

COMPANY REGISTRATION NUMBER 3927002

LANE LOGISTICS SERVICES LIMITED
FINANCIAL STATEMENTS
1 APRIL 2006

TUESDAY



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LANE LOGISTICS SERVICES LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

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LANE LOGISTICS SERVICES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Director	A E Lane
Company secretary	L Lane
Registered office	Garanor Way Royal Portbury Dock North Somerset BS20 7XX
Auditor	Smith & Williamson Solomon Hare Audit LLP Chartered Accountants Registered Auditors Oakfield House Oakfield Grove Clifton Bristol BS8 2BN

LANE LOGISTICS SERVICES LIMITED

DIRECTOR'S REPORT

PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

The director presents his report and the financial statements of the company for the period from 3 April 2005 to 1 April 2006

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the provision of temporary staff and training to the logistics industry

Trading conditions during the year have again been weak and has resulted in poor trading performance. Gross margin has remain stable during the year. New business gains have been achieved and are ongoing to increase sales revenue whilst keeping administrative expenses at on going levels

The forthcoming year looks to be positive following new business and expansion of the business. The main focus for LLS is to continue to maximise sales and the recruitment of drivers and industrial personnel

RESULTS AND DIVIDENDS

The loss for the period amounted to £118,780. The director has not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the business and maintaining sufficient cash at bank balances

DIRECTOR

The director who served the company during the period was as follows

A E Lane

The company is a wholly owned subsidiary and the interests of the group director are disclosed in the financial statements of the parent company

LANE LOGISTICS SERVICES LIMITED

DIRECTOR'S REPORT *(continued)*

PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

In so far as the director is aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

DISABLED EMPLOYEES

The company's policy in respect of employment is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with training courses is given. Once employed a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

CHARITABLE DONATIONS

During the year the company made donations of £400 (2005: nil).

LANE LOGISTICS SERVICES LIMITED

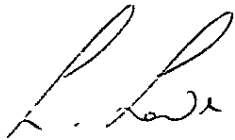
DIRECTOR'S REPORT *(continued)*

PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

AUDITOR

From 2 April 2007 Solomon Hare Audit LLP changed its name to Smith & Williamson Solomon Hare Audit LLP. In accordance section 385 of the Companies Act 1985, a resolution to re-appoint Smith & Williamson Solomon Hare Audit LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Signed by order of the director



L LANE
Company Secretary

Approved by the director on 20/4/07

LANE LOGISTICS SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF LANE LOGISTICS SERVICES LIMITED

PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

We have audited the financial statements of Lane Logistics Services Limited for the period from 3 April 2005 to 1 April 2006 on pages 7 to 18 which have been prepared on the basis of the accounting policies set out on page 10

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITOR

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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, and whether the information given in the Director's Report is consistent with the financial statements. We also report to you if, in our opinion, 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 director's remuneration and other transactions 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 International Standards on Auditing (UK and Ireland) 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 director 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.

LANE LOGISTICS SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
LANE LOGISTICS SERVICES LIMITED *(continued)***

PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 1 April 2006 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

Smith & Williamson Solomon Hare Audit ————>

SMITH & WILLIAMSON SOLOMON HARE AUDIT LLP
Chartered Accountants
Registered Auditors
Bristol

Date 20/6/07

LANE LOGISTICS SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

		Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
	Note		
TURNOVER	2	7,046,997	8,521,214
Cost of sales		(5,610,500)	(6,989,150)
GROSS PROFIT		1,436,497	1,532,064
Administrative expenses		(1,492,191)	(1,572,789)
OPERATING LOSS	3	(55,694)	(40,725)
Interest payable and similar charges	6	(63,086)	(68,061)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(118,780)	(108,786)
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL PERIOD		(118,780)	(108,786)
Balance brought forward		(98,787)	9,999
Balance carried forward		(217,567)	(98,787)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 10 to 18 form part of these financial statements.

LANE LOGISTICS SERVICES LIMITED

BALANCE SHEET

1 APRIL 2006

	Note	1 Apr 06 £	£	2 Apr 05 £	£
FIXED ASSETS					
Tangible assets	7		93,361		101,831
CURRENT ASSETS					
Debtors	8	1,860,546		1,928,723	
Cash at bank and in hand		2,377		92,526	
		<u>1,862,923</u>		<u>2,021,249</u>	
CREDITORS: Amounts falling due within one year	9	<u>(1,944,873)</u>		<u>(1,989,447)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(81,950)</u>		<u>31,802</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,411</u>		<u>133,633</u>
CREDITORS: Amounts falling due after more than one year	10		<u>(228,977)</u>		<u>(232,419)</u>
			<u>(217,566)</u>		<u>(98,786)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	14		1		1
Profit and loss account			<u>(217,567)</u>		<u>(98,787)</u>
DEFICIT	15		<u>(217,566)</u>		<u>(98,786)</u>

These financial statements were approved and signed by the director on


A E LANE

20/4/07

The notes on pages 10 to 18 form part of these financial statements.

