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# **Bolt Holdings Limited**

## **Report and Financial Statements**

31 December 2004



# **Bolt Holdings Limited**

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Registered No: 4327694

## **Directors**

A R Bernard (Chief Executive)  
G A M Keenan  
J C Tyacke  
AUB Secretaries Limited

## **Secretary**

G A M Keenan

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **Bankers**

Barclays Bank PLC  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

Ahli United Bank (UK) PLC  
Baker Street  
London  
W1U 8EG

## **Solicitors**

Squire Sanders & Dempsey  
60 Cannon Street  
London  
EC4N 6NP

## **Registered Office**

TDK House  
2<sup>nd</sup> Floor, 5-7 Queensway  
Redhill  
RH1 1YB

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

### Results and dividends

The loss for the year, after taxation, amounted to £1,271,852 (2003 - £191,966). The directors do not recommend the payment of a dividend.

### Principal activities

The group's principal activities during the year were the provision of same day courier services and the provision of executive passenger car services.

### Review of the business

The directors consider the results to reflect the business development strategy pursued during 2003 and 2004. This has enabled the group to grow its revenue by 30% since 2002, the costs of which are reflected in the Group Profit and Loss Account.

During 2005, the directors are confident that the trading results will improve as the incremental costs of the growth strategy are eliminated.

### Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the group's policy - wherever practicable - to provide continuing employment under normal terms and conditions. The group would also aim to provide training and career development and promotion to disabled employees wherever appropriate.

### Employee involvement

The group has an ongoing policy of providing feedback to employees, not only on their individual performance, but on the performance of the business. To this end, the Chief Executive issues a regular newsletter

### Post balance sheet event

On 4 July 2005 the group entered in to a new financing arrangement for a £7.7m facility with Venture Finance PLC, which is owned by the ABN-AMRO Group. This consisted of a £1.7m term loan over two years and a £6.0m invoicing discounting facility over an initial 3 year period. These funds were used to repay the existing bank loan in full and the balance will be used for working capital purposes.

## Directors' report

### Directors and their interests

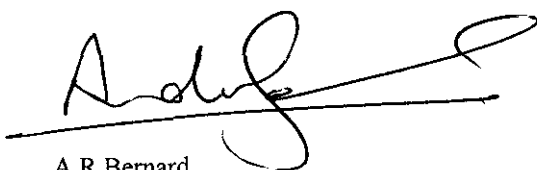
The directors during the year and their interest in the share capital of the company is as follows:

	<i>At 31 December 2004</i>	<i>At 1 January 2004</i>
	<i>Ordinary shares No.</i>	<i>Ordinary shares No.</i>
A R Bernard	164,388	138,863
A N Golding (resigned 8 December 2004)	22,166	17,880
G A M Keenan (appointed 20 October 2004)	—	—
I Lewis (resigned 14 May 2004)	—	64,414
J C Tyacke	39,507	33,453
AUB Secretaries Limited	—	—

### Auditors

A resolution to reappoint Ernst & Young LLP will be put to the members at the Annual General Meeting.

On behalf of the board



A R Bernard  
Director

21 October 2005

## **Statement of directors' responsibilities in respect of 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 group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditors' report**

**to the members of Bolt Holdings Limited**

We have audited the group's financial statements for the year ended 31 December 2004 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet, Group Statement of Cash Flows, and the related notes 1 to 21. These financial statements have been prepared on the basis of 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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 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 with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

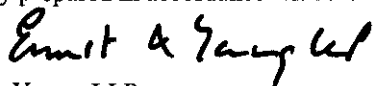
## **Basis of audit opinion**

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 group'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 affairs of the company and of the group as at 31 December 2004 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
London

28 October 2005

## Group profit and loss account

for the year ended 31 December 2004

	Notes	2004 £	2003 £
<b>Turnover</b>	2	36,331,093	34,338,653
Cost of sales		(22,520,580)	(21,123,872)
<b>Gross profit</b>		13,810,513	13,214,781
Administrative expenses		(14,572,717)	(12,737,157)
Exceptional items	3	–	(176,507)
<b>Operating (loss)/profit</b>	4	(762,204)	301,117
<b>Operating (loss)/profit comprises:</b>			
<b>EBITDA</b>		467,939	1,273,866
Depreciation		(676,001)	(532,350)
Amortisation		(554,142)	(440,399)
Bank interest receivable		2,246	102
Interest payable and similar charges	7	(496,113)	(485,548)
<b>Loss on ordinary activities before taxation</b>		(1,256,071)	(184,329)
Taxation	8	(15,781)	(7,637)
<b>Loss for the financial year</b>	17	(1,271,852)	(191,966)

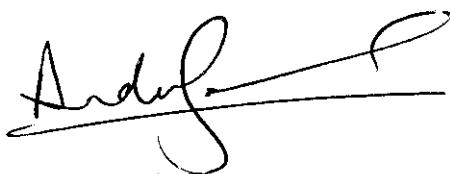
## Group statement of total recognised gains and losses

There are no recognised gains or losses other than those shown in the profit and loss account.

