

SKIP UNITS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED

31 MAY 2003

Registered Number: 3068281



Skip Units Limited

Abbreviated financial statements for the year ended 31 May 2003

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Skip Units Limited

Directors' report for the year ended 31 May 2003

The directors present their report together with the audited financial statements for the year ended 31 May 2003.

Principal activities and review of the business

The company's principal activity is the design, manufacture and retailing of waste disposal containers and demountable vehicle bodies.

The profit and loss account for the year is set out on page 4. The directors are satisfied with the result for the year and the year end financial position and anticipate that the level of trading should continue throughout the forthcoming year.

Dividend

The dividends due on the B preference shares and the preferred ordinary share for the year were waived. No dividend was paid on the ordinary shares.

Directors and their interests

The directors who served during the year are as follows:

A Muirhead
A Powis
D Singer
R Wake
B Husselbee

The directors have no interest in the share capital of the company. The directors' interests in the share capital of the ultimate holding company are disclosed in the financial statements of the ultimate holding company.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year 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 profit or loss of the company for that year. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 May 2003 and that applicable accounting standards have been followed.

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.

Skip Units Limited

Auditors

A resolution for the reappointment of Smith Cooper as auditors to the company will be proposed at the annual general meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'R Wake', written in a cursive style.

R Wake
Company secretary

Skip Units Limited

Independent auditors' report to the members of Skip Units Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 14 together with the annual financial statements of Skip Units Limited for the year ended 31 May 2003.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 to the Registrar of Companies and whether the financial statements are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246A(3) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with that provision.



SMITH COOPER
Registered Auditors and Chartered Accountants
DERBY

23 January 2004

Skip Units Limited

Profit and loss account for the year ended 31 May 2003

	Note	2003 £	2002 £
Gross profit		1,225,869	1,412,803
Administration expenses		(1,149,531)	(1,145,056)
Operating profit	3	76,338	267,747
Interest payable and similar charges	4	(9,081)	(21,410)
Profit on ordinary activities before taxation		67,257	246,337
Taxation on profit on ordinary activities	7	(18,244)	(77,359)
Profit on ordinary activities after taxation		49,013	168,978
Dividends – including non-equity	8	-	(3,967)
Retained profit for financial year	17	49,013	165,011

All amounts relate to continuing operations.

Statement of recognised gains and losses for the year ended 31 May 2003

	2003 £	2002 £
Profit for the financial year	49,013	165,011
Prior year adjustment	-	(6,543)
Total gains recognised since last annual report	49,013	158,468

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

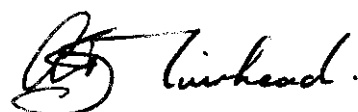
Skip Units Limited

Balance sheet as at 31 May 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible fixed assets	9	921,134	886,502
Investments	10	2,000	2,000
		923,134	888,502
Current assets			
Stocks and work in progress	11	89,354	58,808
Debtors	12	2,723,236	2,973,267
Cash at bank and in hand		7,804,327	3,742,469
		10,616,917	6,774,544
Creditors: amounts falling due within one year	13	(9,249,208)	(5,452,236)
Net current assets		1,367,709	1,322,308
Total assets less current liabilities		2,290,843	2,210,810
Creditors: amounts falling due after one year	14	(24,255)	-
Provisions for liabilities and charges	15	(6,765)	-
Net assets		2,259,823	2,210,810
Capital and reserves			
Called up share capital	16	820,000	820,000
Capital redemption reserve	17	300,000	300,000
Profit and loss account	17	1,139,823	1,090,810
Total shareholders' funds	18	2,259,823	2,210,810
 Equity		 1,509,823	 1,460,810
Non-equity		750,000	750,000
		2,259,823	2,210,810

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements were approved by the board of directors on 23 January 2004



A Muirhead
Director

Skip Units Limited

Notes to the financial statements for the year ended 31 May 2003

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently other than as noted, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

The directors have not prepared group financial statements for Skip Units Limited group as the company is a 100% subsidiary of Ramshorn Limited, and is included in the consolidated financial statements of Ramshorn Limited group, which are publicly available.

Turnover

Turnover is the value of goods and services provided excluding value added tax.

Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation is provided on fixed assets to write off the cost of the assets over their estimated useful life in equal annual instalments at:

Freehold property	2% per annum
Plant and machinery	10/20% per annum
Motor vehicles	25% per annum
Fixtures and fittings	10% per annum
Computer equipment	33% per annum

The directors do not consider it appropriate to depreciate either freehold land or property, since in their opinion, the buildings owned by the company are such that any charge to depreciation would be immaterial as the estimated residual value of the buildings is not materially different from the carrying value of the buildings.

Investments

Fixed asset investments are stated at cost. Provision is made for any permanent diminution in the carrying value of the investment where necessary.

Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value. Where applicable, costs include labour and related overheads.

Pension costs

The company operates defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The company provides no other post retirement benefits.

Skip Units Limited

1 Accounting policies - continued

Hire purchases agreements

Assets acquired under hire purchase agreements are included in fixed assets and the capital element of the commitment is shown as a liability. Payments under hire purchase agreements are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding liability and the interest element is charged in the profit and loss account.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences using currently enacted tax rates. No discounting is applied to the deferred tax timing differences.

2 Cashflow statement and related party transactions

The company is a wholly owned subsidiary of Ramshorn Limited and is included in the consolidated financial statements of Ramshorn Limited which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS1 (revised 1996). The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Ramshorn Limited group, or shareholders of the Ramshorn Limited group. There were no other related party transactions.

3 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of owned assets	55,815	44,318
Depreciation of assets held under finance leases	8,684	21,217
Auditors' remuneration	5,625	5,625
Hire of plant	8,387	6,250
Profit on disposal of fixed assets	(7,454)	-

Skip Units Limited

4 Interest payable and similar charges

	2003	2002
	£	£
On bank loans and overdrafts	6,727	17,956
Hire purchase interest	2,354	3,095
Other loans	-	432
	9,081	21,483
Interest received	-	(73)
	9,081	21,410

5 Directors' emoluments

	2003	2002
	£	£
Aggregate emoluments	25,550	20,219
Company contributions paid into a defined contribution scheme	-	508

Retirement benefits are accruing to no (2002: one) director under a defined contribution scheme.

6 Employee information

	2003	2002
	£	£
Salaries	1,324,886	1,293,046
Social security costs	128,083	127,356
Other pension costs	1,871	1,819
	1,454,840	1,422,221

Skip Units Limited

6 Employee information - continued

The average monthly number of employees, including directors, during the year was:

	2003 Number	2002 Number
Production and sales	59	62
Management and administration	5	5
	64	67

7 Taxation on profit for the year

	2003 £	2002 £
Current tax:		
UK corporation tax on profits of the year	8,000	86,000
Adjustments in respect of previous periods	110	1,271
Total current tax	8,110	87,271
Deferred tax:		
Origination and reversal of timing differences (note 16)	10,134	(9,912)
Tax on profit on ordinary activities	18,244	77,359

The tax assessed for the year is higher than the affect rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	67,257	246,377
Profit on ordinary activities multiplied by the the effective rate of 19% (2002: 29.7%)	12,779	73,913
Effects of:		
Expenses not deductible for tax purposes	5,355	2,175
Accelerated capital allowances and other timing differences	(10,134)	9,912
Adjustments in respect of previous periods	110	1,271
Current tax charge for the year	8,110	87,271

Skip Units Limited

8 Dividends

	2003 £	2002 £
Non-equity - Preference		
Paid: Nilp (2002: 8p) per A share	-	3,967
Proposed: 10p (2002: 10p) per B share	72,667	72,667
Proposed: 8p (2002: 8p) per preferred ordinary	1,867	1,867
Dividends waived	(74,534)	(74,534)
	-	3,967

9 Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Plant & machinery £	Total £
Cost or valuation					
At 1 June 2002	745,836	134,533	22,316	216,728	1,119,413
Additions	-	135,791	2,336	2,100	140,227
Disposals	-	(120,500)	(12,892)	-	(133,392)
At 31 May 2003	745,836	149,824	11,760	218,828	1,126,248
Depreciation					
At 1 June 2002	19,745	59,409	17,460	136,297	232,911
Charge for the year	2,349	37,535	2,822	21,793	64,499
Eliminated on disposals	-	(79,404)	(12,892)	-	(92,296)
At 31 May 2003	22,094	17,540	7,390	158,090	205,114
Net book amount					
At 31 May 2003	723,742	132,284	4,370	60,738	921,134
At 31 May 2002	726,091	75,124	4,856	80,431	886,502

	2003 £	2002 £
Assets held under hire purchase and capitalised in motor vehicles:		
Cost	107,831	84,869
Aggregate depreciation	(8,684)	(26,929)
Net book amount	99,147	57,940

There were no capital commitments at either year-end.

