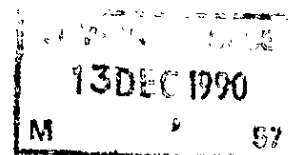


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THE DOCUMENT STORAGE COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1990



THE DOCUMENT STORAGE COMPANY LIMITED
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FOR THE YEAR ENDED 31st MARCH 1990

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THE DOCUMENT STORAGE COMPANY LIMITED

DIRECTORS' REPORT

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st March 1990.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £17,750. The directors are unable to recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activities during the year were the storage of documents, commercial and domestic removals. The results for the year are as expected and the directors are confident that the financial statements for the following year will show a significant trading improvement.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Number of shares</u>	
	<u>At 1.4.1989</u>	<u>At 31.3.1990</u>
C.R. Nicholls	60	70
I. Page (resigned 17th January 1990)	60	60
D.J. Lincoln (resigned 1st September 1989)	60	-
K. Sadler	30	70
P. Tennant (appointed 1st September 1989)	-	-

FIXED ASSETS

The movement in fixed assets during the year are set out in note 8 to the financial statements. The directors consider the market value of the freehold property to be £850,000.

AUDITORS

It is proposed that the company's present auditors, Messrs. Hartley Fowler be reappointed as auditors to the company to hold office for the ensuing year.

By Order of the Board

C.R. Nicholls
Secretary

3rd December 1990

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE DOCUMENT STORAGE COMPANY LIMITED**

We have audited the financial statements on pages 3 to 10 in accordance with Auditing Standards.

The financial statements do not include any amortisation in respect of the freehold property as required by SSAP 12.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1990 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Without qualifying our opinion above, we draw attention to note 1(a) which states that the financial statements have been prepared under the going concern convention which assumes the continuing support of the company's bankers, directors and other creditors.

HARTLEY FOWLER
Chartered Accountants

240 London Road,
Mitcham,
Surrey,
CR4 3TY.

3rd December 1990

THE DOCUMENT STORAGE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1990

	Notes	£	1990 £	£	1989 £
TURNOVER	2		373,750		95,479
COST OF SALES			102,104		71,535
GROSS PROFIT			271,646		23,944
ADMINISTRATIVE EXPENSES			236,856		99,048
OPERATING PROFIT/(LOSS)	4		34,790		(75,104)
Interest receivable:					
bank deposits			-	70	
Interest payable	5	52,540		21,211	
			52,540		21,141
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(17,750)		(96,245)
TAX ON LOSS ON ORDINARY ACTIVITIES	6		-		-
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			(17,750)		(96,245)
EXTRAORDINARY ITEMS	7		-		91,214
RETAINED (LOSS) FOR THE YEAR			(17,750)		(187,459)
RETAINED (LOSS) BROUGHT FORWARD			(198,978)		(11,519)
RETAINED (LOSS) CARRIED FORWARD			£(216,728)		£(198,978)

THE DOCUMENT STORAGE COMPANY LIMITED
BALANCE SHEET
AS AT 31st MARCH 1990

	Notes	£	1990	£	1989	£
FIXED ASSETS						
Tangible assets	8	901,294			859,067	
Investments	9	56			-	
				901,350		859,067
CURRENT ASSETS						
Stocks	10	4,120			1,000	
Debtors	11	79,774			42,509	
Cash at bank and in hand		2,151			668	
				86,045		44,177
CREDITORS - amounts falling due within one year	12	304,525			205,442	
NET CURRENT (LIABILITIES)				(218,480)		(161,265)
TOTAL ASSETS LESS CURRENT LIABILITIES				682,870		697,802
after more than one year	12			303,085		300,267
TOTAL NET ASSETS/(LIABILITIES)				£379,785		£397,535
Financed by:						
CAPITAL AND RESERVES						
Called up share capital	14			15		15
Share premium account	15			49,940		49,940
Loan stock	16			20,000		20,000
Revaluation reserve	17			526,558		526,558
Profit and loss account				(216,728)		(198,978)
				£379,785		£397,535

C.R. Nicholls)
) Directors
 K. Sadler)

