

LANE LOGISTICS SERVICES LIMITED
(formerly P L Workforce Limited)
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 FEBRUARY 2004



LANE LOGISTICS SERVICES LIMITED
(formerly P L Workforce Limited)

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LANE LOGISTICS SERVICES LIMITED
(formerly P L Workforce Limited)

COMPANY DETAILS

COMPANY REGISTRATION NUMBER:

3927002

REGISTERED OFFICE:

Garonor Way
Royal Portbury Dock
North Somerset
BS20 7XX

DIRECTORS:

R J Jenkins	(resigned 27 February 2004)
R G Wilson	(resigned 27 February 2004)
A E Lane	(appointed 2 December 2002)

SECRETARY:

L Lane

AUDITORS:

Solomon Hare LLP
Oakfield House
Oakfield Grove
Clifton
Bristol
BS8 2BN

DIRECTOR'S REPORT

The director presents his report together with audited financial statements for the period ended 28 February 2004.

PRINCIPAL ACTIVITY

The company is principally engaged in the provision of temporary staff and training to the logistics industry.

REVIEW OF THE BUSINESS

The company expanded substantially in the period with several new sites during the period. On the last day of the period 90% of the company's share capital was acquired by Lane UK Holdings Limited, a company controlled by Mr A E Lane.

DIRECTORS

The present membership of the Board is set out below. All directors served throughout the year, apart from Mr A E Lane who was appointed to the Board on 2 December 2002.

The directors who served during the year and their interests in the shares of the company as at 30 September 2002 and 27 February 2004 were as follows:

		27 February 2004 Number of shares	30 September 2002 Number of shares
R J Jenkins	(resigned 27 February 2004)	-	-
R G Wilson	(resigned 27 February 2004)	-	-
A E Lane	(appointed 2 December 2002)	-	-

The interests of the directors who are also directors of the parent undertaking are disclosed in that company's financial statements.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period 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
- follow applicable accounting standards, 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

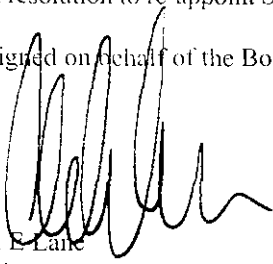
The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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AUDITORS

A resolution to re-appoint Solomon Hare LLP as the company's auditor will be put to the Annual General Meeting.

Signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'A E Lane', written over the text 'Signed on behalf of the Board'.

A E Lane
Director

Date: 28 February 2005

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LANE LOGISTICS SERVICES LIMITED

We have audited the financial statements of Lane Logistics Services Limited for the period ended 27 February 2004 set out on pages 5 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Director's 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 with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

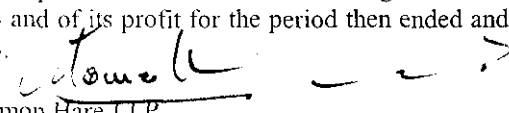
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 27 February 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Solomon Hare LLP
Chartered Accountants
Registered Auditors
Oakfield House
Oakfield Grove
Clifton
Bristol BS8 2BN

Date: 28/2/06

LANE LOGISTICS SERVICES LIMITED
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PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 27 FEBRUARY 2004

	Note	Period ended 27 February 2004 £	Year ended 28 September 2002 £
Turnover	2	9,680,799	4,228,763
Cost of sales		(8,128,638)	(3,416,945)
Gross		1,552,161	811,818
Other operating charges		(1,470,007)	(935,169)
Operating profit/(loss)	3	82,154	(123,351)
Net interest	4	(32,807)	(10,227)
Profit/(loss) on ordinary activities before taxation		49,347	(133,578)
Tax on profit/(loss) on ordinary activities	7	-	39,372
Profit/(loss) on ordinary activities after taxation		49,347	(94,206)
Dividends		-	-
Retained profit/(loss)	13	49,347	(94,206)

There were no recognised gains or losses other than the loss for the financial period. All activities are continuing.

The notes on page 7 to 12 form part of these financial statements.