# Group balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Intangible assets	9	1,238,412	1,712,554
Tangible assets	10	1,538,223	1,501,970
		<u>2,776,635</u>	<u>3,214,524</u>
<b>Current assets</b>			
Debtors	12	6,112,925	6,535,237
Cash at bank and in hand		952,218	990,781
		<u>7,065,143</u>	<u>7,526,018</u>
<b>Creditors:</b> amounts falling due within one year	13	(5,259,539)	(5,017,707)
		<u>1,805,604</u>	<u>2,508,311</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		<u>4,582,239</u>	<u>5,722,835</u>
<b>Creditors:</b> amounts falling due after more than one year			
Loans	14	(5,178,154)	(5,046,898)
		<u>(595,915)</u>	<u>675,937</u>
<b>Capital and reserves</b>			
Called up share capital	16	3,118	3,118
Share premium account	17	160,907	160,907
Profit and loss account	17	(759,940)	511,912
		<u>(595,915)</u>	<u>675,937</u>
<b>Equity shareholders' funds</b>	18		



A R Bernard  
Director

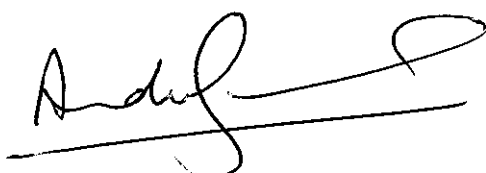
21 October 2005



# Company balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Investments	11	3	3
<b>Current assets</b>			
Debtors: due after more than one year	12	5,439,338	5,811,810
<b>Creditors:</b> amounts falling due within one year	13	(450,000)	(477,288)
<b>Net current assets</b>		4,989,338	5,334,522
<b>Total assets less current liabilities</b>		4,989,341	5,334,525
<b>Creditors:</b> amounts falling due after more than one year	14	(5,178,154)	(5,046,898)
		(188,813)	287,627
<b>Capital and reserves</b>			
Called up share capital	16	3,118	3,118
Share premium account	17	160,907	160,907
Profit and loss account	17	(352,838)	123,602
<b>Equity shareholders' funds</b>	18	(188,813)	287,627



A R Bernard  
Director

21 October 2005

## Group statement of cash flows

for the year ended 31 December 2004

	2004	2003
Note	£	£
<b>Cash inflow from operating activities</b>	19(a) 1,425,108	1,405,704
<b>Returns on investments and servicing of finance</b>		
Loan interest paid	(435,184)	(485,548)
Corporation tax interest paid	(19,673)	—
Interest received	2,246	102
<b>Net cash outflow from returns on investments and servicing of finance</b>	(452,611)	(485,446)
<b>Taxation</b>		
UK corporation tax paid	(315,453)	—
<b>Tax paid</b>	(315,453)	—
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(726,607)	(499,079)
Proceeds from disposal of tangible fixed assets	21,000	—
<b>Net cash outflow from capital expenditure</b>	(705,607)	(499,079)
<b>Acquisition and disposals</b>		
Purchase of business assets of Hornets Carriage Company Limited	(80,000)	(400,000)
Costs of acquisition	—	(460,325)
<b>Net cash outflow from acquisition and disposals</b>	(80,000)	(860,325)
<b>Cash outflow before financing</b>	(128,563)	(439,146)
<b>Financing</b>		
Issue of ordinary share capital	—	14,025
New loan drawn down	540,000	1,001,250
Repayment of long term loan	(450,000)	(400,000)
<b>Net cash inflow from financing</b>	90,000	615,275
<b>(Decrease)/increase in cash</b>	(38,563)	176,129

