

# Bonds Plc

## GROUP FINANCIAL STATEMENTS

30 September 2001



# Bonds Plc

## DIRECTORS AND OFFICERS

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### DIRECTORS

Mr J Davis  
Mrs KS Waters

### SECRETARY

Mr RR Rogers

### REGISTERED OFFICE

Unit B  
The Apsley Centre  
Apsley Way  
London NW2 7LZ

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Bonds Plc

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Bonds Plc for the year ended 30 September 2001.

### PRINCIPAL ACTIVITIES

The principal activity of the group during the year was that of couriers.

### BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Although turnover has fallen, the cost-cutting measures introduced during the year have enabled the group to return to profitability.

The directors intend to continue to pursue established policies and are confident that this will result in further improvements in performance in future years.

### DIVIDENDS

During the year the company paid an interim dividend of £100,000 (2000: £Nil).

In view of the company's current and future requirements and the maintenance and developments of the company's business, the directors do not recommend the payment of a final dividend.

### DIRECTORS

The following directors have held office since 1 October 2000:

Mr J Davis  
Mrs KS Waters

### DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:

|               | <i>Ordinary shares of £1 each</i> |        |
|---------------|-----------------------------------|--------|
|               | 2001                              | 2000   |
| Mr J Davis    | 49,999                            | 49,999 |
| Mrs KS Waters | 8,824                             | 8,824  |
|               | <hr/>                             | <hr/>  |

### POLICY ON PAYMENT OF CREDITORS

The company agrees terms and conditions for business transactions with its suppliers. Payment is then made in accordance with these terms, subject to the terms and conditions being met by the supplier. The number of days purchases represented by creditors is 30 days (2000: 28 days).

# Bonds Plc

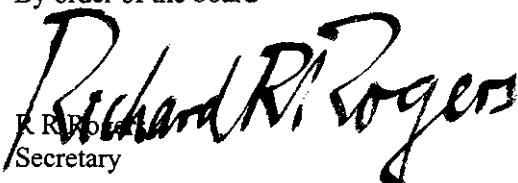
## DIRECTORS' REPORT

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### AUDITORS

A resolution to appoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

  
R. R. Rogers  
Secretary

3 April 2002

# Bonds Plc

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 group and of the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d. 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 requirements of 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' REPORT TO THE MEMBERS OF BONDS PLC

We have audited the financial statements on pages 6 to 21 which have been prepared under the historical cost convention and the accounting policies as set out on page 10.

### **Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 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 group and the company as at 30 September 2001 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditors  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

3 April 2002

# Bonds Plc

## GROUP PROFIT AND LOSS ACCOUNT for the year ended 30 September 2001

|  | Notes | 2001<br>£        | 2000<br>£        |
|--|-------|------------------|------------------|
| TURNOVER   | 1     | 4,255,032        | 4,628,493        |
| Cost of sales  |       | (1,948,217)      | (2,200,640)      |
| Gross profit   |       | <u>2,306,815</u> | <u>2,427,853</u> |
| Other operating expenses                             | 2     | (2,225,392)      | (2,491,256)      |
|  |       | <u>81,423</u>    | <u>(63,403)</u>  |
| Other operating income                               | 3     | 14,583           | -                |
| OPERATING PROFIT/(LOSS)                              |       | <u>96,006</u>    | <u>(63,403)</u>  |
| Interest receivable                                  |       | 4,733            | 5,592            |
| Interest payable                                     | 4     | (48,670)         | (34,373)         |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | 5     | <u>52,069</u>    | <u>(92,184)</u>  |
| Tax on profit/(loss) on ordinary activities          | 7     | (18,295)         | 6,924            |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION  |       | <u>33,774</u>    | <u>(85,260)</u>  |
| Minority interests                                   |       | -                | (34,438)         |
|  |       | <u>33,774</u>    | <u>(119,698)</u> |
| Dividends  | 8     | (100,000)        | -                |
| LOSS FOR THE YEAR                                    | 18    | <u>(66,226)</u>  | <u>(119,698)</u> |

