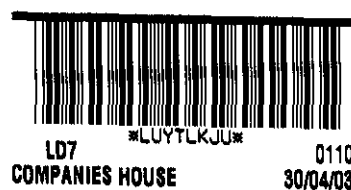


Company No 1938935

Chantrey Vellacott DFK



**BONDS WORLDWIDE
EXPRESS LIMITED
(formerly Bonds plc)**

**Group financial statements
30 September 2002**

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Group financial statements for the year ended 30 September 2002

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BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Directors, officers and advisers

Directors

Mr J Davis
Mrs K S Waters

Secretary

Mr R R Rogers

Registered office

Unit B
The Apsley Centre
Apsley Way
London
NW2 7LZ

Company Number

1938935

Auditors

Chantrey Vellacott DFK
Russell Square House
10-12 Russell Square
London
WC1B 5LF

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Directors' report for the year ended 30 September 2002

The directors present their report and the financial statements for the year ended 30 September 2002.

Principal activities

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

Business review and future developments

Profitability improved during the year and it is expected that current policies will result in further improvements in profitability in 2003.

The company re-registered as a private company under the name of Bonds Worldwide Express Limited on 23 January 2003.

Dividends

During the year the company paid £100,000 (2001 : £100,000).

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 2001:

Mr J Davis
Mrs K S Waters

Directors' interests in shares

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

	Ordinary shares of £1 each	
	2002	2001
Mr J Davis	50,000	50,000
Mrs K S Waters	8,824	8,824

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 (2001 : 30 days).

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Directors' report for the year ended 30 September 2002

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company and the group 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 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 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, Chantrey Vellacott DFK, having been appointed during the year following the resignation of Baker Tilly, have expressed their willingness to continue in office and a resolution for their reappointment will be proposed at the next Annual General Meeting.

Approved by the Board of Directors on *2 April 2003*
and signed on their behalf by:

Richard Rogers
R R ROGERS

Secretary

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Independent auditors' report to the shareholders of Bonds Worldwide Express Limited

We have audited the financial statements of Bonds Worldwide Express Limited for the year ended 30 September 2002 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and 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 auditor's 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 law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with the 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 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 of the Accountancy Foundation. 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.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Independent auditors' report to the shareholders of Bonds Worldwide Express Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the group and the company as at 30 September 2002 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chantrey Vellacott DFK
CHANTREY VELLACOTT DFK

**Chartered Accountants
Registered Auditors
London**

4 April 2003

Chantrey Vellacott DFK

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Group profit and loss account for the year ended 30 September 2002

	Notes	2002 £	2001 £
Turnover	2	3,740,104	4,255,032
Cost of sales		(1,795,609)	(1,948,217)
Gross profit		1,944,495	2,306,815
Other operating expenses	3	(1,786,140)	(2,225,392)
		158,355	81,423
Other operating income	4	25,000	14,583
Operating profit		183,355	96,006
Profit from disposal of investment		33,884	-
Interest receivable		7,143	4,733
Interest payable	5	(25,997)	(48,670)
Profit on ordinary activities before taxation	6	198,385	52,069
Tax on profit on ordinary activities	8	(43,355)	(18,295)
Profit on ordinary activities after taxation		155,030	33,774
Dividends	9	(100,000)	(100,000)
Profit/(loss) for the year	19	55,030	(66,226)

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

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.

The notes on pages 9 to 20 form part of these financial statements.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Group balance sheet as at 30 September 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	11	675,970	821,558
Investments	12	7,349	39,349
		<u>683,319</u>	<u>860,907</u>
Current assets			
Debtors	13	851,504	1,001,012
Cash at bank and in hand		16,303	2,179
		<u>867,807</u>	<u>1,003,191</u>
Creditors: amounts falling due within one year	14	<u>(835,395)</u>	<u>(1,176,675)</u>
Net current assets (liabilities)		<u>32,412</u>	<u>(173,484)</u>
Total assets less current liabilities		715,731	687,423
Creditors: amounts falling due after more than one year	15	<u>(145,775)</u>	<u>(166,744)</u>
Provisions for liabilities and charges	16	<u>(2,547)</u>	<u>(8,300)</u>
		<u>567,409</u>	<u>512,379</u>
Capital and reserves			
Called-up share capital	17	58,824	58,824
Share premium account	18	41,176	41,176
Profit and loss account	19	467,409	412,379
Shareholders' funds	20	<u>567,409</u>	<u>512,379</u>