LANE LOGISTICS SERVICES LIMITED
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BALANCE SHEET
AS AT 27 FEBRUARY 2004

	Notes	27 February 2004		28 September 2002	
		£	£	£	£
Fixed assets					
Tangible assets	8		81,139		56,800
Current assets					
Debtors	9	806,987		733,382	
Cash at bank and in hand		1,965		1,500	
		<u>808,952</u>		<u>734,882</u>	
Creditors: amounts falling due within one year	10	<u>(872,741)</u>		<u>(813,265)</u>	
Net current (liabilities)/assets			(63,789)		(78,383)
Total assets less current liabilities			<u>17,350</u>		<u>(21,583)</u>
Creditors: amounts falling due after more than one year	11		<u>(7,350)</u>		<u>(17,764)</u>
			<u>10,000</u>		<u>(39,347)</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		9,999		(39,348)
Equity Shareholders' Funds	13		<u>10,000</u>		<u>(39,347)</u>

The financial statements were approved by the Board of Directors on 28 February 2005

.....
A Lane
Director

The notes on pages 7 to 12 form part of these financial statements.

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 27 FEBRUARY 2004

1 ACCOUNTING POLICIES

Basis of preparation

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation.

Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets over their useful lives. The periods generally applicable are:

Motor vehicles	-	4 – 6 years
Computer equipment	-	3 – 5 years
Fixtures and fittings	-	5 – 10 years

Defined Contribution Pension Scheme

The company contributes to a group defined contribution pension scheme. The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax balances will not be discounted.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2 TURNOVER

The turnover is attributable to the provision of temporary staff agency and training to the logistics industry.

LANE LOGISTICS SERVICES LIMITED
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NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 27 FEBRUARY 2004

3 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after:

	2004	2002
	£	£
Auditors' remuneration	5,000	3,000
Depreciation and amortisation:		
Tangible fixed assets, owned	36,216	9,751
Tangible fixed assets, leased	5,172	8,697
Other operating lease rentals	47,886	36,209

4 NET INTEREST

	2004	2002
	£	£
On bank loans and overdrafts	30,316	9,316
Finance charges in respect of finance leases	2,491	911

5 PARTICULARS OF EMPLOYEES

	2004	2002
	£	£
Staff costs during the year were as follows:		
Wages and salaries	8,234,842	3,059,611
Social security costs	358,437	268,272
Other pension costs	38,793	19,493

The average number of full and part time employees of the company during the year was:

	2004	2002
	No	No
Management	8	4
Administration	24	8
Operational staff	534	155

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NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 27 FEBRUARY 2004

6 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2002
	£	£
Emoluments receivable	93,280	-

Pension contributions of £5,808 were made in respect of one director.

7 TAX ON LOSS/PROFIT ON ORDINARY ACTIVITIES

	2004	2002
	£	£
The tax (credit)/charge represents:		
Corporation tax payable @ 20%		-
Group relief	-	(39,164)
Adjustment in respect of prior year:	-	
Corporation tax	-	(208)
	-	(39,372)

Group relief has been surrendered to the company for nil charge.

The tax assessed for the period is higher/lower than the standard rate of corporation tax in the UK of 30% (2002: 30%). The differences are explained as follows:

	2004	2002
	£	£
Corporation tax in the UK	30.0	30.0
Effect of:		
Expenses not deductible for tax purposes	4.4	(0.1)
Capital allowances for the period less than depreciation	25.2	(0.1)
Short term timing differences	0.5	-
Group relief claimed	(60.1)	-
Current tax (credit)/charge for the period	0.0	29.8

The company does not have any significant deferred tax balances.