The operating profit for the year arises from the group's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Bonds Plc

## GROUP BALANCE SHEET

30 September 2001

|   | Notes | 2001<br>£        | 2000<br>£        |
|---|-------|------------------|------------------|
| FIXED ASSETS  |       |                  |                  |
| Tangible assets   | 10    | 821,558          | 1,067,080        |
| Investments   | 11    | 39,349           | 31,349           |
|   |       | <u>860,907</u>   | <u>1,098,429</u> |
| CURRENT ASSETS  |       |                  |                  |
| Debtors   | 12    | 1,001,012        | 872,199          |
| Cash at bank and in hand                                |       | 2,179            | 94,034           |
|   |       | <u>1,003,191</u> | <u>966,233</u>   |
| CREDITORS: Amounts falling due within one year          | 13    | (1,176,675)      | (1,144,827)      |
| NET CURRENT LIABILITIES                                 |       | <u>(173,484)</u> | <u>(178,594)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES                   |       | 687,423          | 919,835          |
| CREDITORS: Amounts falling due after more than one year | 14    | (166,744)        | (313,630)        |
| PROVISIONS FOR LIABILITIES AND CHARGES                  | 15    | (8,300)          | (27,600)         |
|   |       | <u>512,379</u>   | <u>578,605</u>   |
| CAPITAL AND RESERVES                                    |       |                  |                  |
| Called up share capital                                 | 16    | 58,824           | 58,824           |
| Share premium account                                   | 17    | 41,176           | 41,176           |
| Profit and loss account                                 | 18    | 412,379          | 478,605          |
| SHAREHOLDERS' FUNDS                                     |       | <u>512,379</u>   | <u>578,605</u>   |

Approved by the Board on 3 April 2002



Mrs K S Waters - Director

# Bonds Plc

## COMPANY BALANCE SHEET

30 September 2001

|   | <i>Notes</i> | 2001<br>£        | 2000<br>£        |
|---|--------------|------------------|------------------|
| FIXED ASSETS  |              |                  |                  |
| Tangible assets   | 10           | 737,031          | 948,024          |
| Investments   | 11           | 89,400           | 81,399           |
|   |              | <u>826,431</u>   | <u>1,029,423</u> |
| CURRENT ASSETS  |              |                  |                  |
| Debtors   | 12           | 467,222          | 469,804          |
| Cash at bank and in hand                                |              | 371              | 92,989           |
|   |              | <u>467,593</u>   | <u>562,793</u>   |
| CREDITORS: Amounts falling due within one year          | 13           | (583,310)        | (770,438)        |
| NET CURRENT LIABILITIES                                 |              | <u>(115,717)</u> | <u>(207,645)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES                   |              | 710,714          | 821,778          |
| CREDITORS: Amounts falling due after more than one year | 14           | (142,674)        | (250,691)        |
| PROVISIONS FOR LIABILITIES AND CHARGES                  | 15           | (6,500)          | (24,000)         |
|   |              | <u>561,540</u>   | <u>547,087</u>   |
| CAPITAL AND RESERVES                                    |              |                  |                  |
| Called up share capital                                 | 16           | 58,824           | 58,824           |
| Share premium account                                   | 17           | 41,176           | 41,176           |
| Profit and loss account                                 | 18           | 461,540          | 447,087          |
| SHAREHOLDERS' FUNDS                                     |              | <u>561,540</u>   | <u>547,087</u>   |

Approved by the Board on 3 April 2002



Mrs K S Waters - Director

# Bonds Plc

## GROUP CASH FLOW STATEMENT for the year ended 30 September 2001

|   | <i>Notes</i> | 2001<br>£       | 2000<br>£      |
|---|--------------|-----------------|----------------|
| Cash flow from operating activities             | 20a          | 281,720         | 614,326        |
| Returns on investments and servicing of finance | 20b          | (43,937)        | (55,781)       |
| Taxation  |              | (3,000)         | (43,213)       |
| Capital expenditure and financial investment    | 20b          | 108,534         | (92,008)       |
|   |              | <u>343,317</u>  | <u>423,324</u> |
| Equity dividends paid                           |              | (100,000)       | -              |
| CASH INFLOW BEFORE FINANCING                    |              | <u>243,317</u>  | <u>423,324</u> |
| Financing                                       | 20b          | (326,955)       | (363,477)      |
| (DECREASE)/INCREASE IN CASH IN THE PERIOD       |              | <u>(83,638)</u> | <u>59,847</u>  |