Approved by the Board on 2 April 2003

K S Waters

K S WATERS
Director

The notes on pages 9 to 20 form part of these financial statements.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Company balance sheet as at 30 September 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	11	675,970	737,031
Investments	12	57,400	89,400
		<u>733,370</u>	<u>826,431</u>
Current assets			
Debtors	13	851,504	467,222
Cash at bank and in hand		16,303	371
		<u>867,807</u>	<u>467,593</u>
Creditors: amounts falling due within one year	14	<u>(836,085)</u>	<u>(583,310)</u>
Net current liabilities		<u>31,722</u>	<u>(115,717)</u>
Total assets less current liabilities		765,092	710,714
Creditors: amounts falling due after more than one year	15	<u>(145,775)</u>	<u>(142,674)</u>
Provision for liabilities and charges	16	(805)	(6,500)
		<u>618,512</u>	<u>561,540</u>
Capital and reserves			
Called-up share capital	17	58,824	58,824
Share premium account	18	41,176	41,176
Profit and loss account	19	518,512	461,540
Shareholders' funds	20	<u>618,512</u>	<u>561,540</u>

Approved by the Board on 2 April 2003

K S Waters

K S WATERS
Director

The notes on pages 9 to 20 form part of these financial statements.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Group cash flow statement for the year ended 30 September 2002

	Note	2002 £	2001 £
Cash flow from operating activities	21a	311,349	281,720
Returns on investments and servicing of finance	21b	(18,854)	(43,937)
Taxation		(39,677)	(3,000)
Capital expenditure and financial investment	21b	142,872	108,534
		<u>395,690</u>	<u>343,317</u>
Equity dividends paid		(100,000)	(100,000)
Cash inflow before financing		295,690	243,317
Financing	21b	(282,034)	(326,955)
Increase/(decrease) in cash in the period		<u>13,656</u>	<u>(83,638)</u>

Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
Increase/(decrease) in cash in the period	13,656	(83,638)
Capital repaid on hire purchase agreements	282,034	326,955
New finance leases	(161,713)	(211,784)
Movement in net debt in period	<u>133,977</u>	<u>31,533</u>
Net debt at 1 October 2001	(488,418)	(519,951)
Net debt at 30 September 2002	<u>(354,441)</u>	<u>(488,418)</u>

The notes on pages 9 to 20 form part of these financial statements.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

1. Accounting policies

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

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

(a) Basis of accounting

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

(b) Basis of consolidation

The group financial statements consolidate the financial statements of Bonds Worldwide Express Limited and Bonds Worldwide Express (Birmingham) Limited and Bladerunner Worldwide Couriers Limited made up to 30 September 2002. No profit and loss account is presented for Bonds Worldwide Express Limited as provided by S230 (3) of the Companies Act 1985.

(c) Turnover

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

(d) 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%-33% per annum straight line
Motor bikes and vehicles	10%-25% per annum straight line

(d) Deferred taxation

FRS 19 'Deferred tax' requires full provision, subject to certain exceptions, for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and for tax purposes. Previously, Statement of Standard Accounting Practice (SSAP) 15 'Accounting for deferred tax' required recognition of deferred tax assets and liabilities to the extent that it was probable timing differences would reverse in the foreseeable future. This change in accounting policy has had no effect on the prior year results. FRS 19 has no impact on cash flows.

(e) 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 on finance leases 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.

Interest on hire purchase contracts is charged to the profit and loss account on a straight line basis.

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.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

1. Accounting policies

(f) 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 represent the amounts payable to the scheme in respect of the year.

