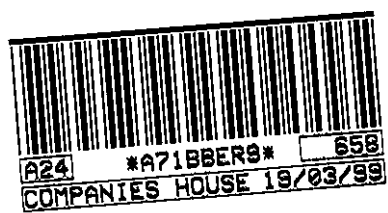


COURIER FACILITIES LIMITED
STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1998



COURIER FACILITIES LIMITED
STATUTORY ACCOUNTS AS AT 31ST DECEMBER 1998

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COURIER FACILITIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T P Jones - Chairman
D C Rustom OBE DFC
D Pedri
M J Barber
P J Walsh
A Smith
G A Adam
R Eilers

SECRETARY

James Crosby Secretarial Services
Limited

REGISTERED OFFICE

Westminster Bank Chambers
11 Bridge Road
East Molesey
Surrey KT8 9EU

AUDITOR

Newby Crouch
Chartered Accountants

BANKERS

Barclays Bank Plc

COURIER FACILITIES LIMITED

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31st December 1998.

RESULTS AND DIVIDENDS

The trading loss for the year, after taxation, amounted to £23,202 (1997: £2,017 profit).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the management and administration of courier facilities and DTI systems at Heathrow airport for the clearance by Customs & Excise of goods carried by or on behalf of international courier and express companies.

On 30th September 1998, the contract with CNS ceased with regard to the DTI systems at Heathrow Airport, therefore resulting in a decrease in DTI charges and a resulting decrease in income.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The directors consider the affairs of the company to be satisfactory and anticipate a return to profitability in 1999.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

EVENTS SINCE THE END OF THE YEAR

There have been no events since the Balance Sheet date that the directors consider should be brought to the notice of the members.

DIRECTORS AND THEIR INTERESTS

The directors at 31st December 1998 and during the year were as follows:

T P Jones	D Pedri
D C Rustom OBE DFC	A Smith
J W Harcourt (Resigned 18.12.98)	G A Adam
P J Walsh	R Eilers (Appointed 18.12.98)
M J Barber	

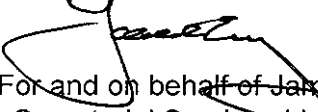
All the directors retire at the Annual General Meeting and being eligible, offer themselves for re-election.

No director was interested in any of the shares in the company.

AUDITOR

A resolution to re-appoint Messrs. Newby Crouch as Auditor will be put to the members at the Annual General Meeting

By Order of the Board


 For and on behalf of James Crosby
 Secretarial Services Limited - Secretary
 12th February 1999

COURIER FACILITIES LIMITED
DIRECTORS' RESPONSIBILITIES
FOR THE FINANCIAL STATEMENTS

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 results of the company for the 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

**REPORT OF THE AUDITOR
TO THE MEMBERS OF
COURIER FACILITIES LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 3, the Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 31st December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Westminster Bank Chambers
11 Bridge Road
East Molesey
Surrey KT8 9EU

23rd February 1999

Newby Crouch

Chartered Accountants

Registered Auditor

COURIER FACILITIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998

1997 £		Notes	£	£
1,408,515	TURNOVER - Continuing Operations	2		1,342,226
1,391,007	Cost of Sales including Staff Costs	3		1,346,062
<hr/> 17,508	GROSS PROFIT			<hr/> 3,836
20,164	Administration Expenses		22,529	
1,591	Depreciation	1 & 9	291	
<hr/> 21,755			<hr/>	<hr/> 22,820
	OPERATING LOSS			
4,247	- Continuing Operations	4		26,656
<hr/> 25	Investment Income	5	27	
6,513	Interest Receivable	6	3,050	
-	Interest payable	7	31	
<hr/> 6,538			<hr/>	<hr/> 3,046
	LOSS (PROFIT) ON ORDINARY			
(2,291)	ACTIVITIES BEFORE TAXATION			23,610
274	Taxation	8		(408)
<hr/> (2,017)	LOSS (PROFIT) ON ORDINARY			<hr/> 23,202
40,944	ACTIVITIES AFTER TAXATION			42,961
	Retained Profit Brought Forward			<hr/>
<hr/> £ 42,961	RETAINED PROFIT CARRIED FORWARD			<hr/> £ 19,759
=====				=====

There were no other recognised gains or losses in the financial year.

The notes on pages 7 to 11 form part of these accounts

COURIER FACILITIES LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1998

1997 £		Notes	£	£
	FIXED ASSETS			
145	Tangible Assets	9	148	
245	Investments	10	245	
<hr/>			<hr/>	
390				393
<hr/>				
	CURRENT ASSETS			
196,546	Debtors	11	209,351	
68,541	Cash at Bank and in Hand		4,236	
<hr/>			<hr/>	
265,087			213,587	
217,516	CREDITORS	12	189,221	
<hr/>			<hr/>	
47,571	NET ASSETS LESS CURRENT LIABILITIES			24,366
<hr/>				<hr/>
£ 47,961				£ 24,759
=====				=====
	CAPITAL AND RESERVES			
5,000	Called Up Share Capital			5,000
42,961	Profit and Loss Account			19,759
<hr/>				<hr/>
£ 47,961	SHAREHOLDERS' FUNDS	15		£ 24,759
=====				=====

Approved by the Board of Directors on ... 17th February 1999

T P Jones - Director

D C Ruston - Director

The notes on pages 7 to 11 form part of these accounts

COURIER FACILITIES LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1998

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of Preparation

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

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and Fittings	over two years
Office Furniture and Equipment	over two years

Investments

Fixed asset investments are shown at cost. Income is included (together with the related tax credit) in the accounts of the year in which it is receivable.