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

|  | 2001<br>£        | 2000<br>£        |
|--|------------------|------------------|
| (Decrease)/increase in cash in the period  | (83,638)         | 59,847           |
| Capital repaid on hire purchase agreements | 326,955          | 363,477          |
| New finance leases                         | (211,784)        | (409,133)        |
| MOVEMENT IN NET DEBT IN PERIOD             | <u>31,533</u>    | <u>14,191</u>    |
| NET DEBT AT 1 OCTOBER 2000                 | (519,951)        | (534,142)        |
| NET DEBT AT 30 SEPTEMBER 2001              | <u>(488,418)</u> | <u>(519,951)</u> |

# Bonds Plc

## ACCOUNTING POLICIES

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The financial statements have been prepared in accordance with applicable accounting standards.

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

### BASIS OF ACCOUNTING

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

### BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of Bonds Plc and Bonds Worldwide Express (Birmingham) Limited made up to 30 September 2001. No profit and loss account is presented for Bonds plc as provided by S230 (3) of the Companies Act 1985.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

|   |                                   |
|---|-----------------------------------|
| Fixtures, fittings, plant and machinery | 10% - 25% per annum straight line |
| Motor bikes and vehicles                | 10% - 25% per annum straight line |

### DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

### LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

### PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company. Pension costs charged against profits represents the amounts payable to the scheme in respect of the year.

### INVESTMENTS

Fixed asset investments are stated at cost, less any provision for diminution in value.

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit before taxation were all derived from its principal activity. All sales were made in the United Kingdom.

| 2 | OTHER OPERATING EXPENSES  | 2001<br>£        | 2000<br>£        |
|---|---|------------------|------------------|
|   | Distribution costs  | 931,914          | 1,088,426        |
|   | Administrative expenses   | 1,293,478        | 1,402,830        |
|   |   | <u>2,225,392</u> | <u>2,491,256</u> |
| 3 | OTHER OPERATING INCOME  | 2001<br>£        | 2000<br>£        |
|   | Rents receivable  | 14,583           | -                |
|   |   | <u>14,583</u>    | <u>-</u>         |
| 4 | INTEREST PAYABLE  | 2001<br>£        | 2000<br>£        |
|   | On bank loans, overdrafts and other loans repayable within 5 years:                 |                  |                  |
|   | Finance leases and hire purchase contracts  | 48,045           | 32,789           |
|   | Bank loans and overdrafts   | 625              | 1,584            |
|   |   | <u>48,670</u>    | <u>34,373</u>    |
| 5 | PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION                                       | 2001<br>£        | 2000<br>£        |
|   | Profit on ordinary activities before taxation is stated after charging/(crediting): |                  |                  |
|   | Depreciation and amounts written off tangible fixed assets:                         |                  |                  |
|   | Charge for the year:  |                  |                  |
|   | owned assets  | 143,461          | 126,860          |
|   | leased assets   | 145,954          | 244,335          |
|   | Loss/(profit) on disposals  | 43,357           | 6,512            |
|   | Provision for diminution in value of fixed asset investments                        | 8,000            | -                |
|   | Operating lease rentals:  |                  |                  |
|   | Plant and machinery   | 192,454          | 175,653          |
|   | Land and buildings  | 76,625           | 41,715           |
|   | Auditors' remuneration  | 15,750           | 16,556           |
|   |   | <u>486,596</u>   | <u>507,011</u>   |