(g) Investments

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

2. 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.

3. Other operating expenses	2002 £	2001 £
Distribution costs	641,062	951,929
Administrative expenses	1,145,078	1,273,463
	<u>1,786,140</u>	<u>2,225,392</u>
4. Other operating income	2002 £	2001 £
Rents receivable	<u>25,000</u>	<u>14,583</u>
5. Interest payable	2002 £	2001 £
On bank loans, overdrafts and other loans repayable within 5 years:		
Finance leases and hire purchase contracts	25,612	48,045
Bank loans and overdrafts	385	625
	<u>25,997</u>	<u>48,670</u>
6. Profit on ordinary activities before taxation	2002 £	2001 £
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	94,788	143,461
leased assets	169,984	145,954
(Profit)/loss on disposals	(32,259)	43,357
Provision for diminution in value of fixed asset investments	-	8,000
Operating lease rentals:		
Plant and machinery	91,541	192,454
Land and buildings	74,035	76,625
Auditors' remuneration	9,000	15,750

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

7. Employees	2002	2001
	No.	No.
The average monthly number of persons (including directors) employed by the group during the year was:		
Office and management	22	27
Direct labour	53	68
	<u>75</u>	<u>95</u>
	2002	2001
	£	£
Staff costs for the above persons:		
Wages and salaries	1,260,772	1,363,081
Social security costs	104,393	122,198
Other pension costs	4,233	2,040
	<u>1,369,398</u>	<u>1,487,319</u>
Directors' remuneration	2002	2001
	£	£
Salaries and taxable benefits	136,532	163,503
Amount paid to money purchase pension schemes	-	-
Total emoluments	<u>136,532</u>	<u>163,503</u>
	Number	Number
The number of directors to whom relevant benefits are accruing under money purchase pension schemes was	<u>1</u>	<u>1</u>
8. Taxation on profit on ordinary activities	2002	2001
	£	£
(a) Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	48,908	39,358
Adjustments in respect of previous periods	200	(1,763)
Total current tax (note 8(b))	<u>49,108</u>	<u>37,595</u>
Deferred tax:		
Origination and reversal of timing differences	(5,753)	(19,300)
Total deferred tax	<u>(5,753)</u>	<u>(19,300)</u>
Tax on profit on ordinary activities	<u>43,355</u>	<u>18,295</u>

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

8. Taxation on profit on ordinary activities

(b) Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK

The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>198,385</u>	<u>52,069</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2001 : 20.0%)	38,685	11,971
Effects of:		
Expenses not deductible for tax purposes	(4,493)	15,280
UK dividends received	-	-
Capital allowances for period in (excess) of qualifying depreciation	14,716	12,107
Group relief (claimed)/surrendered	-	-
Adjustments to tax charge in respect of previous periods	<u>200</u>	<u>(1,763)</u>
Current tax charge for the period (note 8(a))	<u><u>49,108</u></u>	<u><u>37,595</u></u>

9. Dividends

	2002 £	2001 £
Paid in the year	<u><u>100,000</u></u>	<u><u>100,000</u></u>

10. Profit of the parent company

The parent company's profit for the financial year amounted to £56,972 (2001 : £14,453).

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

11. Tangible fixed assets	Fixtures, fittings plant and machinery £	Motor bikes and vehicles £	Total £
Group			
Cost:			
At 1 October 2001	386,256	1,037,399	1,423,655
Additions	7,220	157,234	164,454
Disposals	-	(208,968)	(208,968)
At 30 September 2002	<u>393,476</u>	<u>985,665</u>	<u>1,379,141</u>
Depreciation:			
At 1 October 2001	230,802	371,295	602,097
Charge for the year	57,414	207,358	264,772
Disposals	-	(163,698)	(163,698)
At 30 September 2002	<u>288,216</u>	<u>414,955</u>	<u>703,171</u>
Net book value:			
At 30 September 2002	<u>105,260</u>	<u>570,710</u>	<u>675,970</u>
At 31 September 2001	<u>155,454</u>	<u>666,104</u>	<u>821,558</u>

The net book value of tangible fixed assets includes £497,882 (2001 : £537,026) in respect of assets held under hire purchase contracts.