3rd December 1990

THE DOCUMENT STORAGE COMPANY LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st MARCH 1990

	£	1990	£	£	1989	£
SOURCE OF FUNDS						
Funds generated from operations:						
Loss after taxation			(17,750)			(187,459)
Items not involving movement of funds:						
Depreciation	10,168			4,218		
Profit on disposal of fixed assets	(7,824)			-		
			2,344			4,218
Funds from other sources:						
Sale of fixed assets	8,499			-		
Decrease in share capital and loan stock	-			70,228		
Long-term loans	-			300,267		
			8,499			370,495
			6,907			187,254
APPLICATION OF FUNDS						
Purchase of fixed assets	53,071			317,153		
Investments	56			-		
Repayment of lease obligations	1,444			-		
Repayment of long term loans	(4,305)			-		
			50,266			317,153
INCREASE/(DECREASE) IN FUNDS			£ (57,172)			£ (129,899)
MOVEMENT IN WORKING CAPITAL						
Stocks			3,120			(350)
Debtors			37,265			34,927
Creditors			(148,304)			(137,883)
Cash at bank and in hand			1,483			668
Bank overdraft			49,264			(27,261)
			£ (57,172)			£ (129,899)

THE DOCUMENT STORAGE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1990

1. ACCOUNTING POLICIES

(a) Accounting conventions

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold land and buildings, and under the going concern convention which assumes the continuing support of the company's bankers, directors and other creditors.

(b) Turnover

Turnover represents the invoiced amounts of goods sold and services provided, net of value added tax.

(c) Goodwill

Goodwill is written off in the year of acquisition.

(d) Depreciation

Depreciation is provided on all tangible assets, other than freehold land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	- 10% per annum on cost
Motor vehicles	- 25% per annum on cost
Fixtures and fittings	- 10% per annum on cost
Computer equipment	- 33% per annum on cost
Racking	- 5% per annum on cost

Leasehold improvements are written off over the period of the lease.

(e) Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) Leasing and hire purchase commitments

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the instalments is charged to profit and loss account over the period of the contract.

Rentals paid under operating leases are charged to profit and loss account as incurred.

THE DOCUMENT STORAGE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st MARCH 1990

2. TURNOVER

The turnover and pre-tax profit are wholly attributable to the company's main activity.

The turnover all arises in the United Kingdom.

3. STAFF COSTS

	<u>1990</u> £	<u>1989</u> £
Wages and salaries	125,533	50,884
Social security costs	11,637	5,317
Other pension costs	1,772	418
	<u>£138,942</u>	<u>£ 56,619</u>

The average weekly number of employees during the year was made up as follows:

	No.	No.
Office and management	4	4
Direct labour	4	-
Sales assistants	1	-
	<u>9</u>	<u>4</u>

4. OPERATING PROFIT/(LOSS)

	<u>1990</u> £	<u>1989</u> £
(a) This is stated after charging:		
Directors' remuneration	33,929	17,388
Auditors' remuneration	2,500	2,000
Depreciation	10,168	4,218
Profit on disposal of fixed assets	7,824	-
Hire of equipment	5,419	6,774
Hire of vehicles	12,872	-
	<u>£ 33,929</u>	<u>£ 17,388</u>
(b) Directors' remuneration:		
Fees and salaries	32,157	16,970
Pension contributions	1,772	418
	<u>£ 33,929</u>	<u>£ 17,388</u>

THE DOCUMENT STORAGE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st MARCH 1990

5. INTEREST PAYABLE

	1990 £	1989 £
Bank loans and overdrafts wholly repayable within 5 years	12,329	2,861
Bank loans repayable after 5 years	40,211	18,350
	<u>£ 52,540</u>	<u>£ 21,211</u>

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The company has no liability to corporation tax and has losses to carry forward against future trading profits.

The company is a close company within the terms of section 414 of the Taxes Act 1985

7. EXTRAORDINARY ITEM

This item in the financial statements represents the cost of goodwill acquired when the company purchased G.S. Sheldon Limited on 1st January 1989, written off in this year in accordance with the accounting policy as disclosed in note 1(c).