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

|   |  |                  |                  |
|---|--|------------------|------------------|
| 6 | EMPLOYEES  | 2001<br>No.      | 2000<br>No.      |
|   | The average monthly number of persons (including directors)<br>employed by the group during the year was:  |                  |                  |
|   | Office and management  | 27               | 29               |
|   | Direct labour  | 68               | 76               |
|   |  | <u>95</u>        | <u>105</u>       |
|   |  | 2001<br>£        | 2000<br>£        |
|   | Staff costs for the above persons:   |                  |                  |
|   | Wages and salaries   | 1,363,081        | 1,535,019        |
|   | Social security costs  | 122,198          | 134,457          |
|   | Other pension costs  | 2,040            | 4,340            |
|   |  | <u>1,487,319</u> | <u>1,673,816</u> |
|   |  | 2001<br>£        | 2000<br>£        |
|   | DIRECTORS' REMUNERATION  |                  |                  |
|   | Salaries and taxable benefits  | 163,503          | 91,287           |
|   | Amount paid to money purchase pension schemes  | -                | 2,500            |
|   |  | <u>163,503</u>   | <u>93,787</u>    |
|   | Total emoluments   |                  |                  |
|   |  | Number           | Number           |
|   | The number of directors to whom relevant benefits<br>are accruing under money purchase pension schemes was | 1                | 1                |
| 7 | TAXATION   | 2001<br>£        | 2000<br>£        |
|   | Based on the profit for the year:  |                  |                  |
|   | UK corporation tax   | 39,358           | (1,800)          |
|   | Deferred taxation  | (19,300)         | (13,400)         |
|   |  | <u>20,058</u>    | <u>(15,200)</u>  |
|   | Under/(over)provided in earlier years  | (1,763)          | 8,276            |
|   |  | <u>18,295</u>    | <u>(6,924)</u>   |

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

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| 8 | DIVIDENDS        | 2001<br>£ | 2000<br>£ |
|---|------------------|-----------|-----------|
|   | Paid in the year | 100,000   | -         |
|   |                  | <hr/>     | <hr/>     |

## 9 PROFIT/(LOSS) OF THE PARENT COMPANY

The parent company's profit for the financial year amounted to £114,453 (2000: loss £108,703).

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

| 10 | TANGIBLE FIXED ASSETS | <i>Fixtures, fittings,<br/>plant and<br/>machinery</i><br>£ | <i>Motor<br/>bikes and<br/>vehicles</i><br>£ | <i>Total</i><br>£ |
|----|-----------------------|---|--|-------------------|
|    | GROUP                 |   |  |                   |
|    | Cost                  |   |  |                   |
|    | 1 October 2000        | 427,122   | 1,272,973                                    | 1,700,095         |
|    | Additions             | 2,007   | 211,784                                      | 213,791           |
|    | Disposals             | (42,873)  | (447,357)                                    | (490,230)         |
|    | 30 September 2001     | 386,256   | 1,037,400                                    | 1,423,656         |
|    | Depreciation          |   |  |                   |
|    | 1 October 2000        | 205,735   | 427,280                                      | 633,015           |
|    | Charged in the year   | 67,292  | 222,123                                      | 289,415           |
|    | Disposals             | (42,224)  | (278,108)                                    | (320,332)         |
|    | 30 September 2001     | 230,803   | 371,295                                      | 602,098           |
|    | Net book value        |   |  |                   |
|    | 30 September 2001     | 155,453   | 666,105                                      | 821,558           |
|    | 30 September 2000     | 221,387   | 845,693                                      | 1,067,080         |

The net book value of tangible fixed assets includes £573,026 (2000: £741,883) in respect of assets held under hire purchase contracts.

|                     | <i>Fixtures, fittings,<br/>plant and<br/>machinery</i><br>£ | <i>Motor<br/>bikes and<br/>vehicles</i><br>£ | <i>Total</i><br>£ |
|---------------------|---|--|-------------------|
| COMPANY             |   |  |                   |
| Cost                |   |  |                   |
| 1 October 2000      | 420,264   | 1,140,307                                    | 1,560,571         |
| Additions           | 2,007   | 211,784                                      | 213,791           |
| Disposals           | (42,873)  | (447,357)                                    | (490,230)         |
| 30 September 2001   | 379,398   | 904,734                                      | 1,284,132         |
| Depreciation        |   |  |                   |
| 1 October 2000      | 203,433   | 409,114                                      | 612,547           |
| Charged in the year | 65,577  | 189,309                                      | 254,886           |
| Disposals           | (42,224)  | (278,108)                                    | (320,332)         |
| 30 September 2001   | 226,786   | 320,315                                      | 547,101           |
| Net book value      |   |  |                   |
| 30 September 2001   | 152,612   | 584,419                                      | 737,031           |
| 30 September 2000   | 216,831   | 731,193                                      | 948,024           |