	Fixtures, fittings plant and machinery £	Motor bikes and vehicles £	Total £
Company			
Cost			
1 October 2001	379,398	904,734	1,284,132
Transfer from subsidiary undertaking	6,858	132,665	139,523
Additions	7,220	157,234	164,454
Disposals	-	(208,968)	(208,968)
At 30 September 2002	<u>393,476</u>	<u>985,665</u>	<u>1,379,141</u>
Depreciation			
At 1 October 2001	226,786	320,315	547,101
Transfer from subsidiary undertaking	4,016	50,980	54,996
Charged in the year	57,414	207,358	264,772
Disposals	-	(163,698)	(163,698)
At 30 September 2002	<u>288,216</u>	<u>414,955</u>	<u>703,171</u>
Net book value			
At 30 September 2002	<u>105,260</u>	<u>570,710</u>	<u>675,970</u>
At 30 September 2001	<u>152,612</u>	<u>584,419</u>	<u>737,031</u>

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

11. Tangible fixed assets

The net book value of tangible assets includes £497,882 (2001 : £491,340) in respect of assets held under hire purchase contracts.

12. Fixed asset investments

Unlisted
investments
£

Group

Cost

At 1 October 2001

47,349

Disposals

(32,000)

At 30 September 2002

15,349

Provision for diminution in value

1 October 2001

8,000

Provision in year

-

At 30 September 2002

8,000

Net book value

At 30 September 2002

7,349

At 30 September 2001

39,349

Subsidiary
undertakings
£

Other
investments
£

Total
£

Company

Cost

At 1 October 2001

50,051

47,349

97,400

Disposals

-

(32,000)

(32,000)

At 30 September 2002

50,051

15,349

65,400

Provision for diminution in value

At 1 October 2001

-

8,000

8,000

Provision in year

-

-

-

At 30 September 2002

-

8,000

8,000

Net book value

At 30 September 2002

50,051

7,349

57,400

At 30 September 2001

50,051

39,349

89,400

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

12. Fixed asset investments

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 (Birmingham) Limited	England	Couriers (now dormant)
Bladerunner Worldwide Couriers Limited	England	Couriers (now dormant)

Other investments are unlisted. In the opinion of the directors, their market value at 30 September 2002 was not less than the balance sheet value.

13. Debtors

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Due within one year:				
Trade debtors	221,473	230,457	221,473	103,982
Discounted debtors	506,185	612,606	506,185	172,781
Amounts owed by group undertakings	-	-	-	46,513
Director's current accounts	61,213	105,200	61,213	105,200
Other debtors	7,984	-	7,987	-
Prepayments	54,649	52,749	54,649	38,746
	<u>851,504</u>	<u>1,001,012</u>	<u>851,504</u>	<u>467,222</u>

Directors' current accounts are made up as follows:

	Maximum amount outstanding £	2002 £	2001 £
Mr J Davis	192,772	61,213	105,200
Mrs K S Waters	10,784	-	-
	<u>203,556</u>	<u>61,213</u>	<u>105,200</u>

Advances to Mr J Davis bore interest of 6.25% from 1 October 2001 to 5 January 2002 and at 5% from 6 January 2002 to 30 September 2002 and are repayable on demand. The interest payable during the year ended 30 September 2002 amounted to £7,143 (2001 : £3,784).

Advances to Mrs K S Waters are interest free and are repayable on demand.

