

**RED STAR PARCELS LIMITED**  
**(REGISTERED NUMBER 03095533)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**28 SEPTEMBER 2002**



## **RED STAR PARCELS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2002**

The directors submit herewith their annual report and the audited financial statements for the 52 weeks ended 28 September 2002.

The accounting reference date of the company is 30 September and financial statements are drawn up to a Saturday within seven days of that date. As such, these financial statements are drawn up to 28 September 2002 as permitted under Section 223 of the Companies Act 1985.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the distribution and delivery of premium parcel services.

#### **RESULTS FOR THE YEAR**

The results for the year are set out on page 6 of the financial statements and show an operating profit before exceptional items of £387,000 (2001 - loss £4,482,000) on turnover of £10,598,000 (2001 - £15,236,000).

The directors do not recommend the payment of a final dividend on the ordinary shares of £1 each.

#### **DIRECTORS**

Directors who have served throughout the year and to the date of this report unless otherwise indicated are as follows:

DJR Burtenshaw  
JW Coates  
S Dennison

None of the directors in office at the date of this report had a beneficial interest in any contract or arrangement of significance to which the company was a party during the year.

## RED STAR PARCELS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2002 (CONTINUED)

#### DIRECTORS' INTERESTS

The directors who held office at the end of the financial year had no interest in the shares or debentures of the company.

Directors' interests in the shares of Lynx Express Limited the Ultimate Parent Company are shown below:

	<u>28 September 2002</u>	<u>29 September 2001</u>
Shares of Lynx Express Limited	Number	Number
<u>A Ordinary Shares of 5p each</u>		
S Dennison	1,549	1,549
<u>C Preference Shares of £1 each</u>		
S Dennison	1,356	1,356
<u>B Ordinary Share options</u>		
S Dennison	9,000	8,000

DJR Burtenshaw is a director of Lynx Express Limited and his interests in the shares of Lynx Express Limited, the Ultimate Parent Company, are shown in that company's financial statements.

JW Coates is a director of Lynx Express Limited and his interests in the shares of Lynx Express Limited, the Ultimate Parent Company, are shown in that company's financial statements.

On 30 January 2002, 1000 B Ordinary share options under the Lynx Express Limited Management Share Option Scheme were issued to S Dennison. The exercise period for these shares is 7 years from 30 January 2002 at an exercise price of £1 per share.

#### DONATIONS

No charitable donations were paid in the year (2001 - £nil).

No political donations were paid in the year (2001 - £nil).

## **RED STAR PARCELS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2002 (CONTINUED)**

#### **PAYMENT OF CREDITORS**

It is the company's policy to make payment to suppliers on our standard terms unless alternative payment terms are agreed. The company seeks to abide by these payment terms whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

At 28 September 2002, the company had an average of 48 days (2001 - 48 days) purchases outstanding in trade creditors.

#### **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 for that year. In preparing 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.

#### **GOING CONCERN**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

#### **EMPLOYEES**

It is the policy of the company to communicate with and involve employees on matters affecting their interests at work, and to inform them of the performance of the business.

It is also company policy and practice to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position. Opportunities exist for employees who become disabled to continue in their employment or be retained for another position.

## **RED STAR PARCELS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 28 SEPTEMBER 2002 (CONTINUED)**

#### **AUDITORS**

The auditors, PricewaterhouseCoopers have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment and authorising the directors to fix their remuneration was passed by the directors.

By Order of the Board

A handwritten signature in black ink, appearing to be 'JR Homer', written in a cursive style.

JR HOMER  
Company Secretary  
18 December 2002

## Independent auditors' report to the members of Red Star Parcels Limited

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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, 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

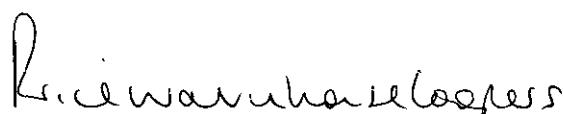
### Basis of audit opinion

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 affairs of the company at 28 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors

18 December 2002

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6RH. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Financial Services Authority for investment business activities.

