

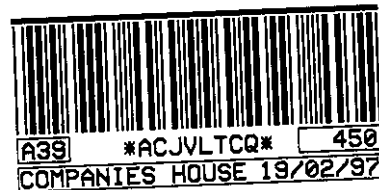


LAWSON
BLANK
PRINCE

UNIVERSAL PALLET SERVICES LIMITED

FINANCIAL STATEMENTS

For the year ended 30 April 1995



UNIVERSAL PALLET SERVICES LIMITED

Directors

W D White
J White
D Armstrong

Secretary

W D White

Registered Office

Mere House
South Park Drive
Poynton
Cheshire

Auditors

Lawson Blank Prince
Chartered Accountants
Registered Auditors
Pembroke House
Hawthorn Street
Wilmslow
Cheshire

Bankers

Barclays Bank plc
Wilmslow Branch
59 Grove Street
Wilmslow
Cheshire

UNIVERSAL PALLET SERVICES LIMITED
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UNIVERSAL PALLET SERVICES LIMITED DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 30 April 1995.

Statement of directors' responsibilities

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 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 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.

Principal activity

The principal activity of the company continues to be the sale and repair of pallets.

Directors and their interests

The directors who served during the year and their beneficial interests in the company's issued share capital were:

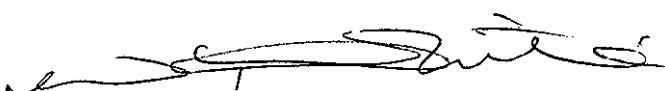
| | Ordinary shares of £1 each | |
|-------------|----------------------------|------|
| | 1995 | 1994 |
| W D White | 1 | 1 |
| J White | 1 | 1 |
| D Armstrong | - | - |

Auditors

The directors will place a resolution before the Annual General Meeting to re-appoint Lawson Blank Prince as auditors.

This report has been prepared taking advantage of the special exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that, in the opinion of the directors, the company is entitled to these exemptions as a small company.

BY ORDER OF THE BOARD


W D White
Secretary

8 November 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF UNIVERSAL PALLET SERVICES LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, 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 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 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 the company's affairs at 30 April 1995 and of its loss for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Lawson Blank Prince .

**Lawson Blank Prince
Chartered Accountants
Registered Auditors
Wilmslow
Cheshire**

8 November 1996

UNIVERSAL PALLET SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 30 April 1995

| | Notes | 1995 £ | 1994 £ |
|---|-------|-----------------|----------------|
| Turnover | | 646,690 | 548,201 |
| Cost of sales | | (450,437) | (348,040) |
| Gross profit | | 196,253 | 200,161 |
| Administrative expenses | | (201,710) | (163,216) |
| Other operating income | | - | 4,000 |
| Operating (loss)/profit | 2 | (5,457) | 40,945 |
| Interest payable | | (4,339) | (2,814) |
| Interest receivable | | 123 | 51 |
| (Loss)/profit on ordinary activities before taxation | | (9,673) | 38,182 |
| Taxation | 3 | 4,462 | (13,500) |
| (Loss)/profit on ordinary activities after taxation | | (5,211) | 24,682 |
| Dividends | 4 | - | (10,000) |
| Retained (loss)/profit for the year | 11 | £(5,211) | £14,682 |

There were no acquisitions or discontinued activities during the year.

There were no recognised gains or losses for 1995 or 1994 other than those included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

UNIVERSAL PALLET SERVICES LIMITED
BALANCE SHEET
As at 30 April 1995

| | Notes | 1995 £ | 1994 £ |
|--|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 26,953 | 13,295 |
| Current assets | | | |
| Stock | | 16,998 | 15,026 |
| Debtors | 6 | 231,663 | 227,073 |
| Cash at bank and in hand | | 1,805 | 1,847 |
| | | <u>250,466</u> | <u>243,946</u> |
| Creditors: amounts falling due within one year | 7 | <u>(144,196)</u> | <u>(123,926)</u> |
| Net current assets | | <u>106,270</u> | <u>120,020</u> |
| Total assets less current liabilities | | <u>133,223</u> | <u>133,315</u> |
| Creditors: amounts falling due after more than one year | 8 | <u>(11,119)</u> | <u>(6,000)</u> |
| Net assets | | <u>£122,104</u> | <u>£127,315</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 2 | 2 |
| Share premium account | 11 | 34,312 | 34,312 |
| Profit and loss account | 11 | 87,790 | 93,001 |
| Shareholders' funds | 11 | <u>£122,104</u> | <u>£127,315</u> |

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to these exemptions as a small company.

The financial statements were approved by the board on 8 November 1996 and signed on its behalf.


W D White
Director

The notes on pages 5 to 9 form part of these financial statements.

UNIVERSAL PALLET SERVICES.LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1995

1. Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. There were no material departures from those standards.

Turnover

Turnover represents the invoiced value of goods and services provided net of discounts, allowances and value added tax.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on a straight-line basis, as follows:

| | | |
|------------------------------|---|----------|
| Building | - | 10 years |
| Plant and machinery | - | 5 years |
| Fixtures, fittings and tools | - | 5 years |
| Motor vehicles | - | 4 years |

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

Pension costs

The company operates a pension scheme for the benefit of the directors. The funds of the scheme are separate from the company and contributions to the scheme are charged to the profit and loss account as they become payable.