LANE LOGISTICS SERVICES LIMITED**CASH FLOW STATEMENT****PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006**

	Note	Period from 3 Apr 05 to 1 Apr 06 £	£	Period from 28 Feb 04 to 2 Apr 05 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	16		(16,643)		(3,956)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	16		(63,086)		(68,061)
TAXATION	16		-		-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	17		(19,968)		(52,355)
CASH OUTFLOW BEFORE FINANCING			_____		_____
			(99,697)		(124,372)
FINANCING	16		(4,204)		232,737
(DECREASE)/INCREASE IN CASH	16		_____		_____
			(103,901)		108,365

The notes on pages 10 to 18 form part of these financial statements.

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents services provided during the period, exclusive of Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Fixtures & Fittings	-	5 - 10 years
Motor Vehicles	-	4 - 10 years
Equipment	-	3 years

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

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

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. The deferred tax balance has not been discounted. Deferred tax assets are recognised only when recovery is likely

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company
An analysis of turnover is given below

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
United Kingdom	<u>7,046,997</u>	<u>8,521,214</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Depreciation of owned fixed assets	15,298	30,087
Depreciation of assets held under hire purchase agreements	12,093	3,521
Loss/(Profit) on disposal of fixed assets	1,047	(1,945)
Auditor's remuneration - as auditor	<u>7,750</u>	<u>5,000</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period from 3 Apr 05 to 1 Apr 06 No	Period from 28 Feb 04 to 2 Apr 05 No
Number of administrative staff	22	16
Number of management staff	10	15
Number of operational staff	300	300
	<u>332</u>	<u>331</u>

The aggregate payroll costs of the above were

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Wages and salaries	5,364,316	6,310,793
Social security costs	397,258	512,627
Other pension costs	47,020	31,269
	<u>5,808,594</u>	<u>6,854,689</u>

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Emoluments receivable	65,013	75,724
Value of company pension contributions to money purchase schemes	12,650	10,173
	<u>77,663</u>	<u>85,897</u>

The number of directors who accrued benefits under company pension schemes was as follows

	Period from 3 Apr 05 to 1 Apr 06 No	Period from 28 Feb 04 to 2 Apr 05 No
Money purchase schemes	<u>1</u>	<u>1</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Interest payable on bank borrowing	55,197	51,773
Finance charges	3,728	563
Other similar charges payable	4,161	15,725
	<u>63,086</u>	<u>68,061</u>

7. TAXATION ON ORDINARY ACTIVITIES

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
(Loss)/profit on ordinary activities before taxation	(118,780)	(108,786)
Profit/(loss) on ordinary activities by rate of tax	(30)	(30)
Expenses not deductible for tax purposes	28	1
Capital allowances for the period less than depreciation	7	3
Short term timing differences	1	1
Utilisation of tax losses	(7)	-
Unrealised tax losses arising in the period	-	25
Total current tax	<u>-</u>	<u>-</u>

Tax losses carried forward at the period end were £56,236 (2005 £90,300)

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 3 April 2005	31,709	206,775	47,516	286,000
Additions	3,996	11,174	5,590	20,760
Disposals	(1,839)	—	—	(1,839)
At 1 April 2006	<u>33,866</u>	<u>217,949</u>	<u>53,106</u>	<u>304,921</u>
DEPRECIATION				
At 3 April 2005	17,614	126,818	39,737	184,169
Charge for the period	4,813	15,968	6,610	27,391
At 1 April 2006	<u>22,427</u>	<u>142,786</u>	<u>46,347</u>	<u>211,560</u>
NET BOOK VALUE				
At 1 April 2006	<u>11,439</u>	<u>75,163</u>	<u>6,759</u>	<u>93,361</u>
At 2 April 2005	<u>14,095</u>	<u>79,957</u>	<u>7,779</u>	<u>101,831</u>

Hire purchase agreements

Included within the net book value of £93,361 is £44,211 (2005 - £15,411) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £12,093 (2005 - £3,521).

8. DEBTORS

	1 Apr 06 £	2 Apr 05 £
Trade debtors	1,017,097	1,181,392
Amounts owed by group undertakings	500,516	499,950
Amounts owed by undertakings in which the company has a participating interest	267,158	200,702
Other debtors	12,306	10,207
Prepayments and accrued income	63,469	36,472
	<u>1,860,546</u>	<u>1,928,723</u>

The debtors above include the following amounts falling due after more than one year

	1 Apr 06 £	2 Apr 05 £
Amounts owed by group undertakings	<u>499,950</u>	<u>499,950</u>

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

9. CREDITORS: Amounts falling due within one year

	1 Apr 06 £	2 Apr 05 £
Venture Finance funds	403,896	524,776
Bank loans and overdrafts	13,752	—
Trade creditors	164,395	140,859
Amounts owed to group undertakings	75,000	75,000
PAYE and social security	658,518	691,277
VAT	386,768	222,043
Hire purchase agreements	14,257	15,019
Other creditors	101,055	148,486
Accruals and deferred income	127,232	171,987
	<u>1,944,873</u>	<u>1,989,447</u>

The Venture Finance funds creditor of £403,896 (2005 - £524,776) is secured against the trade debtors of the company

