINERS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of the company for the year ended 31 July 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

The director is responsible for preparing the 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 and whether the accounts are properly prepared in accordance with those provisions and to report our opinion to you.

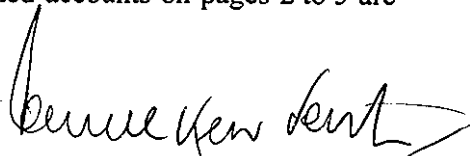
Basis of opinion

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 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Liverpool
23 March 1999


PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

AIRSEA CONTAINERS LIMITED
ABBREVIATED BALANCE SHEET
31 JULY 1998

| | Notes | 1998 £ | 1997 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible | 2 | 318,984 | 175,492 |
| Investments | 3 | 4,852 | - |
| | | <u>323,836</u> | <u>175,492</u> |
| CURRENT ASSETS | | | |
| Stocks | | 389,500 | 343,843 |
| Debtors | | 422,026 | 459,522 |
| Cash at bank and in hand | | 48,624 | 977 |
| | | <u>860,150</u> | <u>804,342</u> |
| CREDITORS: amounts falling due within one year | 4 | (365,063) | (318,927) |
| NET CURRENT ASSETS | | <u>495,087</u> | <u>485,415</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>818,923</u> | <u>660,907</u> |
| CREDITORS: amounts falling due after more than one year | 4 | (15,313) | - |
| PROVISIONS FOR LIABILITIES AND CHARGES | | (8,381) | (7,148) |
| NET ASSETS | | <u><u>795,229</u></u> | <u><u>653,759</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 5 | 1,000 | 1,000 |
| Profit and loss account | | 794,229 | 652,759 |
| SHAREHOLDERS' FUNDS | | <u><u>795,229</u></u> | <u><u>653,759</u></u> |

The abbreviated accounts have been 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 23 March 1999

Signed on behalf of the board of directors

Donald Staniford Director



AIRSEA CONTAINERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 1998

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---|-----------------------|
| Long leasehold buildings | 2 % reducing balance |
| Plant, machinery, fixtures and fittings | 15 % reducing balance |
| Motor vehicles | 25 % reducing balance |
| Tooling | 25 % straight line |
| Computers | 33 % straight line |

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

(f) Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Revenue grants are released to profit over the life of the project to which they relate.

AIRSEA CONTAINERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 1998

1 ACCOUNTING POLICIES (Continued)

(g) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(h) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

(i) Pensions

Pension costs represent contributions payable by the company. These contributions are invested in separate contracts for each employee. There are no contributions payable as at the year end.

2 TANGIBLE FIXED ASSETS

| | £ |
|------------------------|-----------------------|
| Cost | |
| At 1 August 1997 | 292,453 |
| Additions | 175,351 |
| At 31 July 1998 | <u>467,804</u> |
| Depreciation | |
| At 1 August 1997 | 116,961 |
| Charge for year | 31,859 |
| At 31 July 1998 | <u>148,820</u> |
| Net book amount | |
| At 31 July 1998 | <u><u>318,984</u></u> |
| At 31 July 1997 | <u><u>175,492</u></u> |

Land and buildings additions include £122,388 in respect of leasehold improvements.

The net book amounts of plant & machinery, fixtures & fittings above include £19,550 (1997 - £NIL) in respect of assets held under finance leases or hire purchase contracts.

AIRSEA CONTAINERS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 1998

3 FIXED ASSET INVESTMENTS

| | £ |
|------------------------|--------------|
| Cost | |
| At 1 August 1997 | - |
| Additions | 4,852 |
| | <hr/> |
| At 31 July 1998 | 4,852 |
| | <hr/> |

Investments include an investment in Airsea France Limited, a company incorporated in France, comprising a holding of 49% of its issued ordinary capital. This company has only just started to trade during the year. Details of the profit for the period and net assets as at the balance sheet date are not considered to be material and therefore have not been disclosed in these accounts.

4 CREDITORS

Creditors amounting to £19,688 (1997 - £21,805) are secured.

5 SHARE CAPITAL

| | Authorised | Allotted, called up and | |
|--------------------------------------|------------|-------------------------|-----------------|
| | £ | No. | fully paid £ |
| At 1 August 1997 and 31 July 1998 | | | |
| Ordinary shares of £1 each | 10,000 | 1,000 | 1,000 |
| | <hr/> | <hr/> | <hr/> |