The net book value of tangible fixed assets includes £491,340 (2000: £627,930) in respect of assets held under hire purchase contracts.

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

### 11 FIXED ASSET INVESTMENTS

|                                   | Unlisted<br>investments<br>£ |
|-----------------------------------|------------------------------|
| <b>GROUP</b>                      |                              |
| Cost                              |                              |
| 1 October 2000                    | 31,349                       |
| Additions                         | 16,000                       |
| 30 September 2001                 | <u>47,349</u>                |
| Provision for diminution in value |                              |
| 1 October 2000                    | -                            |
| Provision in year                 | 8,000                        |
| 30 September 2001                 | <u>8,000</u>                 |
| Net book value                    |                              |
| 30 September 2001                 | <u>39,349</u>                |
| 30 September 2000                 | <u>31,349</u>                |

|                                   | Subsidiary<br>undertakings<br>£ | Other<br>investments<br>£ | Total<br>£    |
|-----------------------------------|---------------------------------|---------------------------|---------------|
| <b>COMPANY</b>                    |                                 |                           |               |
| Cost                              |                                 |                           |               |
| 1 October 2000                    | 50,050                          | 31,349                    | 81,399        |
| Additions                         | 1                               | 16,000                    | 16,001        |
| 30 September 2001                 | <u>50,051</u>                   | <u>47,349</u>             | <u>97,400</u> |
| Provision for diminution in value |                                 |                           |               |
| 1 October 2001                    | -                               | -                         | -             |
| Provision in year                 | -                               | 8,000                     | 8,000         |
|                                   | <u>-</u>                        | <u>8,000</u>              | <u>8,000</u>  |
| Net book value                    |                                 |                           |               |
| 30 September 2001                 | <u>50,051</u>                   | <u>39,349</u>             | <u>89,400</u> |
| 30 September 2000                 | <u>50,050</u>                   | <u>31,349</u>             | <u>81,399</u> |

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

The company has a 100% holding in the ordinary share capital of the following companies:-

| Name of company                                 | Country of incorporation | Nature of business     |
|---|--------------------------|------------------------|
| Bonds Worldwide Express<br>(Birmingham) Limited | England                  | Couriers (now dormant) |
| Bladerunner Worldwide Couriers<br>Limited       | England                  | Couriers (now dormant) |

Other investments are unlisted. In the opinion of the directors, their market value at 30 September 2001 was not less than the balance sheet value.

| 12 | DEBTORS                            | 2001<br>£        | Group<br>2000<br>£ | 2001<br>£      | Company<br>2000<br>£ |
|----|------------------------------------|------------------|--------------------|----------------|----------------------|
|    | Due within one year:               |                  |                    |                |                      |
|    | Trade debtors                      | 230,457          | 160,067            | 103,982        | 91,450               |
|    | Discounted debtors                 | 612,606          | 560,606            | 172,781        | 247,501              |
|    | Amounts owed by group undertakings | -                | -                  | 46,513         | -                    |
|    | Director's current accounts        | 105,200          | 1,664              | 105,200        | -                    |
|    | Other debtors                      | -                | 13,041             | -              | 13,041               |
|    | Prepayments                        | 52,749           | 136,821            | 38,746         | 117,812              |
|    |                                    | <u>1,001,012</u> | <u>872,199</u>     | <u>467,222</u> | <u>469,804</u>       |

Directors current accounts are made up as follows:

|               | Maximum amount<br>outstanding<br>£ | 2001<br>£      | 2000<br>£    |
|---------------|------------------------------------|----------------|--------------|
| Mr J Davis    | 212,196                            | 105,200        | -            |
| Mrs KS Waters | 6,077                              | -              | 1,664        |
|               |                                    | <u>105,200</u> | <u>1,664</u> |

Mr J Davis' advances bear interest at 10% per annum and are payable on demand. The interest payable during the year ended 30 September 2001 amounted to £3,784 (2000: £4,908).

