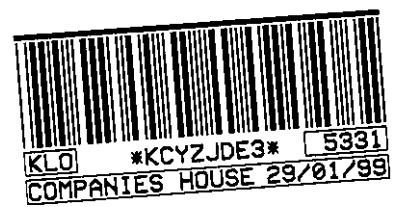


2861310

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST OCTOBER 1997

GRAHAM COHEN & CO.
CHARTERED ACCOUNTANTS



GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

DIRECTOR: J Gibbs

SECRETARY: D Gibbs

REGISTERED OFFICE: 16 South End
Croydon
Surrey
CRO 1DN

REGISTERED NUMBER: 2861310

BANKERS: National Westminster Bank PLC.
31 Limpsfield Road
Sanderstead
South Croydon
Surrey CR2 9YB

AUDITORS: Graham Cohen & Co.
Chartered Accountants
16 South End
Croydon
Surrey
CRO 1DN

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997

CONTENTS

- 1-2. Report of the Director
- 3. Report of the Auditors
- 4. Profit and Loss Account
- 5. Balance Sheet
- 6-9. Notes to the Accounts

The following page does not form part of the Statutory Accounts

Appendix

- 1. Trading and Profit and Loss Account

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED
REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31ST OCTOBER 1997

The director presents his annual report with the accounts of the company for the year ended 31st October 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was freight and forwarding agent.

DIRECTORS

The director in office in the year and his beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>1997</u>	<u>1996</u>
J Gibbs	100	100

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial accounts 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 accounts the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial accounts comply with the Companies Act 1985. He is 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.

Continued.....

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED
REPORT OF THE DIRECTOR (CONTINUED)

FOR THE YEAR ENDED 31ST OCTOBER 1997

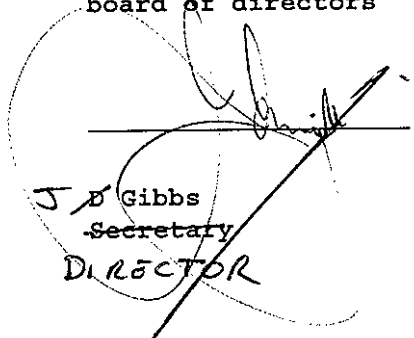
AUDITORS

The auditors, Graham Cohen & Co, are deemed to be re-appointed in accordance with section 386 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors


J. D. Gibbs
Secretary
DIRECTOR

22nd January 1999

AUDITORS' REPORT TO THE SHAREHOLDERS OF
GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

We have audited the financial accounts on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's director is responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

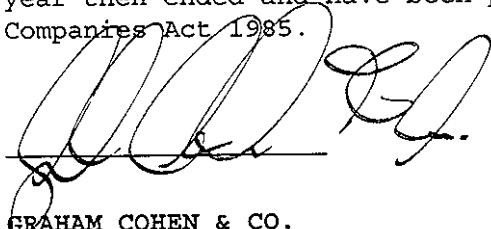
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial accounts, 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 accounts 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 accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31st October 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRAHAM COHEN & CO.
Registered Auditors
Chartered Accountants
16 South End
Croydon
Surrey
CR0 1DN

26.1.1998

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	444,892	335,193
Cost of Sales		353,200	278,963
<u>GROSS PROFIT</u>		91,692	56,230
Net Operating Expenses			
Administrative Expenses		76,881	63,625
<u>OPERATING PROFIT/(LOSS)</u>	3	14,811	(7,395)
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>BEFORE INTEREST</u>		14,811	(7,395)
Interest Payable		2,338	633
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		12,473	(8,028)
Tax on Ordinary Activities	4	-	-
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		£ 12,473	£ (8,028)
<u>STATEMENT OF RETAINED EARNINGS</u>			
Loss Brought Forward		(37,867)	(29,839)
Retained Profit/(Loss) for the Year		12,473	(8,028)
<u>RETAINED LOSS CARRIED FORWARD</u>		£ (25,394)	£ (37,867)

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

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITEDBALANCE SHEET
AS AT 31ST OCTOBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible Assets	6	850	1,134
CURRENT ASSETS			
Debtors	7	39,692	59,444
Cash at Bank and in Hand		135	-
		<u>39,827</u>	<u>59,444</u>
CREDITORS : Amounts Falling Due within One Year	8	<u>(64,383)</u>	<u>(95,062)</u>
NET CURRENT LIABILITIES		<u>(24,556)</u>	<u>(35,618)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(23,706)</u>	<u>(34,484)</u>
CREDITORS : Amounts Falling Due After more than One Year	11	1,588	3,283
		<u>£ (25,294)</u>	<u>£ (37,767)</u>
CAPITAL AND RESERVES			
Share Capital	9	100	100
Profit and Loss Account	10	<u>(25,394)</u>	<u>(37,867)</u>
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<u>£ (25,294)</u>	<u>£ (37,767)</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the
board of directors

J Gibbs
Director

Approved by the board: 22nd January 1999

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

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced sales of services, excluding VAT.

