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Company Registration No 676451 (England and Wales)

SSI SCHAEFER LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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SSI SCHAEFER LTD

COMPANY INFORMATION

Directors	Mr R Keller Mr G Schaefer
Secretary	S Shah
Company number	676451
Registered office	83-84 Livingstone Road, Walworth Industrial Estate Andover Hampshire SP10 5QZ
Auditors	JB Wilkins Kennedy Parmenter House 57 Tower Street Winchester SO23 8TD
Business address	83-84 Livingstone Road, Walworth Industrial Estate Andover Hampshire SP10 5QZ
Bankers	HSBC 8 London Street Basingstoke Hampshire
Solicitors	Mills and Co Solicitors 8 Nascot Street Watford Hertfordshire Great Britain WD17 4RB

SSI SCHAEFER LTD

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SSI SCHAEFER LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activities of the company continue to be the distribution of materials handling and storage equipment and the sale of waste disposal equipment

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 January 2007

Mr R Keller

Mr G Schaefer

Auditors

JB Wilkins Kennedy were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

SSI SCHAEFER LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr R Keller

Director
16/5/08

SSI SCHAEFER LTD

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SSI SCHAEFER LTD

We have audited the financial statements of SSI SCHAEFER LTD for the year ended 31 December 2007 set out on pages 5 to 14. These financial statements have been prepared under 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 auditors' 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2, 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 or 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 within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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.

SSI SCHAEFER LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF SSI SCHAEFER LTD

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

JB Wilkins Kennedy

JB Wilkins Kennedy

28th May 2008

Chartered Accountants

Registered Auditor

Parmenter House
57 Tower Street
Winchester
SO23 8TD

SSI SCHAEFER LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	44,073,003	25,759,395
Cost of sales		(38,928,399)	(21,323,111)
Gross profit		5,144,604	4,436,284
Distribution costs		(1,605,559)	(1,406,621)
Administrative expenses		(2,669,144)	(2,416,410)
Operating profit	3	869,901	613,253
Other interest receivable and similar income	4	18,045	11,746
Interest payable and similar charges	5	(35,209)	(4,603)
Profit on ordinary activities before taxation		852,737	620,396
Tax on profit on ordinary activities	6	-	-
Profit for the year	13	852,737	620,396

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

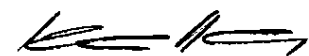
SSI SCHAEFER LTD

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	7	3,733,232		4,078,694	
Current assets					
Stocks	8	3,647,088		1,867,260	
Debtors	9	8,396,395		6,486,329	
Cash at bank and in hand		1,746,024		27,717	
		<u>13,789,507</u>		<u>8,381,306</u>	
Creditors amounts falling due within one year	10	<u>(12,792,077)</u>		<u>(8,582,075)</u>	
Net current assets/(liabilities)			<u>997,430</u>		<u>(200,769)</u>
Total assets less current liabilities			<u>4,730,662</u>		<u>3,877,925</u>
Capital and reserves					
Called up share capital	12	4,000,000		4,000,000	
Other reserves	13	3,600,000		3,600,000	
Profit and loss account	13	(2,869,338)		(3,722,075)	
Shareholders' funds	14	<u>4,730,662</u>		<u>3,877,925</u>	

Approved by the Board and authorised for issue on 14/5/08



Mr R Keller
Director

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that its accounts are consolidated into group accounts which are publicly available from the parent company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over 25 years for Long leasehold, Over the life of the asset for short leasehold
Plant and machinery	Between 3 and 8 years
Fixtures, fittings & equipment	Over 10 years
Motor vehicles	Over 4 years

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value

Costs of manufactured stocks include all production and the attributable proportion of indirect overhead expenses. Work in progress is included after allowing for foreseeable losses

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.8 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies (continued)

1.9 Foreign currency translation

a) Group Companies Foreign currency transactions with group companies are translated at a rate agreed at the date of the transaction Foreign currency balances with group companies are expressed in sterling at the rate of exchange at the balance sheet date

b) Transactions outside the group Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

2 Turnover

Geographical market

	Turnover	
	2007	2006
	£	£
United Kingdom	42,693,129	25,431,199
Europe	1,089,988	324,767
Americas	559	2,112
Middle East	2,949	1,317
Africa	286,379	-
	<u>44,073,004</u>	<u>25,759,395</u>

3 Operating profit	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	404,812	390,633
Loss on disposal of tangible assets	5,278	-
Loss on foreign exchange transactions	10,684	9,267
Operating lease rentals		
- Plant and machinery	4,633	1,232
- Other assets	113,763	113,063
Auditors' remuneration	15,135	12,500
and after crediting		
Profit on disposal of tangible assets	-	(133)
	<u>-</u>	<u>(133)</u>

There were no directors emoluments during the current or previous year

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

4	Investment income	2007	2006
		£	£
	Bank interest	18,045	11,746
		<u> </u>	<u> </u>
5	Interest payable	2007	2006
		£	£
	Other interest	35,209	4,603
		<u> </u>	<u> </u>
6	Taxation	2007	2006
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	852,737	620,396
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)	255,821	186,119
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	1,842	5,746
	Depreciation add back	123,027	115,139
	Capital allowances	(106,564)	(59,896)
	Other tax adjustments	(274,126)	(247,108)
		<u> </u>	<u> </u>
		(255,821)	(186,119)
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 5,800,000 (2006: £ 5,800,000) available for carry forward against future trading profits as at the balance sheet date. In addition, a further £900,000 of tax allowable deductions have been carried forward under the pension relief spreading rules.

