

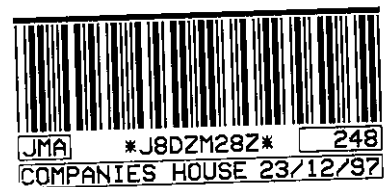


PAL PAK CORRUGATED LIMITED
ABBREVIATED FINANCIAL STATEMENTS

28TH FEBRUARY 1997

Registered number: 3060021

PHILIP HARRISON
CHARTERED ACCOUNTANTS
Liverpool



PAL PAK CORRUGATED LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 28th February 1997

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PAL PAK CORRUGATED LIMITED**Auditors' report to
Pal Pak Corrugated Limited
under section 247B to the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 28th February 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.



Liverpool
18th December 1997

Philip Harrison
Registered Auditors
Chartered Accountants

PAL PAK CORRUGATED LIMITED

ABBREVIATED BALANCE SHEET

at 28th February 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	2		57,612		16,000
Current assets					
Stocks		37,045		-	
Debtors		169,662		1,925	
Cash at bank and in hand		-		3,375	
			206,707		5,300
Creditors: amounts falling due within one year			(197,346)		(14,309)
Net current assets/(liabilities)			9,361		(9,009)
Total assets less current liabilities			66,973		6,991
Creditors: amounts falling due after more than one year	3		(48,486)		(6,990)
			18,487		1
Capital and reserves					
Called up share capital	4		27,500		1
Profit and loss account			(9,013)		-
Total shareholders' funds			18,487		1

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 18th December 1997 and signed on its behalf by:

J.A Hughes
Director

PAL PAK CORRUGATED LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****28th February 1997****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	10% to 25% reducing balance
Motor vehicles	25% straight line

Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

PAL PAK CORRUGATED LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

28th February 1997

2 Fixed assets

		Tangible fixed assets £
Cost		
1st March 1996		16,000
Additions		48,431
28th February 1997		<u>64,431</u>
Depreciation		
Charge for year		6,819
28th February 1997		<u>6,819</u>
Net book amount		
28th February 1997		<u>57,612</u>
1st March 1996		<u>16,000</u>

3 Creditors: amounts falling due within one year
and after more than one year include the following:

Secured creditors

Small company secured creditors	46,975	8,800
Obligations under finance leases and hire purchase contracts:		
In the next year	9,748	1,810
In the second to fifth year	31,878	6,990
	<u>41,626</u>	<u>8,800</u>

PAL PAK CORRUGATED LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

28th February 1997

4 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	90,000	90,000	100	100
Non voting ordinary shares	10,000	10,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		100,000		100
		<u> </u>		<u> </u>
Allotted called up and fully paid				
Ordinary shares	25,000	25,000	100	1
Non voting ordinary shares	2,500	2,500	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		27,500		1
		<u> </u>		<u> </u>

24,999 Ordinary £1 shares and 2,500 Non voting ordinary £1 shares were issued during the year at par to increase the capital base of the company.

5 Related parties

J.A Hughes, a director, is also a director of Pal Pak Limited. During the year the following transactions with Pal Pak Limited occurred:

	1997 £
Purchases on arms length basis	74,595
Management fee incurred	10,470
	<u> </u>

Trade creditors and other creditors include amounts due to Pal Pak Limited of £29,989 and £3,783 respectively.