10. CREDITORS: Amounts falling due after more than one year

	1 Apr 06 £	2 Apr 05 £
Bank loans and overdrafts	203,000	203,000
Hire purchase agreements	25,977	29,419
	<u>228,977</u>	<u>232,419</u>

The bank loan is secured by a fixed charge over freehold property belonging to Mr A Lane, a director, and by a debenture over all present and future freehold and leasehold property

11. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	1 Apr 06 £	2 Apr 05 £
Amounts payable within 1 year	14,257	15,019
Amounts payable between 1 and 2 years	14,257	7,905
Amounts payable between 3 and 5 years	11,720	21,514
	<u>40,234</u>	<u>44,438</u>

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

12. COMMITMENTS UNDER OPERATING LEASES

At 1 April 2006 the company had annual commitments under non-cancellable operating leases as set out below

	1 Apr 06		2 Apr 05	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire				
Within 1 year	9,000	4,820	11,477	-
Within 2 to 5 years	47,256	38,196	33,902	42,716
	<u>56,256</u>	<u>43,016</u>	<u>45,379</u>	<u>42,716</u>

13. RELATED PARTY TRANSACTIONS

During the prior year the company made a loan to its parent company, Lane UK Holdings Limited, of £410,000 and paid expenses on their behalf £89,950. The total amount outstanding at the period end is £499,950 (2005 £499,950) owed to Lane Logistics Services Limited.

During the year the company paid expenses on behalf of and purchases from Lane UK Holdings Limited. The amount owed from Lane UK Holdings Limited is £566.

During the year the company made sales to and purchases from Lane Group plc, a company of which family members of A Lane are directors and shareholders. At the period end, there is a balance outstanding of £267,158 (2005 - £230,702) owed to Lane Logistics Services Limited.

Adam Lane, the director of the company made a loan of £20,000 to the company. At the period end £20,000 was due to him (2005 £20,000).

14. SHARE CAPITAL

Authorised share capital:

	1 Apr 06 £	2 Apr 05 £
10,000 Ordinary shares of £0.10 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1 Apr 06		2 Apr 05	
	No	£	No	£
Ordinary shares of £0.10 each	<u>10</u>	<u>1</u>	<u>10</u>	<u>1</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	1 Apr 06 £	2 Apr 05 £
Loss for the financial period	(118,780)	(108,786)
Opening shareholder's (deficit)/funds	<u>(98,786)</u>	<u>10,000</u>
Closing shareholder's deficit	<u>(217,566)</u>	<u>(98,786)</u>

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

16. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Operating loss	(55,694)	(40,725)
Depreciation	27,391	33,608
Loss/(Profit) on disposal of fixed assets	1,047	(1,945)
Decrease/(increase) in debtors	68,177	(1,121,736)
(Decrease)/increase in creditors	(57,564)	1,126,842
Net cash outflow from operating activities	<u>(16,643)</u>	<u>(3,956)</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Interest paid	(59,358)	(67,498)
Interest element of hire purchase	<u>(3,728)</u>	<u>(563)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(63,086)</u>	<u>(68,061)</u>

CAPITAL EXPENDITURE

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Payments to acquire tangible fixed assets	(20,760)	(55,655)
Receipts from sale of fixed assets	792	3,300
Net cash outflow from capital expenditure	<u>(19,968)</u>	<u>(52,355)</u>

LANE LOGISTICS SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

17. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

FINANCING

	Period from 3 Apr 05 to 1 Apr 06 £	Period from 28 Feb 04 to 2 Apr 05 £
Increase in bank loans	—	203,000
Capital element of hire purchase	(4,204)	29,737
Net cash (outflow)/inflow from financing	<u>(4,204)</u>	<u>232,737</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1 Apr 06 £	2 Apr 05 £
(Decrease)/increase in cash in the period	(103,901)	108,365
Net cash (inflow) from bank loans	—	(203,000)
Cash outflow in respect of hire purchase	<u>4,204</u>	<u>(29,737)</u>
	<u>(99,697)</u>	<u>(124,372)</u>
Change in net debt	<u>(99,697)</u>	<u>(124,372)</u>
Net debt at 3 April 2005	<u>(154,912)</u>	<u>(30,540)</u>
Net debt at 1 April 2006	<u>(254,609)</u>	<u>(154,912)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 3 Apr 2005 £	Cash flows £	At 1 Apr 2006 £
Net cash			
Cash in hand and at bank	92,526	(90,149)	2,377
Overdrafts	—	<u>(13,752)</u>	<u>(13,752)</u>
	<u>92,526</u>	<u>(103,901)</u>	<u>(11,375)</u>
Debt			
Debt due after 1 year	(203,000)	—	(203,000)
Hire purchase agreements	<u>(44,438)</u>	4,204	<u>(40,234)</u>
	<u>(247,438)</u>	<u>4,204</u>	<u>(243,234)</u>
Net debt	<u>(154,912)</u>	<u>(99,697)</u>	<u>(254,609)</u>

LANE LOGISTICS SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 3 APRIL 2005 TO 1 APRIL 2006

18. ULTIMATE PARENT COMPANY

The ultimate parent undertaking is Lane UK Holdings Limited, a company incorporated in the UK

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