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NOTES TO THE ACCOUNTS (continued)
FOR THE PERIOD ENDED 27 FEBRUARY 2004

8 TANGIBLE FIXED ASSETS

	Motor vehicles	Computer equipment	Fixtures & fittings	Total
Cost	£	£	£	£
At 30 September 2002	29,875	29,943	20,947	80,765
Transfer from Lane Group	160,096	4,518	511	165,125
Additions	1,549	8,068	4,713	14,330
At 27 February 2004	191,520	42,529	26,171	260,220
Depreciation				
At 30 September 2002	12,042	7,148	4,775	23,965
Transfer from Lane Group	108,699	4,518	511	113,728
Provided in the year	18,633	16,129	6,626	41,388
At 27 February 2004	139,374	27,795	11,912	179,081
Net book amount at 27 February 2004	52,146	14,734	14,259	81,139
Net book amount at 30 September 2002	17,833	22,795	16,172	56,800

The figures above include assets held under finance leases as follows:

	Motor vehicles
	£
Net book amount at 27 February 2004	18,932
Net book amount at 30 September 2002	24,104

9 DEBTORS

	2004	2002
	£	£
Trade debtors	783,889	363,710
Amounts owed by group undertakings	-	340,583
Other debtors	-	264
Prepayments and accrued income	23,098	28,825
	806,987	733,382

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NOTES TO THE ACCOUNTS (continued)
FOR THE PERIOD ENDED 27 FEBRUARY 2004

10 CREDITORS: amounts falling due within one year

	2004	2002
	£	£
Bank overdraft	17,804	183,478
Trade creditors	78,929	191,832
Amounts owed to group undertakings	-	146,771
Social security and other taxes	289,880	144,102
Other creditors	334,363	55,582
Accruals and deferred income	144,414	84,149
Amounts due under finance leases and hire purchase contracts	7,351	7,351
	<u>872,741</u>	<u>813,265</u>

At 28 September 2002 the bank overdraft was secured by a fixed and floating charge over all the assets of the company and inter-company cross guarantees.

11 CREDITORS: amounts falling due after more than one year

	2004	2002
	£	£
Amounts due under finance leases and hire purchase contracts	<u>7,350</u>	<u>17,764</u>
Amounts due under finance leases and hire purchase contracts are repayable as follows:		
Within one year	7,351	7,351
After one and within two years	7,350	7,351
After two and within five years	-	10,413
	<u>14,701</u>	<u>25,115</u>

12 SHARE CAPITAL

	2004	2002
	£	£
Authorised		
10,000 (2002: 1,000) ordinary shares of 10p each (2002: £1 each)	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
10 ordinary shares of 10p each (2002: 1 ordinary share of £1 each)	<u>1</u>	<u>1</u>

On 27 February 2004 each of the issued and unissued ordinary shares of £1 each were subdivided and re designated into 10 ordinary shares of 10 pence each.

NOTES TO THE ACCOUNTS (continued)
FOR THE PERIOD ENDED 27 FEBRUARY 2004

13 RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	Profit and loss account	Total
	£	£	£
Profit for the period	-	49,347	49,347
Shareholders' funds at 30 September 2002	1	(39,348)	(39,347)
Shareholders' funds at 27 February 2004	1	9,999	10,000

14 CAPITAL COMMITMENTS

The company had no capital commitments at 27 February 2004 or at 30 September 2002.

15 CONTINGENT LIABILITIES

At 28 September 2002 the company had guaranteed the bank borrowings of its fellow group companies. At 28 September 2002 the potential liability amounted to £3,780,000. No such guarantee existed at 27 February 2004.

16 RETIREMENT BENEFITS

Defined Contribution Pension Scheme

The group operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

17 LEASING COMMITMENTS

	2004 Land and buildings £	2004 Other £	2002 Land and buildings £	2002 Other £
In one year or less	11,700	7,668	-	3,080
Between one and five years	16,750	11,768	-	19,373
	28,450	19,436	-	22,453

18 TRANSACTIONS WITH RELATED PARTIES

Until 27 February 2004 the company was wholly-owned subsidiary of Lane Group plc. The company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Lane Group plc.

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTIES

Until 27 February 2004 the company was a wholly owned subsidiary of Lane Group plc.

The ultimate parent undertaking then became Lane UK Holdings Limited.

Mr A Lane is the company's controlling party by virtue of his shareholdings in Lane UK Holdings Limited.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Lane Group plc. Copies of the group accounts can be obtained at Companies House.