FC22401 200916/60

Panther Express Limited

Directors' report and unaudited financial statements

for the year ended 28 February 2006

Panther Express Limited

Directors' report
for the year ended 28 February 2006

The directors present herewith their report and audited financial statements for the year ended 28 February 2006.

Principal activity
The principal activity of the company is freight services.

Results for the year
The results for the year and their appropriation are set out in the profit and loss account on page 4.

Dividend
The directors do not propose payment of a dividend for the year (2005: £nil).

Directors
The directors of the company holding office throughout the year and to date were:

G M Evans
G Evans

Secretary
The secretary of the company at 28 February 2006 was G Evans who served throughout the year and to date.

Auditors
The company elected during the year to become audit exempt as permitted by its articles and under the terms of the Companies (Exempt and Non-Resident Private Companies) (Audit exemption) Regulations 1993, as amended.

Notice to members
As stated above, the company has elected to dispense with the requirements of an audit of the financial statements. As a safeguard a member may at any time by notice in writing deposited at the registered office of the company require the rescission of the election.

The Directors shall within 21 days from the date of the deposit of a notice appoint an auditor in the same manor as they may fill in a casual vacancy in the office of auditor.

By order of the Board

Secretary

20 Sept 2006

Panther Express Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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:

- 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 Isle of Man Companies Acts 1931 to 2004. 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.

By order of the Board

Secretary

20 Sept 2006

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Chartered Accountants' Report to the Directors on the Unaudited Financial Statements of Panther Express Limited (the "Company")

In accordance with the engagement letter dated 15 August 2006 and in order to assist you to fulfil your duties under the Companies Act 1982, we have compiled the financial statements of the Company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations given to us by the Company's Directors.

This report is made to the Company's Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

The Directors have acknowledged in the Statement of Directors' Responsibilities their duty to ensure that the Company has kept proper accounting records and prepare financial statements that give a true and fair view under the Companies Act 1982. The Directors consider that the Company is exempt from the statutory requirement for an audit.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations given to us by the Directors and we do not, therefore, express any opinion on the financial statements.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Douglas, Isle of Man
22 September 2006

Panther Express Limited

Profit and loss account
for the year ended 28 February 2006

	Note	2006 £	2005 £
Turnover - continuing operations	1	**215,904**	216,807
Operating expenses		**(224,971)**	(211,828)
(Loss)/Profit on ordinary activities before interest		**(9,067)**	4,979
Interest payable and similar charges	2	**(661)**	(3,320)
(Loss)/profit on ordinary activities before taxation – continuing operations	3	**(9,728)**	1,659
Taxation	4	**-**	-
(Loss)/profit on ordinary activities after taxation		**(9,728)**	1,659
Dividend		**-**	-
Retained (loss)/profit for the year	9, 10	**(9,728)**	1,659

The notes on pages 6 to 9 form part of these financial statements.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

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

Panther Express Limited

Balance sheet
as at 28 February 2006

	Note	2006 £	2005 £
Fixed assets	5	**14,600**	14,257
Current assets			
Prepayments		**19,330**	21,293
Cash at bank		**7,767**	12,602
		27,097	33,895
Creditors: amounts falling due within one year	6	**(263,856)**	(258,418)
Net current liabilities		**(236,759)**	(224,523)
Total assets less current liabilities		**(222,159)**	(210,266)
***Creditors**: amounts falling due after more than one year*	7	**(2,509)**	*(4,674)*
Net liabilities		**(224,668)**	(214,940)
Capital and reserves			
Called up share capital	8	**1**	1
Profit and loss account	9	**(224,669)**	(214,941)
Equity shareholders' funds	10	**(224,668)**	(241,940)

The notes on pages 6 to 9 form part of these financial statements.

The financial statements on pages 4 to 9 were approved by the board of directors on 20 Sept 2006 and signed on their behalf by:

Director

Director

Notes to the financial statements for the year ended 28 February 2006

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting
The financial statements are prepared in accordance with the historical cost convention.

Turnover
Turnover is stated net of VAT and discounts allowed and represents the invoiced value of services supplied.

Depreciation
Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

Plant and machinery	15%
Office equipment:	
Furniture	20%
Computers & equipment	25%
Other office equipment	15%
Vehicles	25%

Finance leases and hire purchase contracts
Assets held under leasing agreements which transfer to the company substantially all the benefits and risks of ownership are treated as if they had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Deferred taxation
Provision is made for deferred taxation on all material timing differences.