# RED STAR PARCELS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 SEPTEMBER 2002

	Notes	Before Exceptional Items 2002	Exceptional Items 2002 52 weeks	Total 2002	Before Exceptional Items 2001	Exceptional Items 2001 52 weeks	Total 2001 restated £'000
<b>TURNOVER</b>							
Continuing operations		10,598	-	10,598	9,161	-	9,161
Discontinued operations		-	-	-	6,075	-	6,075
<b>Total turnover</b>	2	<b>10,598</b>	<b>-</b>	<b>10,598</b>	<b>15,236</b>	<b>-</b>	<b>15,236</b>
Operating charges	3	(10,211)	-	(10,211)	(19,718)	-	(19,718)
Continuing operations		387	-	387	(1,306)	-	(1,306)
Discontinued operations		-	-	-	(3,176)	-	(3,176)
<b>OPERATING PROFIT / (LOSS)</b>		<b>387</b>	<b>-</b>	<b>387</b>	<b>(4,482)</b>	<b>-</b>	<b>(4,482)</b>
Discontinued operations:							
Gain/(loss) on termination of Red Star activity	4	-	1,605	1,605	-	(10,792)	(10,792)
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>387</b>	<b>1,605</b>	<b>1,992</b>	<b>(4,482)</b>	<b>(10,792)</b>	<b>(15,274)</b>
Interest payable	5	-	-	-	(5)	-	(5)
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>387</b>	<b>1,605</b>	<b>1,992</b>	<b>(4,487)</b>	<b>(10,792)</b>	<b>(15,279)</b>
Tax on profit on ordinary activities	8			(131)			175
<b>RETAINED PROFIT / (LOSS) FOR THE YEAR</b>	15			<b>1,861</b>			<b>(15,104)</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 28 SEPTEMBER 2002

	2002 52 weeks	2001 52 weeks restated
	£'000	£'000
Profit / (loss) for the year transferred to reserves	1,861	(15,104)
Prior year adjustment - FRS19	230	
Total gains and losses recognised since last financial statement	2,091	

The notes on pages 8 to 17 form part of these financial statements.

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

# RED STAR PARCELS LIMITED

## COMPANY BALANCE SHEET - 28 SEPTEMBER 2002

	Notes	<u>28 September 2002</u>		<u>29 September 2001</u>	
		£'000	£'000	restated £'000	£'000
<b>CURRENT ASSETS</b>					
Debtors falling due within one year	9	292		369	
<b>CREDITORS (amounts falling due within one year)</b>	10	(18,842)		(18,447)	
<b>NET CURRENT LIABILITIES</b>			(18,550)		(18,078)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(18,550)		(18,078)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	12		20		(2,313)
<b>NET LIABILITIES</b>			(18,530)		(20,391)
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		3,550		3,550
Share premium account	15		1,364		1,364
Capital redemption reserve	15		4,081		4,081
Profit and loss account	15		(27,525)		(29,386)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16		(18,530)		(20,391)

The notes on pages 8 to 17 form part of these financial statements.

The financial statements were approved by the Board on 18 December 2002 and signed on their behalf by:



DJR BURTENSCHAW  
DIRECTOR



# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002

### 1 ACCOUNTING POLICIES

#### (1) Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### (2) Change in accounting policy

FRS19 'Deferred tax' has been adopted for the first time by the company in the year ended 28 September 2002.

In previous years the company has complied with Statement of Standard Accounting Practice 15 'Deferred Taxation' (SSAP15) which has now been superceded by the introduction of FRS19. SSAP 15 required provision for deferred taxation to be made using the liability method to the extent that net deferred tax assets or liabilities were likely to crystallise in the foreseeable future. This method was commonly referred to as partial provisioning. FRS19, by contrast, requires a form of full provisioning.