Cash flow statement

The company has taken advantage of the provisions of Financial Reporting Standard No. 1 not to produce a cash flow statement as it is a small company as defined by the Companies Act 1985.

UNIVERSAL PALLET SERVICES.LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1995

2. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 1995 | 1994 |
|---|--------|--------|
| | £ | £ |
| Directors' emoluments | 37,589 | 35,048 |
| Depreciation of tangible fixed assets | 10,815 | 20,262 |
| Operating lease rentals - plant and machinery | 3,057 | 21,672 |
| Auditors' remuneration | 2,500 | 3,000 |
| Loss on disposal of tangible fixed assets | - | 1 |

And after crediting:

| | | |
|---|-------------------|-------------------|
| Profit on disposal of tangible fixed assets | 5,378 | - |
| | <u> </u> | <u> </u> |

3. Taxation

| | 1995 | 1994 |
|---|-------------------|-------------------|
| | £ | £ |
| UK corporation tax at 25% (1994 - 25%) | (2,411) | 13,500 |
| Adjustments in respect of prior periods | (2,051) | - |
| | <u> </u> | <u> </u> |
| | £ (4,462) | £ 13,500 |
| | <u> </u> | <u> </u> |

4. Dividends

| | 1995 | 1994 |
|---|-------------------|-------------------|
| | £ | £ |
| Final dividend paid of £nil (1994 - £5,000) per share | £- | £10,000 |
| | <u> </u> | <u> </u> |

UNIVERSAL PALLET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1995

5. Tangible fixed assets

| | Buildings £ | Fixtures Fittings and Tools £ | Motor Vehicles £ | Plant and Machinery £ | Total £ |
|-------------------------|----------------|--|------------------------|-----------------------------|----------------|
| Cost | | | | | |
| At 1 May 1994 | 6,800 | 3,714 | 66,690 | 29,263 | 106,467 |
| Additions | - | 1,616 | 26,479 | - | 28,095 |
| Disposals | - | - | (14,490) | (7,950) | (22,440) |
| At 30 April 1995 | 6,800 | 5,330 | 78,679 | 21,313 | 112,122 |
| Depreciation | | | | | |
| At 1 May 1994 | 2,040 | 2,297 | 62,039 | 26,796 | 93,172 |
| Charge for the year | 680 | 1,031 | 7,601 | 1,503 | 10,815 |
| Disposals | - | - | (10,869) | (7,949) | (18,818) |
| At 30 April 1995 | 2,720 | 3,328 | 58,771 | 20,350 | 85,169 |
| Net book value | | | | | |
| At 30 April 1995 | £4,080 | £2,002 | £19,908 | £963 | £26,953 |
| At 30 April 1994 | £4,760 | £1,417 | £4,651 | £2,467 | £13,295 |

6. Debtors

| | 1995 £ | 1994 £ |
|-----------------------------------|-----------------|-----------------|
| Trade debtors | 156,103 | 118,935 |
| Corporation tax recoverable | 2,411 | - |
| Amounts owed by connected company | 71,131 | 100,725 |
| Other debtors | 1,278 | 2,088 |
| Prepayments and accrued income | 740 | 5,325 |
| | £231,663 | £227,073 |

The connected company is a company controlled by the directors.

Included in other debtors is £470 (1994 - £1,280) which falls due after more than one year.

UNIVERSAL PALLET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1995

7. Creditors: amounts falling due within one year

| | 1995 | 1994 |
|---------------------------------------|-----------------|-----------------|
| | £ | £ |
| Bank loan | 3,035 | - |
| Bank overdraft | 31,674 | 22,522 |
| Trade creditors | 28,851 | 12,676 |
| Directors' loan accounts | - | 8,772 |
| Corporation tax | 19,834 | 32,295 |
| Other taxes and social security costs | 31,680 | 22,114 |
| Amount owed to connected company | 200 | 200 |
| Other creditors | 502 | - |
| Accruals and deferred income | 28,420 | 25,347 |
| | <u>£144,196</u> | <u>£123,926</u> |

The bank overdraft and loan are secured by a debenture dated 29 August 1986.

The connected company is a company controlled by the directors.

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

| | 1995 | 1994 |
|-------------------|----------------|---------------|
| | £ | £ |
| Bank loan | 5,119 | - |
| Pension fund loan | 6,000 | 6,000 |
| | <u>£11,119</u> | <u>£6,000</u> |

9. Deferred tax

There is no potential liability to deferred taxation.

10. Share capital

| | 1995 | 1994 |
|------------------------------------|---------------|---------------|
| | £ | £ |
| Authorised | | |
| Ordinary shares of £1 each | <u>£2,000</u> | <u>£2,000</u> |
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each | <u>£2</u> | <u>£2</u> |

UNIVERSAL PALLET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1995

11. Reserves and shareholders' funds

| | Share Capital £ | Share Premium Account £ | Profit and Loss Account £ | Total £ |
|------------------------|-----------------------|----------------------------------|------------------------------------|-----------------|
| At beginning of year | 2 | 34,312 | 93,001 | 127,315 |
| Retained loss for year | - | - | (5,211) | (5,211) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At end of year | <u>£2</u> | <u>£34,312</u> | <u>£87,790</u> | <u>£122,104</u> |