Mrs KS Waters' advances are interest free and are payable on demand.

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

### 13 CREDITORS: Amounts falling due within one year

|  | Group            |                  | Company        |                |
|--|------------------|------------------|----------------|----------------|
|  | 2001             | 2000             | 2001           | 2000           |
|  | £                | £                | £              | £              |
| Bank overdraft   | 4,702            | 12,919           | 2,422          | 3,055          |
| Obligations under finance leases and hire purchase contracts | 319,151          | 287,436          | 280,283        | 248,568        |
| Trade creditors  | 181,105          | 184,026          | 72,390         | 85,317         |
| Invoice discounting current account                          | 436,747          | 325,308          | 130,261        | 149,295        |
| Amounts owed to group undertakings                           | -                | -                | 7,468          | 56,724         |
| Corporation tax  | 39,358           | 17,804           | -              | -              |
| Other taxation and social security costs                     | 98,071           | 101,721          | 36,966         | 59,056         |
| Directors' current accounts                                  | 8,923            | 105,903          | -              | 105,903        |
| Other creditors  | 21,977           | 33,883           | 21,463         | 33,353         |
| Accruals and deferred income                                 | 66,641           | 75,827           | 32,057         | 29,167         |
|  | <u>1,176,675</u> | <u>1,144,827</u> | <u>583,310</u> | <u>770,438</u> |

Bank overdrafts amounting to £2,422 (2000 : £3,055) are secured by a debenture giving fixed and floating charges on all assets of the company.

Obligations under finance leases and hire purchase contracts are secured on the related assets.

Directors' current accounts are made up as follows:

|               | Group        |                | Company  |                |
|---------------|--------------|----------------|----------|----------------|
|               | 2001         | 2000           | 2001     | 2000           |
|               | £            | £              | £        | £              |
| Mr J Davis    | -            | 105,903        | -        | 105,903        |
| Mrs KS Waters | 8,923        | -              | -        | -              |
|               | <u>8,923</u> | <u>105,903</u> | <u>-</u> | <u>105,903</u> |

Obligations under finance leases and hire purchase contracts are secured on the related assets and are fully repayable within five years.

### 14 CREDITORS: Amounts falling due after more than one year

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2001           | 2000           | 2001           | 2000           |
|   | £              | £              | £              | £              |
| Obligations under finance lease and hire purchase contracts | 166,744        | 313,630        | 142,674        | 250,691        |
|   | <u>166,744</u> | <u>313,630</u> | <u>142,674</u> | <u>250,691</u> |

Obligations under finance leases and hire purchase contracts are secured on the related assets and are fully repayable within five years.

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

### 15 PROVISIONS FOR LIABILITIES AND CHARGES

| Group                               | 2001<br>£    | 2000<br>£     |
|-------------------------------------|--------------|---------------|
| Deferred taxation                   |              |               |
| Balance at 1 October 2000           | 27,600       | 41,000        |
| Transfer to profit and loss account | (19,300)     | (13,400)      |
| Balance at 30 September 2001        | <u>8,300</u> | <u>27,600</u> |

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:

|                                | <i>Amount provided</i> |               | <i>Unprovided liability</i> |           |
|--------------------------------|------------------------|---------------|-----------------------------|-----------|
|                                | 2001<br>£              | 2000<br>£     | 2001<br>£                   | 2000<br>£ |
| Accelerated capital allowances | <u>8,300</u>           | <u>27,600</u> | <u>-</u>                    | <u>-</u>  |

| Company                             | 2001<br>£    | 2000<br>£     |
|-------------------------------------|--------------|---------------|
| Deferred taxation                   |              |               |
| Balance at 1 October 2000           | 24,000       | 41,000        |
| Transfer to profit and loss account | (17,500)     | (17,000)      |
| Balance at 30 September 2001        | <u>6,500</u> | <u>24,000</u> |

