

Co House

**UNIVERSAL PALLET SERVICES
LIMITED**

FINANCIAL STATEMENTS

30 APRIL 1996



DAW

COMPANY NUMBER 1334669

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

Registered Number

1334669

Auditors

David A Wolfendale
Chartered Accountants
Registered Auditors
45 Brookfield Avenue
Rainhill
Prescot
Merseyside

Bankers

Barclays Bank plc
Wilmslow Branch
59 Grove Street
Wilmslow
Cheshire

UNIVERSAL PALLET SERVICES LIMITED
CONTENTS

	Page
Directors' report	1
Auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5-9

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 1996.

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 company's principal activity 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:

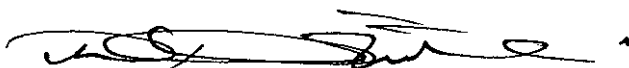
	Ordinary shares of £1 each	
	1996	1995
W D White	1	1
J White	1	1
D Armstrong	-	-

Auditors

The directors will place a resolution before the Annual General Meeting to confirm the appointment of David A Wolfendale as auditors and accept the resignation of Lawson Blank Prince.

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

24 February 1997

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.

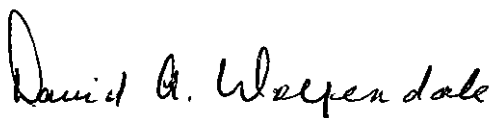
Basis of opinion

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 1996 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.



**David A Wolfendale
Chartered Accountants
Registered Auditors
Rainhill
Merseyside**

24 February 1997

UNIVERSAL PALLET SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 30 April 1996

	Notes	1996 £	1995 £
Turnover		741,204	646,690
Cost of sales		<u>498,974</u>	<u>(450,437)</u>
Gross profit		242,230	196,253
Administrative expenses		<u>240,905</u>	<u>(210,710)</u>
Other operating income		<u>-</u>	<u>-</u>
Operating profit/(loss)	2	1,325	(5,457)
Interest payable		<u>(6,480)</u>	<u>(4,339)</u>
Interest receivable		<u>-</u>	<u>123</u>
Loss on ordinary activities before taxation		(5,155)	(9,673)
Taxation	3	<u>-</u>	<u>4,462</u>
Loss on ordinary activities after taxation		(5,155)	(5,211)
Dividends	4	<u>-</u>	<u>-</u>
Retained loss for the year	11	<u>£(5,155)</u>	<u>£(5,211)</u>

There were no acquisitions or discontinued activities during the year.

There were no recognised gains or losses for 1996 or 1995 other than those included in the profit and loss account.

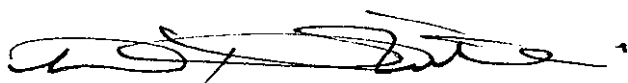
The notes on pages 5 to 9 form part of these financial statements.

UNIVERSAL PALLET SERVICES LIMITED
BALANCE SHEET
As at 30 April 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	5	87,177	26,953
Current assets			
Stock		24,892	16,998
Debtors	6	206,574	231,663
Cash at bank and in hand		1,709	1,805
		<hr/>	<hr/>
		233,175	250,466
Creditors: amounts falling due within one year	7	181,502	(144,196)
		<hr/>	<hr/>
Net current assets		51,673	106,270
		<hr/>	<hr/>
Total assets less current liabilities		138,850	133,223
Creditors: amounts falling due after more than one year	8	(21,901)	(11,119)
		<hr/>	<hr/>
Net assets		£116,949	£122,104
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	2	2
Share premium account	11	34,312	34,312
Profit and loss account	11	82,635	87,790
		<hr/>	<hr/>
Shareholders' funds	11	£116,949	£122,104
		<hr/>	<hr/>

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 24 February 1997 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 1996

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 valued 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 provision 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 1996

2. Operating loss

Operating loss is stated after charging:

	1996 £	1995 £
Directors' emoluments	72,443	37,589
Depreciation of tangible fixed assets	9,920	10,815
Operating lease rentals - plant and machinery	3,057	3,057
Auditors' remuneration	2,000	2,500
Loss on disposal of tangible fixed assets	-	-
And after crediting:		
Profit on disposal of tangible fixed assets	9,315	5,378
	<u> </u>	<u> </u>

3. Taxation

	1996 £	1995 £
UK corporation tax at 25% (1995 - 25%)	-	(2,411)
Adjustments in respect of prior periods	-	(2,051)
	<u> </u>	<u> </u>
	£-	£(4,462)
	<u> </u>	<u> </u>