As a result there is a potential deferred tax asset of approximately £1,600,000 (2006: £1,600,000) at the balance sheet date. This asset has not been included in the financial statements due to the inherent uncertainties surrounding the future taxable results and future cash flows of the company.

On the basis of the results shown in these financial statements no provision has been made for corporation tax.

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

7 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2007	6,825,622	738,266	329,043	344,235	8,237,166
Additions	708	41,743	3,825	22,906	69,182
Disposals	-	-	-	(21,665)	(21,665)
At 31 December 2007	6,826,330	780,009	332,868	345,476	8,284,683
Depreciation					
At 1 January 2007	3,050,150	655,676	314,539	138,107	4,158,472
On disposals	-	-	-	(11,831)	(11,831)
Charge for the year	273,153	41,737	3,782	86,138	404,810
At 31 December 2007	3,323,303	697,413	318,321	212,414	4,551,451
Net book value					
At 31 December 2007	3,503,027	82,596	14,547	133,062	3,733,232
At 31 December 2006	3,775,472	82,590	14,504	206,128	4,078,694

8 Stocks and work in progress

	2007 £	2006 £
Work in progress	1,760,434	384,969
Finished goods and goods for resale	1,886,654	1,482,291
	3,647,088	1,867,260

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

9 Debtors	2007 £	2006 £
Trade debtors	8,099,161	6,202,371
Other debtors	153,012	200,789
Prepayments and accrued income	144,222	83,169
	<u>8,396,395</u>	<u>6,486,329</u>

10 Creditors' amounts falling due within one year	2007 £	2006 £
Trade creditors	1,986,660	2,693,946
Amounts owed to parent and fellow subsidiary undertakings	9,414,780	4,649,541
Taxes and social security costs	926,268	598,319
Other creditors	-	927
Accruals and deferred income	464,369	639,342
	<u>12,792,077</u>	<u>8,582,075</u>

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2007 £	2006 £
Contributions payable by the company for the year	<u>55,516</u>	<u>66,591</u>

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

12 Share capital	2007	2006
	£	£
Authorised		
4,000,000 Ordinary shares of £1 each	4,000,000	4,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
4,000,000 Ordinary shares of £1 each	4,000,000	4,000,000
	<u> </u>	<u> </u>
13 Statement of movements on reserves		
	Other reserves (see below)	Profit and loss account
	£	£
Balance at 1 January 2007	3,600,000	(3,722,075)
Profit for the year	-	852,737
	<u> </u>	<u> </u>
Balance at 31 December 2007	3,600,000	(2,869,338)
	<u> </u>	<u> </u>
Other reserves		
Reserves provided for by the Articles of Association		
Balance at 1 January 2007 & at 31 December 2007	3,600,000	
	<u> </u>	
On 6 July 2005 the company's parent company, SSI Schaefer Holding International GmbH, made a non-returnable capital contribution of £3,600,000 to SSI Schaefer Ltd. This amount is distributable in future periods, subject to the provisions of the Companies Acts 1963 to 2003.		
14 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	852,737	620,396
Opening shareholders' funds	3,877,925	3,257,529
	<u> </u>	<u> </u>
Closing shareholders' funds	4,730,662	3,877,925
	<u> </u>	<u> </u>

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

15 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	Land and buildings	
	2007	2006
	£	£
Operating leases which expire		
Within one year	65,500	-
Between less than two and five years	19,800	196,500
In over five years	78,000	97,800
	<u>163,300</u>	<u>294,300</u>

16 Transactions with directors

All transactions in which the directors are interested are with group companies. The directors have taken advantage of the exemption of FRS8 from disclosing these transactions since they are consolidated into group accounts, which are published in Germany.

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007	2006
	Number	Number
Management	7	7
Administration	12	11
Production	9	9
Sales	36	36
	<u>64</u>	<u>63</u>

Employment costs

	2007	2006
	£	£
Wages and salaries	2,144,975	2,026,437
Social security costs	258,421	234,798
Other pension costs	55,652	48,692
	<u>2,459,048</u>	<u>2,309,927</u>

SSI SCHAEFER LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2007**

18 Control

The ultimate parent company is SSI Schaefer Holding International GmbH, Fritz-Schaefer-Strasse 20, D57290 Neunkirchen/Siegerland, Germany. The parent company is registered in Germany.

The ultimate controlling party is the Schaefer family.