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:

|                                | <i>Amount provided</i> |               | <i>Unprovided liability</i> |           |
|--------------------------------|------------------------|---------------|-----------------------------|-----------|
|                                | 2001<br>£              | 2000<br>£     | 2001<br>£                   | 2000<br>£ |
| Accelerated capital allowances | <u>6,500</u>           | <u>24,000</u> | <u>-</u>                    | <u>-</u>  |

### 16 SHARE CAPITAL

|                                      | 2001<br>£        | 2000<br>£        |
|--------------------------------------|------------------|------------------|
| Authorised:                          |                  |                  |
| 1,000,000 ordinary shares of £1 each | <u>1,000,000</u> | <u>1,000,000</u> |
| Allotted, issued and fully paid:     |                  |                  |
| 58,824 ordinary shares of £1 each    | <u>58,824</u>    | <u>58,824</u>    |

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

|    |   |                 |                    |                |                      |
|----|---|-----------------|--------------------|----------------|----------------------|
| 17 | SHARE PREMIUM ACCOUNT   |                 |                    | 2001<br>£      | 2000<br>£            |
|    | 1 October 2000  |                 |                    | 41,176         | -                    |
|    | Premium on issue of shares  |                 |                    | -              | 41,176               |
|    | 30 September 2001   |                 |                    | <u>41,176</u>  | <u>41,176</u>        |
| 18 | PROFIT AND LOSS ACCOUNT   |                 |                    |                |                      |
|    |   | 2001<br>£       | Group<br>2000<br>£ | 2001<br>£      | Company<br>2000<br>£ |
|    | 1 October 2000  | 478,605         | 598,303            | 447,087        | 555,790              |
|    | Profit/(loss) for the financial year  | (66,226)        | (119,698)          | 14,453         | (108,703)            |
|    | 30 September 2001   | <u>412,379</u>  | <u>478,605</u>     | <u>461,540</u> | <u>447,087</u>       |
| 18 | RECONCILIATION OF MOVEMENT IN<br>SHAREHOLDERS' FUNDS                                      |                 |                    |                |                      |
|    |   | 2001<br>£       | Group<br>2000<br>£ | 2001<br>£      | Company<br>2000<br>£ |
|    | Profit/(loss) for the financial year  | 33,774          | (119,698)          | 114,453        | (108,703)            |
|    | Issue of shares   | -               | 50,000             | -              | 50,000               |
|    | Dividends paid  | (100,000)       | -                  | (100,000)      | -                    |
|    | Net reduction to shareholders' funds  | <u>(66,226)</u> | <u>(69,698)</u>    | <u>14,453</u>  | <u>(58,703)</u>      |
|    | Opening shareholders' funds   | 578,605         | 648,303            | 547,087        | 605,790              |
|    | Closing shareholders' funds   | <u>512,379</u>  | <u>578,605</u>     | <u>561,540</u> | <u>547,087</u>       |
| 20 | CASH FLOWS  |                 |                    | 2001<br>£      | 2000<br>£            |
| a  | Reconciliation of operating profit/(loss) to net cash inflow from<br>operating activities |                 |                    |                |                      |
|    | Operating profit/(loss)   |                 |                    | 96,006         | (63,403)             |
|    | Depreciation  |                 |                    | 289,415        | 371,195              |
|    | Provision for diminution in value of fixed asset investments                              |                 |                    | 8,000          | -                    |
|    | (Increase)/decrease in debtors  |                 |                    | (141,854)      | 313,513              |
|    | (Decrease) in creditors   |                 |                    | (13,204)       | (13,491)             |
|    | Loss on disposal of fixed assets  |                 |                    | 43,357         | 6,512                |
|    | Net cash flow from operating activities   |                 |                    | <u>281,720</u> | <u>614,326</u>       |