**Group statement of cash flows** (continued)  
for the year ended 31 December 2004

**Reconciliation of net debt**

	<i>Note</i>	<i>2004</i> £	<i>2003</i> £
(Decrease)/increase in cash in the year		(38,563)	176,129
Cash inflow from increase in long term loans		(540,000)	(960,000)
Cash outflow from repayment of long term loans		450,000	400,000
Change in net debt arising from cash flows		(128,563)	(383,871)
Amortisation of loan issue costs		(41,256)	(41,250)
Movement in net debt		(169,819)	(425,121)
<b>Net debt brought forward</b>		(4,506,117)	(4,080,996)
<b>Net debt at 31 December</b>	19(b)	(4,675,936)	(4,506,117)

## Notes to the financial statements

at 31 December 2004

### 1. Accounting policies

#### *Basis of preparation*

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

#### *Fundamental accounting concept - going concern*

On 4 July 2005 the Group entered in to a new financing arrangement for a £7.7m facility with Venture Finance PLC, a subsidiary of the ABN-AMRO Group. This consisted of a £1.7m term loan over two years and a £6.0m invoicing discounting facility over an initial 3 year period. These funds were used to repay the existing bank loan in full and the balance will be utilised, when required, for working capital purposes. This funding enables the Group to pay its liabilities as they fall due, based on forecasts prepared by the company and approved by its Board. Consequently the Board have prepared these financial statements on a going concern basis. The financial statements do not contain any adjustments that would be necessary should this basis not be appropriate

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of Bolt Holdings Limited and its subsidiary undertakings drawn up to 31 December 2004. No profit and loss account is presented for the company as permitted by section 230 of the Companies Act 1985.

#### *Goodwill*

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities. Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of its full financial year following the acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Intangible fixed assets excluding goodwill*

Intangible assets acquired separately from a business are capitalised at cost.

Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Fixed asset investment*

The investment in subsidiaries is stated at cost. The carrying value is reviewed for impairment when events or changes in circumstances indicate it may not be recoverable.

#### *Depreciation*

Depreciation is provided on a straight line basis so calculated as to write off the assets concerned, less their residual value, evenly over their useful working lives:

Short leasehold improvements	-	over the lease term
Computer equipment	-	4 years
Fixtures and fittings	-	5 years
Other equipment	-	5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## Notes to the financial statements

at 31 December 2004

### 1. Accounting policies (continued)

#### *Finance costs*

The finance cost, including loan issue costs, recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Leases*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Pensions*

The group makes contributions to the personal pension plans of certain employees. Contributions to such schemes are charged in the profit and loss account as incurred.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in respect of the group's continuing activities.

All turnover is derived from the United Kingdom.

### 3. Exceptional items

Certain costs were omitted from the profit and loss account for the period ended 31 December 2002. As these items do not represent a fundamental error they have been included as exceptional items during 2003, rather than as a prior year adjustment.

## Notes to the financial statements

at 31 December 2004

### 4. Operating (loss)/profit

This is stated after charging:

	2004	2003
	£	£
Auditors' remuneration - audit services	38,500	38,500
- non-audit services	40,150	13,000
Depreciation of owned tangible fixed assets	676,001	532,350
Amortisation of intangible fixed assets	554,142	440,399
Operating lease rentals - land and buildings	807,832	795,898
- other equipment	90,667	73,587

### 5. Directors' remuneration

	2004	2003
	£	£
Emoluments	373,735	342,000

Company contributions to defined contribution pension schemes	19,080	19,080
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	2004	2003
	No.	No.
Members of the defined contribution scheme	1	1

Amounts in respect of the highest paid director are as follows:

	2004	2003
	£	£
Emoluments	162,000	156,000
Company contributions to defined contribution pension schemes	19,080	19,080

## Notes to the financial statements

at 31 December 2004

### 6. Staff costs

	2004	2003
	£	£
Wages and salaries	7,516,034	6,827,843
Social security costs	733,956	655,275
Other pension costs	43,001	36,330
	<u>8,292,991</u>	<u>7,519,448</u>

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

	2004	2003
	No.	No.
London operations	158	145
Regional operations	93	88
Management and administration	31	35
Sales and marketing	21	22
	<u>303</u>	<u>290</u>

### 7. Interest payable and similar charges

	2004	2003
	£	£
Interest on bank loans not wholly repayable within five years	435,184	444,298
Interest on corporation tax and VAT	19,673	—
Amortisation of loan issue costs	41,256	41,250
	<u>496,113</u>	<u>485,548</u>

## Notes to the financial statements

at 31 December 2004

### 8. Taxation

(a) Analysis of charge in year:

	2004 £	2003 £
<i>Current tax</i>		
UK corporation tax on the loss for the year	—	29,837
Adjustment in respect of previous year	(1,039)	2,585
<b>Total current tax (note 8(b))</b>	<b>(1,039)</b>	<b>32,422</b>
<i>Deferred tax</i>		
Origination and reversal of timing differences	16,820	(24,785)
<b>Total deferred tax (note 8(c))</b>	<b>16,820</b>	<b>(24,785)</b>
<b>Total tax charge for year</b>	<b>15,781</b>	<b>7,637</b>

(b) Factors affecting current tax (credit)/charge for the year:

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	2004 £	2003 £
Loss on ordinary activities before tax	(1,256,071)	(184,329)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(376,821)	(55,299)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	78,626	61,949
Depreciation in excess of capital allowances	19,245	6,687
Other timing differences	81,000	16,500
Adjustment in respect of previous year	(1,039)	2,585
Losses carried forward	197,950	—
<b>Current tax for the year (note 8(a))</b>	<b>(1,039)</b>	<b>32,422</b>



## Notes to the financial statements

at 31 December 2004

### 8. Taxation (continued)

(c) Deferred taxation recognised in the financial statements and the amounts unrecognised are as follows:

	<i>Unrecognised</i>		<i>Recognised</i>	
	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2004</i>	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Decelerated capital allowances	(66,183)	–	(320)	–
Other timing differences	(97,500)	–	(16,500)	–
Tax losses	(197,950)	–	–	–
	<u>(361,633)</u>	<u>–</u>	<u>(16,820)</u>	<u>–</u>

The movement in the deferred tax asset is as follows:

	<i>Group</i>	<i>Company</i>	<i>Group</i>	<i>Company</i>
	<i>2004</i>	<i>2004</i>	<i>2003</i>	<i>2003</i>
	<i>£</i>	<i>£</i>	<i>£</i>	
As at 1 January 2004	(16,820)	–	7,965	–
Profit and loss account movement for the year (note 8a)	16,820	–	(24,785)	–
As at 31 December 2004 (note 12)	<u>–</u>	<u>–</u>	<u>(16,820)</u>	<u>–</u>

The deferred tax asset has not been recognised in 2004 as it did not meet the recognition criteria of FRS 19.

### 9. Intangible fixed assets

<i>Group</i>	<i>Development costs</i>	<i>Goodwill</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cost:			
At 1 January 2004	124,236	2,150,936	2,275,172
Additions	–	80,000	80,000
At 31 December 2004	<u>124,236</u>	<u>2,230,936</u>	<u>2,355,172</u>
Amortisation:			
At 1 January 2004	6,212	556,406	562,618
Charge for the year	6,213	547,929	554,142
At 31 December 2004	<u>12,425</u>	<u>1,104,335</u>	<u>1,116,760</u>
Net book value:			
At 31 December 2004	<u>111,811</u>	<u>1,126,601</u>	<u>1,238,412</u>
At 1 January 2004	<u>118,024</u>	<u>1,594,530</u>	<u>1,712,554</u>

## Notes to the financial statements

at 31 December 2004

### 9. Intangible fixed assets (continued)

Additions to goodwill relate to the final purchase price of the trade from Hornets Carriage Company Limited, trading as M&L, on 26 January 2003. Goodwill as a result of the Hornets acquisition will be amortised over 2 years.

Development costs relate to the setting-up of the executive passenger car services conducted by the company's subsidiaries, WestOne Passenger Cars Limited and WestOne Private Hire Training Limited.

### 10. Tangible fixed assets

<i>Group</i>	<i>Short leasehold improvements</i>	<i>Computer equipment</i>	<i>Fixtures and fittings</i>	<i>Other equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
At 1 January 2004	99,471	1,934,041	168,445	291,208	2,493,165
Additions	26,612	689,959	9,047	989	726,607
Disposal	—	—	—	(15,500)	(15,500)
At 31 December 2004	126,083	2,624,000	177,492	276,697	3,204,272
Depreciation:					
At 1 January 2004	18,047	828,345	61,796	83,007	991,195
Charge for the year	22,779	562,597	34,864	55,761	676,001
Disposal	—	—	—	(1,147)	(1,147)
At 31 December 2004	40,826	1,390,942	96,660	137,621	1,666,049
Net book value:					
At 31 December 2004	85,257	1,233,058	80,832	139,076	1,538,223
At 1 January 2004	81,424	1,105,696	106,649	208,201	1,501,970

### 11. Investments

<i>Company</i>	<i>Subsidiary undertakings</i>
	£
At 31 December 2003 and 31 December 2004	3

Details of the investments in which the group or company holds at least 20% of the nominal value of any class of share capital are as follows:

## Notes to the financial statements

at 31 December 2004

### 11. Investments (continued)

#### *Subsidiary undertakings*

Held by the company

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and class held</i>	<i>Nature of business</i>
CitySprint (UK) Limited	Ordinary shares	100%	Courier Services
WestOne Passenger Cars Limited	Ordinary shares	100%	Private hire services
WestOne Private Hire Training Limited	Ordinary shares	100%	Dormant

All of the above are registered in England and Wales.