Deferred Taxation

Deferred taxation is not provided for in these accounts; see note 13.

2. TURNOVER

Turnover represents the invoiced amount of services provided (stated net of value added tax).

3. STAFF COSTS	1998	1997
Wages and Salaries	368,691	345,735
Social Security Costs	35,753	33,006
Pension Payments	14,400	14,000
	<hr/>	<hr/>
	£418,844	£392,741
	=====	=====

The average weekly number of employees during the year was made up as follows:

Office and Management	25	25
	===	===

COURIER FACILITIES LIMITED

NOTES TO THE ACCOUNTS (Cont'd)

4. OPERATING LOSS	1998	1997
This is stated after charging:		
Directors' Remuneration (see below)	£ -	£ -
Auditor's Remuneration	£ 1,100	£ 1,100
	=====	=====

None of the directors received any remuneration in their capacity as directors of Courier Facilities Limited.

5. INVESTMENT INCOME	1998	1997
Income from shares in company listed in UK (see note 10)	£ 27	£ 25
	=====	=====

6. INTEREST RECEIVABLE		
Bank Deposit Interest	£ 3,050	£ 6,513
	=====	=====

7. NET INTEREST PAYABLE		
Bank Overdraft	£ 31	£ -
	=====	=====

8. TAXATION

The tax charge is based on the profit for the year and comprises:

Corporation Tax Repayment (Charge)	408	(408)
Prior Year Adjustment	-	134
	-----	-----
	£ 408	£ 274
	=====	=====

COURIER FACILITIES LIMITED

NOTES TO THE ACCOUNTS (Cont'd)

9. TANGIBLE FIXED ASSETS

	Office Furniture & Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 st January 1998	22,725	59,264	81,989
Additions	294	-	294
	<hr/>	<hr/>	<hr/>
At 31 st December 1998	£ 23,019 =====	£ 59,264 =====	£ 82,283 =====
Depreciation			
At 1 st January 1998	22,581	59,263	81,844
Charge in the Year	291	-	291
	<hr/>	<hr/>	<hr/>
At 31 st December 1998	£ 22,872 =====	£ 59,263 =====	£ 82,135 =====
Net Book Value at 31 st December 1998	£ 147 =====	£ 1 =====	£ 148 =====
Net Book Value at 31 st December 1997	£ 144 =====	£ 1 =====	£ 145 =====

10. INVESTMENTS

The company has a holding of 200 ordinary £1.00 shares in BAA Plc, a company quoted on the London Stock Exchange. The shares are shown at cost. Market value at the Balance Sheet date was £1,403 (1997: £1,002).

11. DEBTORS

	1998	1997
Trade Debtors	164,501	166,569
Other Debtors	44,442	29,977
Corporation Tax Repayment	408	-
	<hr/>	<hr/>
	£209,351 =====	£196,546 =====

COURIER FACILITIES LIMITED

NOTES TO THE ACCOUNTS (Cont'd)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1998	1997
Trade Creditors	129,097	141,429
Current Corporation Tax	-	408
Other Taxes & Social Security Costs	13,399	11,743
Accruals	22,890	39,501
Refundable Deposits	23,835	24,435
	<u>£189,221</u>	<u>£217,516</u>
	=====	=====

13. DEFERRED TAXATION

At 31st December 1998 the company had no deferred liability to corporation tax on the excess of the net book value of assets on which capital allowances are obtainable over the future available capital allowances on those assets (1997: Nil).

14. SHARE CAPITAL

	Authorised No.	Issued, Called Up and Fully Paid
Ordinary Shares of £1.00 each	5,000	£ 5,000
	=====	=====

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
Loss (Profit) for the Financial Year	23,202	(2,017)
Opening Shareholders' Funds	47,961	45,944
	<u>£ 24,759</u>	<u>£ 47,961</u>
Closing Shareholders' Funds	=====	=====

16. POST BALANCE SHEET EVENTS

Since the balance sheet date no events have occurred which would have a material effect on these financial statements.

COURIER FACILITIES LIMITED**NOTES TO THE ACCOUNTS (Cont'd)****17. CAPITAL COMMITMENTS**

At 31st December 1998 the company had not contracted for any capital expenditure (1997: none).

18. CONTINGENT LIABILITIES

At 31st December 1998 the company was not aware of any contingent liabilities (1997: none).

19. PENSION CONTRIBUTIONS

The company contributes to separate defined contribution pension schemes for company employees, the assets of the schemes being kept in separately administered funds.

The charge for the year was £14,400 (1997: £14,000), and there were no unpaid amounts as at 31st December 1998.