

REGISTERED NUMBER: 848757 (England and Wales)

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1999
FOR
TFL INTERNATIONAL LIMITED**



TFL INTERNATIONAL LIMITED

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FOR THE YEAR ENDED 31 AUGUST 1999**

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TFL INTERNATIONAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 1999

DIRECTORS: K G Ziemer
B R Cox
R J Moyle
J W Chalker

SECRETARY: K G Ziemer

REGISTERED OFFICE: 17-20 Shillibeer Place
York Street
London
W1H 1DQ

REGISTERED NUMBER: 848757 (England and Wales)

AUDITORS: Harris Kafton
Accountants
First Floor
7 Harley Street
London
W1N 1DA

TFL INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 AUGUST 1999

The directors present their report with the financial statements of the company for the year ended 31 August 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of contract furnishers and furnishing services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 August 1999.

DIRECTORS

The directors during the year under review were:

K G Ziemer
B R Cox
R J Moyle
J W Chalker

The beneficial interests of the directors holding office on 31 August 1999 in the issued share capital of the company were as follows:

	31.8.99	1.9.98
Ordinary £1 shares		
K G Ziemer	-	-
B R Cox	-	-
R J Moyle	-	-
J W Chalker	2,250	2,250

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 period. In preparing those financial statements, the directors are required to

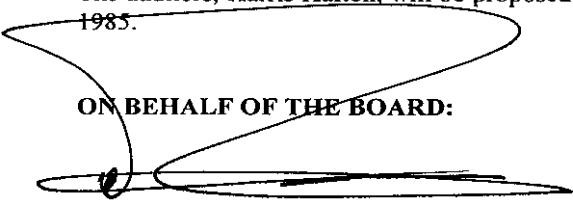
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Harris Kafton, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



K G Ziemer - SECRETARY

Dated: 18 November 1999

TFL INTERNATIONAL LIMITED
REPORT OF THE AUDITORS TO
TFL INTERNATIONAL LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to eleven, together with the full financial statements of the company for the year ended 31 August 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

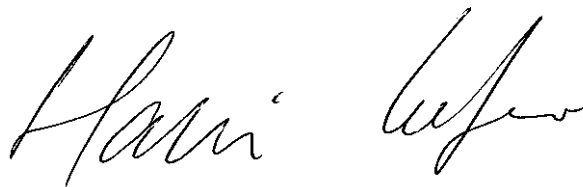
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to eleven are properly prepared in accordance with that provision.

Harris Kafton
Accountants
First Floor
7 Harley Street
London
WIN IDA



Dated: 25 November 1999

TFL INTERNATIONAL LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 1999

		<u>1999</u>	<u>1998</u>
	Notes	£	£
GROSS PROFIT		2,455,487	2,689,750
Administrative expenses		<u>2,344,222</u>	<u>2,567,643</u>
OPERATING PROFIT	3	111,265	122,107
Interest receivable and similar income		<u>50,416</u>	<u>54,165</u>
		161,681	176,272
Interest payable and similar charges	4	<u>68</u>	<u>634</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		161,613	175,638
Tax on profit on ordinary activities	5	<u>43,389</u>	<u>39,438</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		118,224	136,200
Retained profit brought forward		<u>275,981</u>	<u>139,781</u>
RETAINED PROFIT CARRIED FORWARD		<u>£394,205</u>	<u>£275,981</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

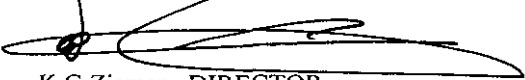
The notes form part of these financial statements

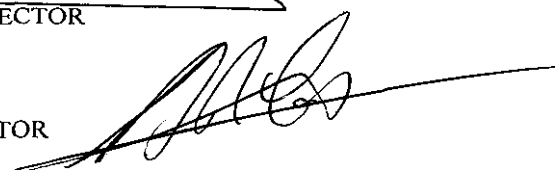
TFL INTERNATIONAL LIMITED
ABBREVIATED BALANCE SHEET
31 AUGUST 1999

		1999		1998	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		153,099		140,651
CURRENT ASSETS:					
Stocks	7	59,895		323,821	
Debtors	8	1,965,849		1,198,965	
Cash at bank		179,844		831,340	
		2,205,588		2,354,126	
CREDITORS: Amounts falling due within one year	9	1,949,482		2,203,796	
NET CURRENT ASSETS:			256,106		150,330
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£409,205</u>		<u>£290,981</u>
CAPITAL AND RESERVES:					
Called up share capital	10		15,000		15,000
Profit and loss account			394,205		275,981
Shareholders' funds	12		<u>£409,205</u>		<u>£290,981</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