### 12. Debtors

	<i>Group 2004 £</i>	<i>Company 2004 £</i>	<i>Group 2003 £</i>	<i>Company 2003 £</i>
Amounts due from subsidiary undertakings	–	5,439,338	–	5,811,810
Trade debtors	5,558,421	–	5,963,886	–
Deferred tax asset (note 8)	–	–	16,820	–
Other debtors	83,185	–	138,895	–
Prepayments	471,319	–	415,636	–
	<u>6,112,925</u>	<u>5,439,338</u>	<u>6,535,237</u>	<u>5,811,810</u>

The amounts due to the company from subsidiary undertakings of £5,439,338 (2003 - £5,811,810) are due in more than one year.

### 13. Creditors: amounts falling due within one year

	<i>Group 2004 £</i>	<i>Company 2004 £</i>	<i>Group 2003 £</i>	<i>Company 2003 £</i>
Current instalment due on bank loan (note 15)	450,000	450,000	450,000	450,000
Trade creditors	1,460,754	–	1,079,768	–
Corporation tax	81,747	–	398,239	27,288
Other taxation and social security	1,879,000	–	1,757,032	–
Other creditors	790,500	–	413,590	–
Accruals	597,538	–	919,078	–
	<u>5,259,539</u>	<u>450,000</u>	<u>5,017,707</u>	<u>477,288</u>

## Notes to the financial statements

at 31 December 2004

### 14. Creditors: amounts falling due after more than one year

*Group and company*

	2004	2003
	£	£
Bank loan (note 15)	5,178,154	5,046,898

### 15. Bank loan

*Group and company*

	2004	2003
	£	£
Not wholly repayable within five years:		
£1,000,000 bank loan: Tranche B *	—	1,000,000
£500,000 bank loan: Tranche D **	500,000	500,000
	500,000	1,500,000
Wholly repayable within five years:		
£1,000,000 bank loan: Tranche B *	1,000,000	—
Bank loan Tranche C ***	2,869,398	2,329,398
£2,500,000 bank loan: Tranche A ****	1,300,000	1,750,000
Less: unamortised issue costs	(41,244)	(82,500)
	5,628,154	5,496,898
Less: included in creditors: amounts falling due within one year	(450,000)	(450,000)
	5,178,154	5,046,898

\* Interest on Tranche B of the bank loan is charged at LIBOR plus 3.5% plus any MLA costs. Tranche B is repayable in full on 11 January 2009.

\*\* Interest on Tranche D of the bank loan is charged at 9% per annum until 11 January 2005 and thereafter at 10% per annum. Tranche D is repayable in full on 11 January 2010.

\*\*\* Tranche C is a revolving credit facility up to a maximum of £3,000,000. Interest is charged on drawn down amounts at LIBOR plus MLA costs plus a variable rate dependent on trading results of the group, being 2% for the year. Drawn down amounts under Tranche C are repayable in full on 11 January 2008.

\*\*\*\* Interest on Tranche A is charged at LIBOR plus MLA costs plus a variable rate dependent on trading results of the group, being 2% for the year. Tranche A is repayable by annual instalments up to 11 January 2008.

## Notes to the financial statements

at 31 December 2004

### 15. Bank loan (continued)

The bank loan is secured by a floating charge over the assets of the company.

	2004 £	2003 £
Amounts falling due:		
In one year or less	450,000	450,000
Between one and two years	450,000	450,000
Between two and five years	4,269,398	3,179,398
	5,169,398	4,079,398
In more than five years	500,000	1,500,000
	5,669,398	5,579,398
Less: unamortised issue expenses	(41,244)	(82,500)
	5,628,154	5,496,898

### 16. Share capital

	2004 No.	2004 £	2003 No.	2003 £
Authorised:				
Ordinary shares of 1p each	333,926	3,339	333,926	3,339
'A' ordinary shares of 1p each	332,593	3,326	332,593	3,326
Deferred ordinary shares of 1p each	1	–	1	–
	666,520	6,665	666,520	6,665
	2004 No.	2004 £	2003 No.	2003 £
Allotted, called up and fully paid:				
Ordinary shares of 1p each	311,820	3,118	311,820	3,118

The ordinary shares and 'A' ordinary shares rank *pari passu* in all respects. The deferred ordinary share carries no voting rights nor any rights to dividends, unless the rights attached to the deferred share are deemed to be varied, in which circumstances the holder of the deferred share would have voting rights equal to 30% of the entire voting rights of the issued shares of the company.