The effect of the implementation of FRS19 on reported results is to increase the tax charge for the year by £131,000 (2001 - £175,000 reduction) and increase net assets by £99,000 (2001 - £230,000).

#### (3) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at period-end rates of exchange. All exchange differences thus arising are dealt with through the profit and loss account for the period.

#### (4) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers in the UK during the year.

#### (5) Pensions

The company participates in the Red Star shared cost section of the Railways Pension Scheme, which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. Further details are shown in note 19.

#### (6) Deferred taxation

FRS19 'Deferred tax' has been adopted for the first time by the company in the year ended 28 September 2002 (see "change in accounting policy" note).

Deferred taxation is provided on timing differences, arising from the different treatment for accounts and taxation purposes of events and transactions recognised in the financial statements of the current and previous years. Deferred taxation is calculated at the rates at which it is estimated that taxation will arise.

Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset can be recovered in future years.

## **RED STAR PARCELS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)**

#### **1 ACCOUNTING POLICIES (Continued)**

##### **(7) Cash flow statement**

The Company is exempt from the requirement of Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement, as its cash flows are included within the consolidated cashflow statement of LYNX Express Limited, a company registered in England.

##### **(8) Going concern**

The directors of the ultimate parent undertaking have indicated that it is their present intention to continue to support the company in meeting its external liabilities.

##### **(9) Related party transactions**

The company has taken advantage of the exemption not to disclose related party transactions with other members of the group under Financial Reporting Standard No. 8 (Related Party Disclosures) as it is a wholly owned subsidiary

##### **(10) Leases**

Where assets are financed by leasing agreements which give risks and rewards approximating to ownership (finance leases) they are treated as if they had been purchased outright on credit. They are therefore initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element, which reduces the outstanding liability, and an interest charge (calculated using the sum of digits method). All other leases are regarded as operating leases and the total rentals made under them are charged to the profit and loss account on a straight-line basis over the lease term.

#### **2 TURNOVER**

##### **Continuing operations**

The company's turnover and operating loss reflect its principal activity, the distribution and delivery of premium parcel services, which is in the UK.

##### **Discontinued operations**

The company's turnover and operating loss from discontinued operations reflect its Red Star rail operation which was based in the UK and was closed on 25 May 2001.

# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

### 3 OPERATING CHARGES

	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	28 September 2002			29 September 2001		
	52 weeks	52 weeks	52 weeks	52 weeks	52 weeks	52 weeks
	£'000	£'000	£'000	£'000	£'000	£'000
Raw materials, consumables and other purchases	257	-	257	260	135	395
Staff costs						
Wages and salaries	778	-	778	775	2,790	3,565
Social security costs	64	-	64	66	187	253
Other pension costs (note 19)	(5)	-	(5)	18	3	21
Depreciation of own tangible fixed assets	4	-	4	10	233	243
Operating lease rentals (including short term hire)						
Revenue earning vehicles	176	-	176	111	10	121
Plant and machinery	44	-	44	44	158	202
Land and buildings	18	-	18	10	622	632
Auditors' remuneration						
- Audit services	5	-	5	-	11	11
Other operating charges	8,870	-	8,870	9,173	5,102	14,275
Total operating charges	10,211	-	10,211	10,467	9,251	19,718

# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

### 4 TERMINATION OF RED STAR RAIL OPERATION

	28 September 2002 52 weeks £'000	29 September 2001 52 weeks £'000
Write off of Red Star pension prepayment	-	4,021
Redundancy	20	3,455
Information technology costs	(992)	1,465
Cost of closing rail station based parcel points	(633)	1,091
Write down in value of Red Star tangible fixed assets	-	645
Other	-	115
	<hr/>	<hr/>
(Gain) / loss on termination of Red Star rail operation	(1,605)	10,792
	<hr/>	<hr/>