Skip Units Limited

10 Fixed asset investments

	Subsidiary undertaking £
Cost and net book value	
At 1 June 2002 and 31 May 2003	2,000

Name of company	Country of registration	Holding	Nature of business
SU Predecessors Ltd	England	2,000 ordinary shares of £1 each	Dormant

At 31 May 2003 and 2002, the aggregate on capital and reserves of SU Predecessors Limited was £2,000.

11 Stock

	2003 £	2002 £
Raw materials	55,871	41,394
Work in progress	15,899	11,301
Finished goods	17,584	6,113
	89,354	58,808

12 Debtors

	2003 £	2002 £
Amounts falling due within one year		
Trade debtors	1,991,193	2,191,213
Other debtors	850	850
Deferred tax (note 16)	-	3,369
Prepayments and accrued income	31,696	31,757
Amounts due from group undertakings	699,497	746,078
	2,723,236	2,973,267

Amounts due from group undertakings are unsecured, interest free and have no fixed redemption date.

Skip Units Limited

13 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	665,529	603,898
Corporation tax	8,000	86,000
Other taxes and social security	124,612	133,096
Hire purchase obligations	33,591	20,698
Accruals and deferred income	116,220	149,127
Amounts due to group undertakings	8,301,256	4,459,417
	9,249,208	5,452,236

Amounts due to group undertakings are unsecured, interest free and have no fixed repayment term.

14 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Hire purchase obligations – due within 5 years	24,255	-

15 Provisions for liabilities and charges

		Deferred taxation £
1 June 2002		(3,369)
Deferred tax charge in profit and loss account (note 8)		10,134
31 May 2003		6,765
	2003 £	2002 £
Provision for deferred tax		
Accelerated capital allowances	32,213	28,861
Short term timing differences	(25,448)	(32,230)
	6,765	(3,369)

Skip Units Limited

16 Share capital

	2003 £	2002 £
Authorised, allotted, issued and fully paid		
70,000 ordinary shares of £1 each	70,000	70,000
726,667 redeemable B preference shares of £1 each	726,667	726,667
23,333 preferred ordinary shares of £1 each	23,333	23,333
	820,000	820,000

The redeemable B preference shares of £1 each carry the right to a fixed cumulative dividend of 10% per annum, have preferential rights to repayment of capital on winding up and have no voting rights.

The preferred ordinary shares of £1 each carry the right to a fixed cumulative dividend of 8% per annum, have preferential rights to repayment of capital on winding up after the redeemable B preference shares of £1 each and have one vote per share.

17 Reserves

	Capital redemption reserve £	Profit & loss account £
1 June 2002	300,000	1,090,810
Retained profit for the financial year	-	49,013
31 May 2003	300,000	1,139,823

Skip Units Limited

18 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
Profit for the year	49,013	168,978
Dividends	-	(3,967)
	49,013	165,011
Redemption of A preference shares	-	(100,000)
Net addition to shareholders funds	49,013	65,011
Opening shareholders' funds as previously reported	2,210,810	2,152,342
Prior year adjustment - FRS 19	-	(6,543)
Opening shareholders' funds as restated	2,210,810	2,145,799
Closing shareholders' funds	2,259,823	2,210,810

19 Contingent liabilities

The company has a cross corporate guarantee between Ramshorn Limited, Skip Units Limited, Randall Fabrications Limited and Castle Containers Limited. At 31 May 2003, the group indebtedness to the bank was £584,278 (2002: £926,882).

20 Ultimate controlling party

The directors consider the ultimate holding company to be Ramshorn Limited a company which is registered in England. Group financial statements are available from Companies House, Cardiff.

The ultimate controlling party is A Muirhead by virtue of his 64% interest in the equity capital of the holding company.