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation:					
At 1st April 1989	825,000	23,800	13,513	3,385	865,698
Additions	19,403	31,522	663	1,483	53,071
Disposals	-	-	(1,200)	-	(1,200)
	<u>844,403</u>	<u>55,322</u>	<u>12,976</u>	<u>4,868</u>	<u>917,569</u>
At 31st March 1990					
Depreciation:					
At 1st April 1989	-	5,209	1,092	330	6,631
Disposals	-	-	(525)	-	(525)
Charge for year	3,861	3,098	2,500	710	10,169
	<u>3,861</u>	<u>6,307</u>	<u>3,067</u>	<u>1,040</u>	<u>16,275</u>
At 31st March 1990					
Net book value at 31st March 1990	£840,542	£47,015	£ 9,909	£ 3,828	£901,294
Net book value at 31st March 1989	£825,000	£18,591	£ 12,421	£ 3,055	£859,067

THE DOCUMENT STORAGE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st MARCH 1990

9. INVESTMENTS

The company owns 100% of the issued share capital of G.S.Sheldon Ltd an unlisted company incorporated in England, whose assets were transferred to The Document Storage Company Ltd on 1st January 1989.

10. STOCKS

	<u>1990</u>	<u>1989</u>
	£	£
Packing materials	£4,120	£1,000

11. DEBTORS

	<u>1990</u>	<u>1989</u>
	£	£
Trade debtors	54,553	31,018
Other debtors	17,293	10,723
Prepayments and accrued income	7,928	768
	<u>£ 79,774</u>	<u>£ 42,509</u>

12. CREDITORS

	<u>1990</u>		<u>1989</u>	
<u>Falling due:</u>	<u>Within</u>	<u>After</u>	<u>Within</u>	<u>After</u>
	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>	<u>1 year</u>
	£	£	£	£
Bank loans	102,884	301,588	7,160	297,283
Bank overdraft	(4,007)	-	45,257	-
Obligations under finance leases and hire purchase contracts (note 13)	1,552	1,497	1,509	2,984
Trade creditors	36,644	-	56,052	-
Other taxes and social security costs	10,819	-	10,035	-
Directors' current accounts	41,529	-	50,680	-
Other creditors	101,104	-	19,429	-
Accruals	14,000	-	15,320	-
	<u>£304,525</u>	<u>£303,085</u>	<u>£205,442</u>	<u>£300,267</u>

The bank loan of £285,000 bears interest at 12.5% and 14.5% and is secured by a first charge on the company's freehold property. This loan is not wholly repayable within five years and is repayable by instalments.

Remaining bank loans included under that heading represent loans repayable by instalments within five years and bear interest at 12%.

THE DOCUMENT STORAGE COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31st MARCH 1990

**13. OBLIGATIONS UNDER OPERATING LEASES
AND HIRE PURCHASE CONTRACTS**

	Hire purchase contracts £	Operating leases £
Year ending 31.3.1991	2,090	6,070
31.3.1992	2,037	2,354
31.3.1993		
	<u>4,124</u>	<u>8,424</u>
Less: Finance charges allocated to future periods	1,078	
Net total	<u>£ 3,049</u>	
Shown in note 12 as follows:		
Within 1 year	1,552	
After 1 year	1,497	
	<u>£ 3,049</u>	

14. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1990	1989	1990	1989
	No.	No.		
Ordinary shares of 0.05p each	2,000	2,000	£15	£15

15. SHARE PREMIUM

	1990	1989
Premium arising on the issue of shares in respect of the acquisition of G.S. Sheldon Limited	<u>£ 49,940</u>	<u>£ 49,940</u>

16. LOAN STOCK

Loan stock issued in respect of the acquisition of G.S. Sheldon Limited	<u>£ 20,000</u>	<u>£ 20,000</u>
----------------------------------------------------------------------------	-----------------	-----------------

17. REVALUATION RESERVE

Revaluation of freehold property based on a report by Robert Holmes & Co, Chartered Surveyors	<u>£526,558</u>	<u>£526,558</u>
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