K G Zierner - DIRECTOR


B R Cox - DIRECTOR

Approved by the Board on 18 November 1999

The notes form part of these financial statements

TFL INTERNATIONAL LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 1999

		<u>1999</u>	<u>1998</u>
	Notes	£	£
Net cash (outflow)/inflow from operating activities	1	(592,649)	822,627
Returns on investments and servicing of finance	2	50,348	53,531
Taxation		(39,438)	(32,128)
Capital expenditure	2	(69,757)	(142,353)
(Decrease)/Increase in cash in the period		<u>£(651,496)</u>	<u>£701,677</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(651,496)</u>	<u>701,677</u>
Change in net funds resulting from cash flows		<u>(651,496)</u>	<u>701,677</u>
Movement in net funds in the period		(651,496)	701,677
Net funds at 1 September 1998		<u>831,340</u>	<u>129,663</u>
Net funds at 31 August 1999		<u>£179,844</u>	<u>£831,340</u>

The notes form part of these financial statements

TFL INTERNATIONAL LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 1999**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	111,265	122,107
Depreciation charges	53,071	46,884
Loss on sale of fixed assets	4,239	772
Decrease in stocks	263,926	391,089
Increase in debtors	(766,885)	(52,289)
(Decrease)/Increase in creditors	(258,265)	314,064
Net cash (outflow)/inflow from operating activities	(592,649)	822,627

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1999 £	1998 £
Returns on investments and servicing of finance		
Interest received	50,416	54,165
Interest paid	(68)	(634)
Net cash inflow for returns on investments and servicing of finance	50,348	53,531
Capital expenditure		
Purchase of tangible fixed assets	(77,007)	(154,652)
Sale of tangible fixed assets	7,250	12,299
Net cash outflow for capital expenditure	(69,757)	(142,353)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.98 £	Cash flow £	At 31.8.99 £
Net cash:			
Cash at bank and in hand	831,340	(651,496)	179,844
	831,340	(651,496)	179,844
Total	831,340	(651,496)	179,844
Analysed in Balance Sheet			
Cash at bank and in hand	831,340		179,844
	831,340		179,844

The notes form part of these financial statements

TFL INTERNATIONAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Payments to the scheme during amounted to £9,170.

2. STAFF COSTS

	1999 £	1998 £
Wages and salaries	789,817	710,067
Social security costs	81,112	76,745
Other pension costs	16,970	9,710
	<u>887,899</u>	<u>796,522</u>

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

	1999	1998
Administrative	18	17
Sales	16	16
	<u>34</u>	<u>33</u>

TFL INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1999**

3. OPERATING PROFIT

The operating profit is stated after charging:

	1999 £	1998 £
Depreciation - owned assets	53,071	46,884
Loss on disposal of fixed assets	4,239	772
Auditors' remuneration	<u>15,950</u>	<u>15,200</u>
Directors' emoluments	<u>86,835</u>	<u>93,071</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Bank interest	68	-
Other interest	-	634
	<u>68</u>	<u>634</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1999 £	1998 £
UK corporation tax	<u>43,389</u>	<u>39,438</u>

UK corporation tax has been charged at 23.10% (1998 - 22.70%).

6. TANGIBLE FIXED ASSETS

	Office equipment	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 September 1998	79,643	9,109	97,793	24,490	211,035
Additions	1,416	2,075	73,516	-	77,007
Disposals	-	-	(20,425)	-	(20,425)
At 31 August 1999	<u>81,059</u>	<u>11,184</u>	<u>150,884</u>	<u>24,490</u>	<u>267,617</u>
DEPRECIATION:					
At 1 September 1998	31,076	4,907	28,278	6,122	70,383
Charge for year	12,496	1,569	32,884	6,122	53,071
Eliminated on disposals	-	-	(8,936)	-	(8,936)
At 31 August 1999	<u>43,572</u>	<u>6,476</u>	<u>52,226</u>	<u>12,244</u>	<u>114,518</u>
NET BOOK VALUE:					
At 31 August 1999	<u>37,487</u>	<u>4,708</u>	<u>98,658</u>	<u>12,246</u>	<u>153,099</u>
At 31 August 1998	<u>48,567</u>	<u>4,202</u>	<u>69,514</u>	<u>18,368</u>	<u>140,651</u>

TFL INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1999**

7. STOCKS

	1999	1998
	£	£
Work in progress	42,895	306,821
Finished goods	17,000	17,000
	<u>59,895</u>	<u>323,821</u>

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade debtors	1,958,473	1,192,661
Other debtors	7,376	6,304
	<u>1,965,849</u>	<u>1,198,965</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade creditors	798,458	1,089,596
Other creditors	749,157	594,942
Amounts due to group undertakings	170,996	391,250
Social security & other taxes	187,482	88,570
Taxation	43,389	39,438
	<u>1,949,482</u>	<u>2,203,796</u>

The amount due to the holding company of £382,250 is secured by a debenture on the assets of the company.

10. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1999	1998
			£	£
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1999	1998
			£	£
15,000	Ordinary	£1	<u>15,000</u>	<u>15,000</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Circumference Limited, a company registered in England and Wales.

TFL INTERNATIONAL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1999**

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	<u>118,224</u>	<u>136,200</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	118,224	136,200
Opening shareholders' funds	<u>290,981</u>	<u>154,781</u>
CLOSING SHAREHOLDERS' FUNDS	<u>409,205</u>	<u>290,981</u>
Equity interests	<u>409,205</u>	<u>290,981</u>