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2001

|    |   |  |                              |                 |                                   |                                 |
|----|---|--|------------------------------|-----------------|-----------------------------------|---------------------------------|
| 20 | CASH FLOWS ( <i>continued</i> )   |  |                              | 2001<br>£       | 2000<br>£                         |                                 |
| b  | Analysis of cash flows for headings netted in the cash flow                       |  |                              |                 |                                   |                                 |
|    | <b>Returns on investments and servicing of finance</b>                            |  |                              |                 |                                   |                                 |
|    | Interest received   |  |                              | 4,733           | 5,592                             |                                 |
|    | Interest paid   |  |                              | (625)           | (1,584)                           |                                 |
|    | Interest element of finance lease rental payments                                 |  |                              | (48,045)        | (32,789)                          |                                 |
|    | Dividend paid to minority interest  |  |                              | -               | (27,000)                          |                                 |
|    | <b>Net cash outflow for returns on investment and servicing of finance</b>        |  |                              | <b>(43,937)</b> | <b>(55,781)</b>                   |                                 |
|    | <b>Capital expenditure and financial investment</b>                               |  |                              |                 |                                   |                                 |
|    | Purchase of tangible fixed assets   |  |                              | (2,007)         | (184,352)                         |                                 |
|    | Sale of tangible fixed assets   |  |                              | 126,541         | 106,344                           |                                 |
|    | Purchase of fixed assets investments  |  |                              | (16,000)        | (14,000)                          |                                 |
|    | <b>Net cash inflow/(outflow) for capital expenditure and financial investment</b> |  |                              | <b>108,354</b>  | <b>(92,008)</b>                   |                                 |
|    | <b>Financing</b>  |  |                              |                 |                                   |                                 |
|    | Capital element of finance lease rental payments                                  |  |                              | (326,955)       | (363,477)                         |                                 |
| c  | Analysis of net debt  |  | At<br>1 October<br>2000<br>£ | Cash flow<br>£  | Other non<br>cash<br>changes<br>£ | At 30<br>September<br>2001<br>£ |
|    | Cash in hand, at bank   |  | 94,034                       | (91,855)        | -                                 | 2,179                           |
|    | Overdrafts  |  | (12,919)                     | 8,217           | -                                 | (4,702)                         |
|    |   |  | <u>81,115</u>                | <u>(83,638)</u> | <u>-</u>                          | <u>(2,523)</u>                  |
|    | Finance leases  |  | (601,066)                    | 326,955         | (211,784)                         | (485,895)                       |
|    | Total   |  | <u>(519,951)</u>             | <u>243,317</u>  | <u>(211,784)</u>                  | <u>(488,418)</u>                |
| d  | Major non-cash transactions   |  |                              |                 |                                   |                                 |

During the year the company purchased tangible fixed assets with a cost of £211,784 (2000: £409,133) under hire purchase agreements.

# Bonds Plc

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2001

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### 21 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2001 the group and company had annual commitments under non-cancellable operating leases as follows:

|                                   | Group          |                | Company        |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | 2001           | 2000           | 2001           | 2000           |
|                                   | £              | £              | £              | £              |
| Land and buildings                |                |                |                |                |
| expiring within two to five years | 63,350         | 78,473         | 52,500         | 64,265         |
| Other                             |                |                |                |                |
| expiring within one year          | 48,104         | 48,649         | 48,104         | 48,649         |
| expiring within two to five years | 45,603         | 58,194         | 45,603         | 58,194         |
|                                   | <u>157,057</u> | <u>185,316</u> | <u>146,207</u> | <u>171,108</u> |

### 22 CONTINGENT LIABILITY

There is a multilateral guarantee between Bonds Plc and Bonds Worldwide Express (Birmingham) Limited. This relates to the agreement between these companies and Lloyds TSB Commercial Finance Ltd.

The maximum amount of the contingent liability at 30 September 2001 was £350,000 (2000 : £350,000).

### 23 ULTIMATE CONTROLLING PARTIES

The company is under the ultimate control of its directors whose respective shareholdings are disclosed in the directors' report.