On 25 May 2001, the business activities of the company were fundamentally re-organised, which resulted in the closure of the company's Red Star rail operation.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	28 September 2002 52 weeks £'000	29 September 2001 52 weeks £'000
Bank loans and overdrafts	-	5
	<hr/>	<hr/>

### 6 DIRECTORS' EMOLUMENTS

	28 September 2002 52 weeks £'000	29 September 2001 52 weeks £'000
The aggregate amount of directors' emoluments excluding pension contributions which reflects their services to the company:	-	-
	<hr/>	<hr/>
No emoluments were paid to, or receivable by, Mr S Dennison, in respect of his qualifying services for the company, during the year.		
Amounts paid to third parties in respect of directors' services	-	-
	<hr/>	<hr/>
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	-	-
	<hr/>	<hr/>

## RED STAR PARCELS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

#### 7 EMPLOYEES

The average number of employees during the year including directors was as follows:

	28 September 2002 Number	29 September 2001 Number
<u>Full Time</u>		
Management and supervisory	7	31
Clerical and wage grade	-	102
	<u>7</u>	<u>133</u>
<u>Part Time</u>		
Clerical and wage grade	-	16
	<u>-</u>	<u>16</u>
Total	<u>7</u>	<u>149</u>

The majority of wage and salary costs shown in note 3 relate to services provided by subcontractors.

# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

### 8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	28 September 2002	29 September 2001
	£'000	restated £'000
<b>Current tax:</b>		
UK corporation tax on profits of the year	-	-
UK corporation tax on closure of Red Star rail operation	-	-
Total current tax	-	-
<b>Deferred tax:</b>		
Origination and reversal of timing differences (ACA and other)	540	(175)
Losses movement	61	-
Adjustments in respect of prior years	(470)	-
Total deferred tax	131	(175)
Tax on profit / (loss) for the year	131	(175)

Adjustments in respect of previous years arise from the agreement of prior year tax computations.

#### Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	28 September 2002	29 September 2001
	£'000	restated £'000
Profit / (loss) on ordinary activities before taxation	1,992	(15,279)
Profit / (loss) on ordinary activities at the standard UK rate of tax (30%)	598	(4,584)
Items not deductible for tax purposes	3	3,546
Accounting for depreciation not eligible for tax purposes	-	2
(Excess) / shortfall of capital allowances over depreciation	(31)	256
Short-term timing differences	(509)	(1,141)
Utilisation of tax losses	(61)	1,921
Current charge for the year	-	-

Deferred tax assets/liabilities have not been discounted.

# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

### 9 DEBTORS

	28 September 2002 £'000	29 September 2001 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by other group companies	281	273
Other taxation and social security recoverable	11	39
Other debtors	-	45
Prepayments and accrued income	-	12
	<u>292</u>	<u>369</u>

### 10 CREDITORS (amounts falling due within one year)

	28 September 2002 £'000	29 September 2001 £'000
Bank overdraft	7	9
Trade creditors	33	1,120
Amounts owed to other group companies	18,752	16,734
Other creditors	50	510
Accruals and deferred income	-	74
	<u>18,842</u>	<u>18,447</u>

### 11 LEASING COMMITMENTS

At 28 September 2002 the company had commitments during the next financial year in respect of non-cancellable operating leases as follows:

	<u>Plant and machinery</u> £'000
Within one year	17
Between one and five years	-
After five years	-
	<u>17</u>

# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

### 12 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u> restated £'000	<u>Red Star Closure</u> £'000	<u>Acquisition Provisions</u> £'000	<u>Total</u> restated £'000
At 29 September 2001 - as previously reported	-	2,503	40	2,543
Prior year adjustment - FRS19	(230)	-	-	(230)
At 29 September 2001 - as restated	(230)	2,503	40	2,313
Released to P&L	-	(1,625)	(40)	(1,665)
Utilised in the year	131	(799)	-	(668)
At 28 September 2002	(99)	79	-	(20)

The provision for deferred taxation is explained in note 13.

