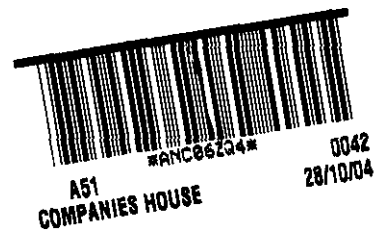


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Panther Express Limited

Financial statements

for the year ended 29 February 2004



Panther Express Limited

Directors' report for the year ended 29 February 2004

The directors present herewith their report and audited financial statements for the year ended 29 February 2004.

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 period (2003: £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 29 February 2004 was G Evans who served throughout the year.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office in accordance with Section 12(2) of the Companies Act 1982.

By order of the Board


Secretary

26 October

2004

Panther Express Limited

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 year. 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

26 October 2004

Independent auditors' report to the shareholders of Panther Express Limited

PricewaterhouseCoopers
Sixty Circular Road
Douglas
Isle of Man IM1 1SA
Telephone +44 (0) 1624 689689
Facsimile +44 (0) 1624 689690

We have audited the financial statements of Panther Express Limited for the year ended 29 February 2004 set out on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with applicable Isle of Man law and United Kingdom 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 15 of the Isle of Man Companies Act 1982 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 in to 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 Isle of Man Companies Acts 1931 to 2004. 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' fees and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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 29 February 2004 and of its loss for the year then ended in accordance with United Kingdom Accounting Standards and have been properly prepared in accordance with the Isle of Man Companies Acts 1931 to 2004.

PricewaterhouseCoopers

Chartered Accountants

26 October 2004

Panther Express Limited

Profit and loss account for the year ended 29 February 2004

	Note	2004 £	2003 £
Turnover - continuing operations	1	209,279	362,221
Operating expenses	4	(207,430)	(417,498)
Profit/(loss) on ordinary activities before interest		1,849	(55,277)
Interest receivable		-	1,554
Interest payable and similar charges	3	(5,820)	(4,686)
Loss on ordinary activities before taxation – continuing operations	4	(3,971)	(58,409)
Taxation	5	-	-
Loss on ordinary activities after taxation		(3,971)	(58,409)
Dividend		-	-
Retained loss for the year	12	(3,971)	(58,409)

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

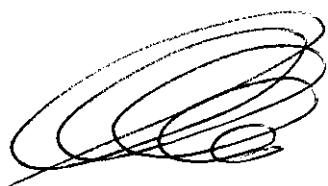
Balance sheet as at 29 February 2004

	Note	2004 £	2003 £
Fixed assets	6	18,316	22,467
Current assets			
Debtors	7	21,999	28,436
Creditors: amounts falling due within one year	8	(237,120)	(244,308)
Net current liabilities		(215,121)	(215,872)
Total assets less current liabilities		(196,805)	(193,405)
Creditors: amounts falling due after more than one year	9	(6,858)	(6,287)
Net liabilities		(203,663)	(199,692)
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	(203,664)	(199,693)
Equity shareholders' funds	12	(203,663)	(199,692)

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 26 October 2004 and signed on their behalf by:

Director




Director

Panther Express Limited

Notes to the financial statements for the year ended 29 February 2004

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%

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 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. Trans Mann Limited has guaranteed the bank overdraft of the company with Barclays Bank plc. Mr Evans has provided a letter confirming that he will provide such support as is necessary for the company to operate in the foreseeable future.

Panther Express Limited

3 Interest payable and similar charges

	2004 £	2003 £
Interest payable:		
on bank loans, overdrafts and other loans	3,617	3,061
on finance leases	2,203	1,625
	5,820	4,686

4 Loss on ordinary activities before taxation

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

	2004 £	2003 £
Depreciation charge for the year:		
on tangible owned fixed assets	2,386	2,390
on tangible fixed assets held under finance leases	5,028	4,788
Auditors' remuneration	3,228	6,084
Subcontractors creditor written back	(11,260)	-
Loss on disposal of fixed assets	4,243	-

5 Taxation

There is no taxation for the current year due to taxable losses.

6 Fixed assets

	Plant & machinery £	Office equipment £	Total £
Cost			
As at 1 March 2003	35,013	8,508	43,521
Additions	7,505	-	7,505
Disposals	(8,080)	-	(8,080)
As at 29 February 2004	34,438	8,508	42,946
Depreciation			
As at 1 March 2003	15,611	5,443	21,054
Charge for the year	5,496	1,918	7,414
Disposals	(3,838)	-	(3,838)
As at 29 February 2004	17,269	7,361	24,630
Net book value			
As at 29 February 2004	17,169	1,147	18,316
As at 28 February 2003	19,402	3,065	22,467

The net book value of fixed assets includes an amount of £15,801 (2003: £17,566) in respect of assets held under finance leases.

Panther Express Limited

7 Debtors

	2004 £	2003 £
Trade debtors	1,697	195
Prepayments and accrued income	7,366	15,105
Loan	-	200
Director's loan	12,936	12,936
	21,999	28,436

8 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft	56,373	37,571
Trade creditors	16,155	40,375
Amounts due to related party – Trans Mann Limited	139,876	143,626
Accrued expenses	11,466	7,058
Other taxes	6,137	9,362
Obligations under finance leases	7,113	6,316
	237,120	244,308

9 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Obligations under finance leases (2 - 5 years)	6,858	6,287

10 Share capital

	2004 £	2003 £
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

Panther Express Limited

11 Profit and loss account

	2004 £	2003 £
Balance brought forward	(199,693)	(141,284)
Retained loss for the year	(3,971)	(58,409)
Balance carried forward	(203,664)	(199,693)

12 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Loss on ordinary activities after taxation	(3,971)	(58,409)
Net decrease in shareholders' funds	(3,971)	(58,409)
Opening shareholders' funds	(199,692)	(141,283)
Closing shareholders' funds	(203,663)	(199,692)

13 Cash flow statement

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

14 Ultimate controlling party

The issued share capital was transferred from Mr G M Evans to Trans Mann Limited, a company under common control, on 27 February 2004. Trans Mann Limited is therefore the immediate and ultimate parent company.

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

15 Financial commitments

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

	2004 £	2003 £
Within two to five years	52,500	52,500

16 Related party transactions

The company charged subcontract and handling costs of £200,647 (2003: £130,944) during the year to Trans Mann Limited, a company under common control which became the parent company on 27 February 2004.

Panther Express Limited

Profit and loss account for the year ended 29 February 2004

(For management information only)

	2004 £	2003 £
Turnover	209,279	362,221
Direct costs		
Vehicle expenses	3,750	20,784
Drivers' wages and expenses	-	4,705
Subcontractors	-	97,476
Hire of equipment	520	19,192
Subcontractors creditor written back	(11,260)	-
	(6,990)	142,157
Gross profit	216,269	220,064
Overheads		
Wages and national insurance	99,192	140,945
Property expenses	53,342	53,556
Stationery and postage	503	2,681
Repairs and renewals	2,798	1,701
Telephone	3,574	4,351
Travelling	-	50
Insurance	10,020	21,830
General	960	2,972
Audit fee	3,228	6,084
Professional fees	2,711	5,025
Advertising	-	70
Bank interest and similar charges	3,617	1,507
Depreciation	7,414	7,178
Lease interest	2,203	1,625
Claims	-	523
Rates	20,855	21,992
Heat and light	4,295	3,351
Water rates	1,286	3,032
Loss on disposal of fixed assets	4,242	-
	220,240	278,473
Loss before taxation	(3,971)	(58,409)