4. Dividends

	1996 £	1995 £
Final dividend paid of £nil (1995 - £nil) per share	£-	£-
	<u> </u>	<u> </u>

UNIVERSAL PALLET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1996

5. Tangible fixed assets

	Buildings	Fixtures Fittings and Tools	Motor Vehicles	Plant and Machinery	Total
	£	£	£	£	£
Cost					
At 1 May 1995	6,800	5,330	78,679	21,313	112,122
Additions	-	-	83,490	700	84,190
Disposals	-	-	(56,745)	-	(56,745)
At 30 April 1996	6,800	5,330	105,424	22,013	139,567
Depreciation					
At 1 May 1995	2,720	3,328	58,771	20,350	85,169
Charge for the year	680	1,029	7,176	1,035	9,920
Disposals	-	-	(42,699)	-	(42,699)
At 30 April 1996	3,400	4,357	23,248	21,385	52,390
Net book value					
At 30 April 1996	£3,400	£973	£82,176	£628	£87,177
At 30 April 1995	£4,080	£2,002	£19,908	£963	£26,953

6. Debtors

	1996	1995
	£	£
Trade debtors	148,169	156,103
Corporation tax recoverable	2,411	2,411
Amounts owed by connected company	51,410	71,131
Other debtors	3,939	1,278
Prepayments and accrued income	645	740
	£206,574	£231,663

The connected company is a company controlled by the directors.

UNIVERSAL PALLET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1996

7. Creditors: amounts falling due within one year

	1996 £	1995 £
Bank loan	3,200	3,035
Bank overdraft	46,624	31,674
Trade creditors	26,079	28,851
Directors' loan accounts	853	-
Corporation tax	-	19,834
Other taxation and social security costs	58,803	31,680
Amount owed to connected company	-	200
Hire purchase creditor	16,630	-
Accruals and deferred income	29,313	28,922
	<u>£181,502</u>	<u>£144,196</u>

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

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

	1996 £	1995 £
Bank loan	1,769	5,119
Pension fund loan	6,000	6,000
Hire purchase creditor	14,132	-
	<u>£21,901</u>	<u>£11,119</u>

9. Deferred tax

There is no potential liability to deferred taxation.

10. Share capital

	1996 £	1995 £
Authorised		
Ordinary shares of £1 each	£2,000	£2,000
	<u>£2</u>	<u>£2</u>

UNIVERSAL PALLET SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 April 1996

11. Reserves and shareholders' funds

	Share Capital £	Share Premium Account £	Profit and Loss Account £	Total £
At beginning of year	2	34,312	87,790	122,104
Retained loss for year	-	-	(5,155)	(5,155)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	£2	£34,312	£82,635	£116,949
	<hr/>	<hr/>	<hr/>	<hr/>

UNIVERSAL PALLET SERVICES LIMITED

**THE FOLLOWING PAGE DOES NOT
FORM PART OF THE
FINANCIAL STATEMENTS OF THE COMPANY**

UNIVERSAL PALLET SERVICES LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
For the year ended 30 April 1996

	1996 £	1995 £
Sales	741,204	646,690
Cost of sales		
Opening stock	16,998	15,026
Purchases	506,868	452,409
Closing stock	(24,892)	(16,998)
	<hr/>	<hr/>
	498,974	450,437
	<hr/>	<hr/>
Gross Profit	242,230	196,253
Rental income	-	-
Loan interest receivable	-	123
	<hr/>	<hr/>
	242,230	196,376
	<hr/>	<hr/>
Expenditure		
Wages and national insurance	63,052	49,286
Directors' remuneration	72,443	24,346
Rent and rates	5,719	14,354
Lighting and heating	580	147
Insurance	7,944	7,144
Repairs and renewals	3,532	2,507
Telephone	2,972	3,285
Stationery, printing and advertising	1,879	2,091
Motor and plant expenses	24,971	28,334
Equipment hire	27,145	24,114
Audit and accountancy	2,705	7,053
Professional fees	10,095	2,118
Sundry expenses	3,017	2,789
Bank interest and charges	8,376	5,810
Loan and H.P. interest	1480	164
Depreciation	9,920	10,815
(Profit)/loss on disposal of motor vehicles	(9,315)	(5,378)
Interest on overdue tax	-	1,500
BUPA	870	570
Management charge	10,000	25,000
	<hr/>	<hr/>
	247,385	206,049
	<hr/>	<hr/>
Loss on ordinary activities before taxation	£(5,155)	£(9,673)
	<hr/>	<hr/>