

STYLESIELD LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000

Dyer & Co
Chartered Accountants
Onega House
112 Main Road
Sidcup
Kent DA14 6NG



STYLESIELD LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2000

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STYLESHIELD LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 2000

The directors submit their report and the audited financial statements of the company for the year ended 30th June 2000.

PRINCIPAL ACTIVITY

The company's principal activity is that of international air courier services.

RESULTS FOR THE YEAR

The results for the year are set out in the company's profit and loss account on page 4.

DIRECTOR

The directors who served during the year and their interests (all beneficially held) in the share capital of the company were as follows:

	<u>Ordinary Shares of £1 Each</u>	
	<u>2000</u>	<u>1999</u>
Ms T F Brown	250	250
Mr S F Senanayake (and family)	250	250
Mr R L K Jones (and family)	250	250
Mr R N Gaff	250	250
Mr S M Moxon-Reidlin (Appointed 21 st April 2000)	-	-
	===	===

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results of the company for the year then ended. These requirements are specified in the Companies Act 1985 and in applicable accounting standards. It is also the Directors responsibility to:

- Maintain adequate accounting records.
- Safeguard the assets of the company.
- Prevent and detect fraud and other irregularities;
- Prepare financial statements on the going concern basis, unless it is inappropriate.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements.

STYLESIELD LIMITED
REPORT OF THE DIRECTORS (CONT'D)
FOR THE YEAR ENDED 30TH JUNE 2000

YEAR 2000

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will therefore need to be modified or replaced to record the year 2000. Our business does not depend on a computerised accounting system to prepare the accounts and record the transactions. However, we could be affected by the systems used by our suppliers and customers. As a result we could be at risk of other parties do not deal adequately with the year 2000 issue.

The directors have assessed the risks to our business resulting from the change to the year 2000.

We also assessed the possibility of year 2000 related failures in our significant suppliers, all of who inform us that they are already dealing with the problem. It is impossible to guarantee that no year 2000 problems will remain. However, the directors feel that the company will be able to deal with any failures that may occur.

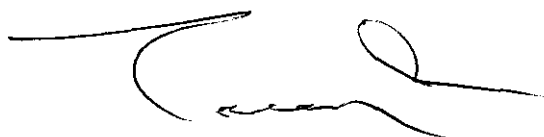
AUDITORS

A resolution to re-appoint Dyer & Co as auditors will be proposed at the Annual General Meeting.

SMALL COMPANIES EXEMPTIONS

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

Approved by the Directors
Signed on behalf of the Board



Ms T Brown
Secretary

Date 12 / 8 / 20 00

STYLESHIELD LIMITED**REPORT OF THE AUDITORS****TO THE MEMBERS OF STYLESHIELD LIMITED**

We have audited the financial statements on page 4 to 11 which have been prepared 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 directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 30th June 2000 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Onega House
112 Main Road
Sidcup
Kent DA14 6NG


Dyer & Co
Chartered Accountants
and Registered Auditor

Date 14th August 2000

STYLESIELD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2000

	Notes	2000 £	1999 £
TURNOVER	2	3,241,150	2,605,998
Cost of Sales		(1,548,786)	(1,236,865)
		<hr/>	<hr/>
GROSS PROFIT		1,692,364	1,369,133
Administrative Expenses		(1,764,759)	(1,503,128)
Other Operating Expenses	3	115,060	79,316
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)	4	42,665	(54,679)
Interest Receivable	5	185	1,237
Interest Payable	6	(13,667)	(15,210)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		29,183	(68,652)
Taxation	7	(9,578)	9,673
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		19,605	(58,979)
Dividends		-	-
		<hr/>	<hr/>
RETAINED PROFIT/(DEFICIT) FOR THE YEAR		19,605	(58,979)
Retained Profit Brought Forward		20,058	79,307
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		39,663	20,058
		=====	=====

The notes on pages 6 to 11 form part of these financial statements.