2 Interest payable and similar charges

	2006 £	2005 £
Interest payable:		
on bank loans, overdrafts and other loans	317	1,076
on finance leases	344	2,244
	661	3,320

Notes to the financial statements for the year ended 28 February 2006 (continued)

3 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	2006 £	2005 £
Depreciation charge for the year:		
on tangible owned fixed assets	**2,625**	1,300
on tangible fixed assets held under finance leases	**5,076**	5,076
Auditors' remuneration	-	3,500

4 Taxation

There is no taxation for the current year due to the availability of tax losses brought forward. The Company is subject to Isle of Man and United Kingdom taxation. Isle of Man taxation is imposed at a rate of 0%. The Company has United Kingdom tax losses available to carry forward and offset against future profits of £221,793. Due to the availability of these losses the Company has an unprovided deferred tax asset of £42,140 (assuming a UK tax rate of 19%). The deferred tax asset has not been provided for as the Company's future profitability is uncertain and taxable profits are required for the asset to be utilised.

5 Fixed assets

	Motor Vehicles £	Plant & machinery £	Office equipment £	Total £
Cost				
As at 28 February 2005	-	35,697	9,566	45,263
Additions	8,044	-	-	8,044
As at 28 February 2006	**8,044**	**35,697**	**9,566**	**53,307**
Depreciation				
As at 28 February 2005	-	22,897	8,109	31,006
Charge for the year	1,344	5,796	561	7,701
As at 28 February 2006	**1,344**	**28,693**	**8,670**	**38,707**
Net book value				
As at 28 February 2006	**6,700**	**7,004**	**896**	**14,600**
As at 28 February 2005	-	12,800	1,457	14,257

The net book value of fixed assets includes an amount of £5,649 (2005: £10,725) in respect of assets held under finance leases.

Notes to the financial statements for the year ended 28 February 2006 (continued)

6 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	**16,894**	24,661
Amounts due to related party – Trans Mann Limited	**237,510**	223,270
Accrued expenses	**6,386**	7,960
Other taxes	**658**	103
Obligations under finance leases	**2,408**	2,424
	263,856	258,418

7 Creditors: amounts falling due after more than one year

	2006 £	2005 £
Obligations under finance leases (2 - 5 years)	**2,509**	4,674

8 Share capital

	2006 £	2005 £
Authorised		
2,000 ordinary shares of £1 each	**2,000**	2,000
Allotted, called up and fully paid		
1 ordinary share of £1	**1**	1

9 Profit and loss account

	2006 £	2005 £
Balance brought forward	**(214,941)**	(216,600)
Retained (loss)/profit for the year	**(9,728)**	1,659
Balance carried forward	**(224,669)**	(214,941)

10 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
(Loss)/profit on ordinary activities after taxation	**(9,728)**	1,659
Net (decrease)/increase in shareholders' funds	**(9,728)**	1,659
Opening shareholders' funds	**(214,940)**	(216,599)
Closing shareholders' funds	**(224,668)**	(214,940)

Notes to the financial statements for the year ended 28 February 2006 (continued)

11 Going concern

The company's ability to continue as a going concern depends on the continued support of Trans Mann Limited, the parent company, and the company's ultimate controlling party, Mr G M Evans. Mr Evans has confirmed that he will provide such support as is necessary for the company to operate in the foreseeable future.

12 Cash flow statement

The company is exempt from producing a cash flow statement under FRS1 as it satisfies the small companies criteria.

13 Ultimate controlling party

The immediate and ultimate parent company is Trans Mann Limited.

The company is ultimately controlled by the principal shareholder of Trans Mann Limited, Mr G M Evans.

14 Financial commitments

The company is party to a non-cancellable operating lease for land and buildings expiring as follows:

	2006	2005
	£	£
Within two to five years	**52,500**	52,500

15 Related party transactions

The company charged subcontract and handling costs of £215,904 (2005: £215,904) during the year to Trans Mann Limited, the parent company. Trans Mann Limited incurred and recharged £14,240 in respect of the Company's operating expenses during the year. Amounts due to Trans Mann Limited are disclosed in note 6.

Panther Express Limited

Profit and loss account
for the year ended 28 February 2006
(For management information only)

	2006 £	2005 £
Turnover	**215,904**	216,807
Direct costs		
Vehicle expenses	**11,017**	5,262
Hire of equipment	**520**	520
Subcontractors creditor written back	**-**	(8,135)
	11,537	(2,353)
Gross profit	**204,367**	219,160
Overheads		
Wages and national insurance	**95,764**	99,173
Property expenses	**52,500**	54,109
Stationery and postage	**403**	675
Repairs and renewals	**3,383**	2,578
Telephone	**1,842**	3,626
Insurance	**15,534**	15,665
General	**3,773**	2,258
Audit fee	**-**	3,500
Professional fees	**4,513**	2,539
Bank interest and similar charges	**317**	1,076
Depreciation	**7,701**	6,376
Lease interest	**344**	2,244
Claims	**-**	(4,528)
Rates	**22,228**	21,271
Heat and light	**3,256**	4,402
Water rates	**2,537**	2,537
	(214,095)	(217,501)
(Loss)/profit before taxation	**(9,728)**	1,659