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

14. Creditors: amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank overdraft	5,170	4,702	5,170	2,422
Obligations under finance leases and hire purchase contracts	219,800	319,151	219,800	280,283
Trade creditors	98,304	181,105	98,304	72,390
Invoice discounting current account	215,317	436,747	215,317	130,261
Amounts owed to group undertakings	-	-	890	7,468
Corporation tax	48,789	39,358	48,589	-
Other taxation and social security costs	113,216	98,071	113,216	36,966
Directors' current accounts	69,610	8,923	69,610	-
Other creditors	-	21,977	-	21,463
Accruals and deferred income	65,189	66,641	65,189	32,057
	<u>835,395</u>	<u>1,176,675</u>	<u>836,085</u>	<u>583,310</u>

Bank overdrafts amounting to £5,170 (2001 : £2,422) 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	
	2002	2001	2002	2001
	£	£	£	£
Mr J Davis	-	-	-	-
Mrs K S Waters	69,610	8,923	69,610	-
	<u>69,610</u>	<u>8,923</u>	<u>69,610</u>	<u>-</u>

Mrs K S Waters paid £75,000 into the bank account on 27 September 2002. This was repaid by the Company to Mrs K S Waters on 2 October 2002.

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

15. Creditors: amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Obligations under finance lease and hire purchase contracts	<u>145,775</u>	<u>166,744</u>	<u>145,775</u>	<u>142,674</u>

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

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

16.	Provisions for liabilities and charges	2002	2001
		£	£
	Group		
	Accelerated capital allowances	2,747	8,300
	Pension (assets)	(200)	-
		<u>2,547</u>	<u>8,300</u>
	Undiscounted provision for deferred tax		
		<u>2,547</u>	<u>8,300</u>
	Provision at start of period	8,300	
	Deferred tax credit in profit and loss account for period	(5,753)	
		<u>2,547</u>	
	Company	2002	2001
		£	£
	Accelerated capital allowances	1,005	6,500
	Pension (assets)	(200)	-
		<u>805</u>	<u>6,500</u>
	Undiscounted provision for deferred taxation		
		<u>805</u>	<u>6,500</u>
	Provision at start of period	6,500	
	Transfer from subsidiary undertaking	1,800	
	Deferred tax credit in profit and loss account for period	(7,495)	
		<u>805</u>	

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

	Amount provided		Unprovided liability	
	2002	2001	2002	2001
	£	£	£	£
Accelerated capital allowances	<u>805</u>	<u>6,500</u>	<u>-</u>	<u>-</u>

17.	Share capital	2002	2001
		£	£
	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>
18.	Share premium account	2002	2001
		£	£
	At 1 October 2001 and 30 September 2002	<u>41,176</u>	<u>41,176</u>

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

19. Profit and loss account

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
At 1 October 2001	412,379	478,605	461,540	447,087
Profit/(loss) for the financial year	55,030	(66,226)	56,972	14,453
At 30 September 2002	<u>467,409</u>	<u>412,379</u>	<u>518,512</u>	<u>461,540</u>

20. Reconciliation of movement in shareholders' funds

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Profit/(loss) for the financial year	155,030	33,774	156,972	114,453
Dividends paid	(100,000)	(100,000)	(100,000)	(100,000)
Net addition (reduction to) shareholders' funds	55,030	(66,226)	56,972	14,453
Opening shareholders' funds	512,379	578,605	561,540	547,087
Closing shareholders' funds	<u>567,409</u>	<u>512,379</u>	<u>618,512</u>	<u>561,540</u>

21. Cash flows

	2002 £	2001 £
a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	183,355	96,006
Depreciation	264,772	289,415
Provision for diminution in value of fixed asset investments	-	8,000
Decrease/(increase) in debtors	211,765	(141,854)
(Decrease) in creditors	(316,284)	(13,204)
(Profit)/loss on disposal of fixed assets	(32,259)	43,357
Net cash flow from operating activities	<u>311,349</u>	<u>281,720</u>
b) Analysis of cash flows for headings netted in the cash flow		
Returns on investments and servicing of finance		
Interest received	7,143	4,733
Interest paid	(386)	(625)
Interest element for finance lease rental payments	(25,611)	(48,045)
Net cash outflow for returns on investment and servicing of finance	<u>(18,854)</u>	<u>(43,937)</u>