Tangible Fixed Assets

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

Plant and Equipment	25% on reducing balance
---------------------	-------------------------

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2. TURNOVER

The Turnover and Profit (1996 - Loss) before taxation for the year is attributable to the principal activity of the Company which is freight and forwarding agent.

The company's turnover has not been analysed by geographical markets.

3. OPERATING PROFIT/(LOSS)

The Operating Profit (1996 - Loss) is stated after charging:

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation of Tangible Fixed Assets	284	384
Auditors' Remuneration	2,350	1,950
	<u> </u>	<u> </u>

4. TAXATION

The company has no liability to Corporation Tax for the year ended 31st October 1997.

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997

5. DIRECTORS' REMUNERATION

	<u>1997</u>	<u>1996</u>
	£	£
Director's Emoluments	27,731	32,696
Director's Pension Contributions	643	582
	<hr/>	<hr/>
	28,374	33,278
	<hr/>	<hr/>
	Number	Number
During the year the following number of Directors accrued Retirement Benefits under:		
Money Purchase Schemes	<hr/> 1 <hr/>	<hr/> 1 <hr/>

6. TANGIBLE FIXED ASSETS

	Plant & Machinery etc
	£
COST	
At 1st November 1996	2,327
At 31st October 1997	<hr/> 2,327 <hr/>
 DEPRECIATION	
At 1st November 1996	1,193
Charge for the year	284
At 31st October 1997	<hr/> 1,477 <hr/>
 NET BOOK VALUE	
At 31st October 1997	<hr/> 850 <hr/>
At 31st October 1996	<hr/> 1,134 <hr/>

7. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts due within one year:		
Trade Debtors	26,662	43,494
Less : Provision for Doubtful Debts	(2,480)	-
	<hr/>	<hr/>
	24,182	43,494
Director's Loan Account - J Gibbs	13,915	13,917
Value Added Tax	1,595	2,033
	<hr/>	<hr/>
	39,692	59,444
	<hr/>	<hr/>

The maximum balance outstanding on the director's loan account during the year was £13,917. The loan account was cleared after the year end.

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 1997

8. CREDITORS: Amounts falling
Due within One Year

	<u>1997</u>	<u>1996</u>
	£	£
Bank Loans and Overdrafts (see below)	2,554	10,569
Trade Creditors	38,184	60,912
Other Creditors:		
Social Security and Other Taxes	21,295	22,190
Accruals	2,350	1,391
	<u>64,383</u>	<u>95,062</u>
 Bank Overdraft	 1,054	 9,104
Bank Loan Account	1,500	1,465
	<u>2,554</u>	<u>10,569</u>

9. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised	<u>£1,000</u>	<u>£1,000</u>
 Allotted, Called Up and Fully Paid	 <u>100</u>	 <u>100</u>

10. RESERVES

	<u>Share</u>	<u>Revaluation</u>	<u>Profit &</u>
	<u>Premium</u>	<u>Reserve</u>	<u>Loss A/c</u>
	£	£	£
At 1st November 1996	-	-	(37,867)
Prior year adjustment	-	-	-
	<u>-</u>	<u>-</u>	<u>(37,867)</u>
Retained Profit			
for the year			12,473
	<u>-</u>	<u>-</u>	<u>(25,394)</u>
At 31st October 1997	<u>-</u>	<u>-</u>	<u>(25,394)</u>

GUARDIAN INTERNATIONAL SHIPPING COMPANY (UK) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST OCTOBER 199711. CREDITORS: Amounts Falling
Due After more than One Year

	<u>1997</u>	<u>1996</u>
	£	£
Bank Loans and Overdrafts	1,588	3,283
	<u>1,588</u>	<u>3,283</u>

12. RELATED PARTIES

The company is controlled by Mr J Gibbs.