#### Warrants

On 11 January 2002 the company issued warrants to Ahli United Bank, as follows:

##### (i) Tranche B warrant

The warrant gives the holder the right to subscribe for 10% of the issued equity share capital of the company, at a price of 1p per share, in 'A' ordinary shares.

The warrant may be exercised at any time after 11 January 2007 or at any time between date of a notification of a notifying event (a sale of the company, a listing of the company, a declaration of a dividend or other distribution in respect of the company's equity shares, liquidation of the company, or in the event of default from the terms of the loan financing provided by Ahli United Bank) and the notifying event taking place.

## Notes to the financial statements

at 31 December 2004

### 16. Share capital (continued)

#### (ii) Tranche D warrant

The warrant gives the holder the right to subscribe for 37.9% (2002 39.9%) of the issued equity share capital of the company, at a price of 1p per share, in 'A' ordinary shares.

The rights to exercise the warrant are the same as for Tranche B above.

### 17. Reserves

#### Group

	<i>Share premium account £</i>	<i>Profit and loss account £</i>
At 1 January 2004	160,907	511,912
Loss for the financial year	–	(1,271,852)
At 31 December 2004	<u>160,907</u>	<u>(759,940)</u>

#### Company

	<i>Share premium account £</i>	<i>Profit and loss account £</i>
At 1 January 2004	160,907	123,602
Loss for the financial year	–	(476,440)
At 31 December 2004	<u>160,907</u>	<u>(352,838)</u>

## Notes to the financial statements

at 31 December 2004

### 18. Reconciliation of shareholders' funds

<i>Group</i>	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Loss for the financial year	(1,271,852)	(191,966)
New shares issued	–	14,025
Net reduction in shareholders' funds	(1,271,852)	(177,941)
Opening equity shareholders' funds	675,937	853,878
Closing equity shareholders' funds	(595,915)	675,937
<i>Company</i>	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
(Loss)/profit for the financial year	(476,440)	14,452
New shares issued	–	14,025
Net (reduction)/increase in shareholders' funds	(476,440)	28,477
Opening equity shareholders' funds	287,627	259,150
Closing equity shareholders' funds	(188,813)	287,627

### 19. Notes to the cash flow statement

#### (a) Reconciliation of operating (loss)/profit to operating cash flows

	<i>2004</i>	<i>2003</i>
	<i>£</i>	<i>£</i>
Operating (loss)/ profit	(762,204)	301,117
Depreciation of tangible fixed assets	676,001	532,350
Amortisation of intangible fixed assets	554,142	440,399
Profit on disposal of fixed assets	(6,647)	–
Decrease / (increase) in debtors and prepayments	405,492	(1,024,116)
Increase in operating creditors and accruals	558,324	1,155,954
Net cash inflow from operating activities	1,425,108	1,405,704

#### (b) Analysis of net debt

	<i>At</i>		<i>At</i>
	<i>31 December</i>	<i>Cash</i>	<i>Non-cash</i>
	<i>2003</i>	<i>flow</i>	<i>changes</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Cash at bank and in hand	990,781	(38,563)	–
Long term loans	(5,496,898)	(90,000)	(41,256)
	(4,506,117)	(128,563)	(41,256)
			(4,675,936)

## Notes to the financial statements

at 31 December 2004

### 20. Other financial commitments

As at 31 December 2004 the group had annual commitments under non-cancellable operating leases as follows:

<i>Group</i>	<i>Land and buildings 2004</i>	<i>Other equipment 2004</i>	<i>Land and buildings 2003 £</i>	<i>Other equipment 2003 £</i>
Operating leases which expire:				
within one year	98,531	95,538	44,943	12,153
between two and five years	217,014	–	223,152	6,306
over five years	586,845	–	530,294	–
	<u>902,390</u>	<u>95,538</u>	<u>798,389</u>	<u>18,459</u>

The company has no operating lease commitments.

### 21. Related parties

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the Bolt Holdings Limited group.