The Red Star closure provision relates to various obligations arising from the closure of the Red Star rail operation and, primarily comprise operating lease commitments and utility related costs. Utilisation is likely to occur within the next year.

### 13 DEFERRED TAXATION

Financial Reporting Standard 19 'Deferred Tax' (FRS19) has been adopted for the first time by the company in this annual report, the effects of which are explained in note 1, Accounting Policies.

	<u>Provided</u> 28 September 2002 £'000	<u>Not provided</u> £'000	<u>Provided</u> restated £'000 29 September 2001	<u>Not provided</u> restated £'000 29 September 2001
Deferred taxation provision/(asset):				
Accelerated capital allowances	(98)	-	(169)	-
Tax losses	-	(3,036)	(61)	(3,036)
Other timing differences	(1)	-	-	-
	(99)	(3,036)	(230)	(3,036)

Since the future profitability of Red Star Parcels Limited is sufficiently uncertain the tax loss asset recognised in these accounts has been restricted to historic losses utilised in the current and prior year.



# RED STAR PARCELS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)

### 14 CALLED UP SHARE CAPITAL

	28 September 2002 £'000	29 September 2001 £'000
Allotted, called up and fully paid:		
3,550,001 Ordinary shares of £1 each	3,550	3,550
Authorised:		
5,000,000 Ordinary shares of £1 each	5,000	5,000

### 15 OTHER RESERVES

	Share premium account £'000	Capital reserve £'000	Profit and loss account restated £'000
At 29 September 2001 as previously reported	1,364	4,081	(29,616)
Prior year adjustment - FRS19	-	-	230
At 29 September 2001 as restated	1,364	4,081	(29,386)
Profit for the financial year	-	-	1,861
At 28 September 2002	1,364	4,081	(27,525)

### 16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Year ended 28 September 2002 £'000	Year ended 29 September 2001 restated £'000
Profit / (loss) for the financial year and net movement in shareholders' funds	1,861	(15,104)
Opening shareholders' funds as previously stated	(20,621)	(5,342)
Prior year adjustment - FRS19	230	55
Opening shareholders' funds as restated	(20,391)	(5,287)
Closing shareholders' funds	(18,530)	(20,391)

## **RED STAR PARCELS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 28 SEPTEMBER 2002 (CONTINUED)**

#### **17 CAPITAL COMMITMENTS**

At 28 September 2002 there was £nil (2001 - £nil) capital expenditure authorised by the Board and contracted for but not provided in these financial statements.

#### **18 CONTINGENT LIABILITIES**

The nature of the company's business and the extent of its operations are such that it is from time to time involved in legal proceedings, as plaintiff or defendant. No such current proceedings are expected to have a material effect on the company.

#### **19 PENSION COSTS**

Red Star Parcels Limited is a participating employer in the BR Shared-cost section of the Railways Pension Scheme (RPS). The RPS was established on 31 May 1994 by the Railways Pension Scheme Order 1994 (SI 1994/1433). The RPS provides benefits based on final average pensionable pay. The assets of the RPS are held separately from those of the company. Following the closure of the Red Star rail operation on 25 May 2001 the number of active employees within this scheme is minimal and consequently FRS17 disclosures for the scheme are consolidated within the financial statements of the ultimate parent company, Lynx Express Limited.

The net pension credit for the RPS in the year amounted to £5,000 (2001 - £4,042,000 charge). The 2001 charge included £4,021,000 in respect of the write-down in value to £nil of the Red Star pension prepayment following the closure of the Red Star rail operations on 25 May 2001.

#### **20 ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent undertaking is Red Star Limited (registered number 02942528) which is registered in England and Wales.

The Company's ultimate parent undertaking is Lynx Express Limited (registered number 3284685) which is registered in England and Wales. Copies of the financial statements for Lynx Express Limited can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.