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

21. Cash flows

b) Analysis of cash flows for headings netted in the cash flow

	2002 £	2001 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,741)	(2,007)
Sale of tangible fixed assets	77,529	126,541
Purchase of fixed assets investments	-	(16,000)
Sale of fixed asset investment	68,084	-
Net cash inflow for capital expenditure and financial investments	142,872	108,534
Financing		
Capital element of finance lease rental payments	282,034	(326,955)

c) Analysis of change in net debt

	At 1 October 2001 £	Cash flows £	Other Non cash changes £	At 30 September 2002 £
Cash at bank and in hand	2,179	14,124	-	16,303
Overdrafts	(4,702)	(468)	-	(5,170)
	(2,523)	13,656	-	11,133
Finance leases	(485,895)	282,034	(161,713)	(365,574)
Total	(488,418)	295,690	(161,713)	(354,441)

d) Major non-cash transactions

During the year the company purchased tangible fixed assets with a cost of £161,713 (2001 : £211,784) under hire purchase agreements.

22. Commitments under operating leases

At 30 September 2002 the group and company had annual commitments under non-cancellable operating leases as follows:

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Land and buildings				
expiring within two to five years	54,750	63,350	54,750	52,500
expiring after five years	10,850	-	10,850	-
Other				
expiring within one year	3,610	48,104	3,610	48,104
expiring within two to five years	24,777	45,603	24,777	45,603
	93,987	157,057	93,987	146,207

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Notes to the financial statements For the year ended 30 September 2002

23. 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 Limited.

The maximum amount of the contingent liability at 30 September 2002 was £NIL (2001 : £350,000).

24. Ultimate controlling parties

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

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Detailed profit and loss account For the year ended 30 September 2002

	2002 £	2001 £
Sales	3,740,104	4,255,032
Cost of sales		
Self-employed riders	420,253	575,990
Next day and overnight costs	235,531	74,501
Subcontract couriers	105,940	382,118
Radio and mobile phone costs	38,996	12,268
Drivers' wages	684,761	853,402
International costs	310,128	49,938
	<u>1,795,609</u>	<u>1,948,217</u>
Distribution		
Insurance	26,026	12,817
Riders' accessories	4,779	7,339
Advertising	8,943	44,330
Motor running expenses	518,671	701,727
Motor vehicle leasing	82,643	185,715
	<u>641,062</u>	<u>951,929</u>
Administrative expenses		
Rent	74,035	76,625
Rates	21,225	18,601
Insurance	11,149	10,778
Light and heat	4,491	5,021
Cleaning	2,564	2,869
Repairs and maintenance	4,091	1,701
Security	1,737	1,409
Staff salaries	452,177	502,245
Staff pension	4,233	2,040
Directors' remuneration	114,067	129,633
Staff training and recruitment	28,592	10,009
Private health insurance	2,331	1,472
Printing, postage and stationery	18,013	21,759
Subscriptions	1,467	862
Telephone	31,249	36,954
Computer costs	6,081	4,494
Motor running expenses	42,092	22,603
Equipment lease costs	9,449	11,005
Travelling expenses	3,125	7,182
Entertainment	-	13,086
Audit fees	9,000	15,750
Legal and professional	14,863	3,960
Consultancy	5,009	3,641
	<u>861,040</u>	<u>903,700</u>
Carried forward		

BONDS WORLDWIDE EXPRESS LIMITED (formerly BONDS plc)

Detailed profit and loss account For the year ended 30 September 2002

	2002 £	2001 £
Brought forward	861,040	903,700
Bank charges	6,249	6,727
Invoice discounting	26,588	38,686
Credit control	6,654	4,950
Sundry expenses	-	1,702
Depreciation	264,771	269,400
(Profit)/loss on disposal of fixed assets	(32,259)	43,357
Provision for bad debts	12,035	4,941
	<hr/> 1,145,078	<hr/> 1,273,463
Other operating income	25,000	14,583
	<hr/>	<hr/>
Operating profit	<u>183,355</u>	<u>96,006</u>