STYLESIELD LIMITED

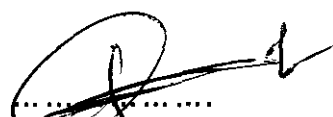
BALANCE SHEET

AS AT 30TH JUNE 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Intangible Assets	9	36,000	-
Tangible Assets	10	114,797	107,517
		<u>150,797</u>	<u>107,517</u>
CURRENT ASSETS			
Debtors	11	591,378	488,508
Cash at Bank and in Hand		204	7,470
		<u>591,582</u>	<u>495,978</u>
CREDITORS - Amounts falling due within one year	12	(647,342)	(508,403)
		<u>(55,760)</u>	<u>(12,425)</u>
NET CURRENT LIABILITIES			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>95,037</u>	<u>95,092</u>
CREDITORS - Amounts falling due after one year	13	(54,374)	(74,034)
		<u>40,663</u>	<u>21,058</u>
CAPITAL AND RESERVES			
Called up Share Capital	14	1,000	1,000
Profit and Loss Account		39,663	20,058
		<u>40,663</u>	<u>21,058</u>
Shareholders Funds			
		<u>40,663</u>	<u>21,058</u>

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

Approved by the Board of Directors On 12/8/2000



Mr S F Senanayake
Director

The notes on pages 6 to 11 form part of these financial statements.

STYLESIELD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30TH JUNE 2000****1. ACCOUNTING POLICIES**

The principal Accounting policies adopted in arriving at the financial information set out in these financial statements are as follows:

a. Accounting Convention

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards.

b. Turnover

Turnover represents the invoiced value of goods and services, net of discounts, and excluding Value Added Tax.

c. Depreciation

Depreciation is provided to write off the cost of tangible fixed assets by annual instalments over their estimated useful economic lives. It is calculated on a reducing balance basis at the following rates:

Office Equipment	25% Per Annum
Motor Vehicles	25% Per Annum
Plant & Machinery	25% Per Annum

Goodwill is written off on a straight line basis over 10 years.

Leasehold Improvements are written off over the length of the lease.

d. Deferred Taxation

Deferred Taxation is provided under the liability method on material differences arising from the inclusion of income and expenditure in the taxation computation periods different from those in which they are included in the financial statements. No provision for deferred taxation is made when, in the opinion of the director, the liability is unlikely to arise in the foreseeable future.

e. Leased Assets

Where assets are financed by leasing or hire purchase agreements, the assets are treated as if they had been purchased. Cost is capitalised as a tangible asset and the corresponding leasing commitment is included as a liability. Repayments payable are apportioned between interest which is charged to the profit and loss account, and capital which reduces the outstanding commitment.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a payable basis.

STYLESIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30TH JUNE 2000

2. TURNOVER

The turnover and profit before taxation arise from the principal activity of the company in the United Kingdom.

	2000 £	1999 £
3. OTHER OPERATING INCOME		
Management Fees Receivable	115,060	79,316
	=====	=====
4. OPERATING PROFIT/(LOSS)		
Operating profit/(loss) is stated after charging the following:		
Directors Emoluments and Benefits in Kind	196,907	189,474
Auditors Remuneration	11,060	8,852
Depreciation	64,732	50,262
Operating Lease Costs : Land & Buildings	48,208	30,775
Other	128,896	152,861
Loss of Sale on Assets	11,145	(9,565)
	=====	=====
5. INTEREST RECEIVABLE		
Interest Receivable on Deposits	185	1,237
	=====	=====
6. INTEREST PAYABLE		
Interest on Hire Purchase Contracts	8,215	8,652
Loan Interest	5,452	6,558
	<u>13,667</u>	<u>15,210</u>
	=====	=====
7. TAXATION		
Charge/(Refund) for Current Year	9,578	(9,673)
	=====	=====
8. DEFERRED TAXATION		
The full potential liability for deferred taxation (not provided in the financial statements) is as follows:		
Accelerated Capital Allowances	(18,172)	(16,163)
	=====	=====

STYLESIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30TH JUNE 2000

9.	INTANGIBLE FIXED ASSETS	Goodwill £	Total £	
	COST			
	01.07.99	-	-	
	Additions	40,000	40,000	
	At 30.06.00	<u>40,000</u>	<u>40,000</u>	
		=====	=====	
	AMORTISATION			
	At 01.07.99	-	-	
	Charge for Year	4,000	4,000	
	At 30.06.00	<u>4,000</u>	<u>4,000</u>	
		=====	=====	
	NET BOOK VALUE			
	At 30.06.00	<u>36,000</u>	<u>36,000</u>	
		=====	=====	
10.	TANGIBLE FIXED ASSETS	Land & Building £	Plant Machinery & Other Tangible Assets £	Total £
	COST			
	At 01.07.99	3,132	233,557	236,689
	Additions	500	82,486	82,986
	Disposals	-	(43,295)	(43,295)
	At 30.06.00	<u>3,632</u>	<u>272,748</u>	<u>276,380</u>
		=====	=====	=====
	DEPRECIATION			
	At 01.07.99	1,722	127,450	129,172
	Charge for Year	726	60,006	60,732
	On Disposals	-	(28,321)	(28,321)
	At 30.06.00	<u>2,448</u>	<u>159,135</u>	<u>161,583</u>
		=====	=====	=====
	NET BOOK VALUE			
	At 30.06.00	<u>1,184</u>	<u>113,613</u>	<u>114,797</u>
		=====	=====	=====
	At 30.06.99	<u>1,410</u>	<u>106,107</u>	<u>107,517</u>
		=====	=====	=====

STYLESIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30TH JUNE 2000

Included above are assets held under finance leases and hire purchase contracts amounting to:

	2000		1999
	Net Book Value £	Depreciation Charge £	Net Book Value £
			Depreciated on Charge £
Plant Machinery & Other Tangible Assets	93,067	39,460	72,229
	=====	=====	=====
			2000
			1999
			£
11. DEBTORS			£
Trade Debtors			579,694
Other Debtors			11,684
			=====
			591,378
			=====
			488,508
			=====
12. All amounts are receivable within one year.			
CREDITORS - Amounts falling due within one year			
Bank Loans & Overdrafts			40,125
Trade Creditors			419,007
Other Creditors			139,810
Other Loans			48,400
			=====
			647,342
			=====
			508,403
			=====
13. CREDITORS - Amounts falling due after one year			
Other Creditors			54,374
Other Loans			-
			=====
			54,374
			=====
			74,034
			=====
14. CALLED UP SHARE CAPITAL			No.
Ordinary Shares of £1 Each			No.
Authorised			1,000
			=====
			£
Allotted, Issued and Fully Paid			1,000
			=====

STYLESIELD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 30TH JUNE 2000

15. FINANCIAL COMMITMENTS

a) Capital Commitments

The company had no capital commitments as 30th June 2000 or 30th June 1999.

b) Operating Leases Commitments

The Annual Commitments under non-cancellable operating leases are set out below:

	Land & Buildings		Other	
	2000	1999	2000	1999
	£	£	£	£
Operating Leases which Expire:				
Within One Year	-	-	-	-
Between One & Five Years	33,000	33,108	25,868	25,868
After Five Years	-	-	-	-
	<u>33,000</u>	<u>33,108</u>	<u>25,868</u>	<u>25,868</u>
	=====	=====	=====	=====

16. CONTINGENT LIABILITIES

The company had no contingent liabilities at either 30th June 2000 or 30th June 1999.

17. HIRE PURCHASE LIABILITIES

Included within other creditors are the following amounts due under Hire Purchase Contracts and Finance Leases.

	2000	1999
	£	£
Due Within One Year	31,777	22,316
	=====	=====
Due After One Year		
Two – Five Years	54,374	34,034
After Five Years	-	-
	<u>54,374</u>	<u>34,034</u>
	=====	=====

STYLESIELD LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****FOR THE YEAR ENDED 30TH JUNE 2000****18. PENSION SCHEME**

The company operates a small self-administered Scheme (SSAS) for its directors. The charge for the year was £10,000 (1999 - £30,000). During the year the company operates a group personal pension plan for its staff contributing £24,584 (1999 - £8,981) during the year.

All schemes are operated on a defined contribution basis and there were no prepaid or accrued contributions at the beginning or the end of the year.

19. RELATED PARTIES

The directors of the company also control Flightmail Limited which traded from the same premises. A monthly charge is made to Flightmail Limited to cover all overhead costs incurred the total for the year being £115,060 (1999 - £79,316). At 30th June 2000 Flightmail Limited was a net debtor to Styleshield Limited in the sum of £7,000 (1999 - £27,534), which is considered fully collectable by the directors.