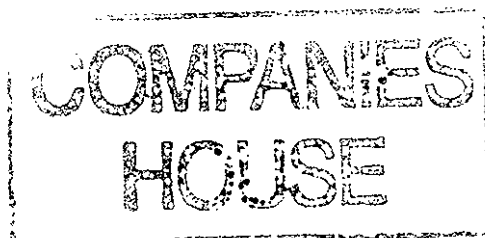


**RIBBLE HOLDINGS LIMITED**  
**ACCOUNTS**  
**FOR THE PERIOD ENDED 31ST DECEMBER 1996**



**ROYCE PEELING GREEN**  
**CHARTERED ACCOUNTANTS**  
**HILTON CHAMBERS**  
**15 HILTON STREET**  
**MANCHESTER**  
**M1 1JL**



# **RIBBLE HOLDINGS LIMITED**

## **COMPANY INFORMATION AND CONTENTS**

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|                          |                                                                                    |
|--------------------------|------------------------------------------------------------------------------------|
| <b>Directors</b>         | D. Haynes<br>M. O'Hara<br>S. Rector                                                |
| <b>Secretary</b>         | S. Rector                                                                          |
| <b>Company Number</b>    | 3095607                                                                            |
| <b>Registered Office</b> | Greengate Street<br>Oldham<br>OL4 1DF                                              |
| <b>Auditors</b>          | Royce Peeling Green<br>Hilton Chambers<br>15 Hilton Street<br>Manchester<br>M1 1JL |

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| 4       | Profit and Loss Account           |
| 5       | Balance Sheet                     |
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## **RIBBLE HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

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The directors submit their report together with the financial statements for the period ended 31st December 1996.

#### **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 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.
- 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 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.

#### **RESULTS AND DIVIDENDS**

The trading profit for the period after taxation was £341 and it has been transferred to reserves.

The directors do not recommend the payment of a final dividend.

#### **PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The company was incorporated on 25th August 1995 as Rosstrate Limited. On 19th October 1995 the company's name was changed to Ribble Holdings Limited and on 8th November the company acquired the whole of the share capital of Ribble Packaging Limited.

The company's principal activity since 8th November 1995 has been as a holding company. No significant changes are anticipated.

#### **FIXED ASSETS**

Full details of changes in fixed assets are shown in the notes to the financial statements.

# **RIBBLE HOLDINGS LIMITED**

## **DIRECTORS' REPORT**

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### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the period and their interests, together with the interests of their families, in the share capital of the company were as follows:

|           | Ordinary shares of £1 each |
|-----------|----------------------------|
|           | 1996                       |
|           | No.                        |
| D. Haynes | 333                        |
| M. O'Hara | 333                        |
| S. Rector | 333                        |

None of the directors had a beneficial interest, direct or indirect, in any contract entered into by the company.

### **AUDITORS**

The Auditors, Messrs. Royce Peeling Green, Chartered Accountants, have expressed their willingness to continue in office, and a resolution regarding their appointment and remuneration will be submitted to the Annual General Meeting.

By Order of the Board:

S. RECTOR  
SECRETARY



12TH MARCH 1997

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
RIBBLE HOLDINGS LIMITED**

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We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of the directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 consider 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 the 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 31st December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, reading "Royce Peeling Green". The signature is written in a cursive style with a horizontal line underneath.

**ROYCE PEELING GREEN  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR**

**HILTON CHAMBERS  
15 HILTON STREET  
MANCHESTER  
M1 1JL**

13th March 1997

**RIBBLE HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST DECEMBER 1996**

|                                                      | Notes | 1996<br>£ |
|------------------------------------------------------|-------|-----------|
| Administration expenses                              |       | (809)     |
| Other operating income                               |       | 23,000    |
| <b>Operating profit</b>                              | 2     | 22,191    |
| Interest payable                                     | 3     | (21,472)  |
| <b>Profit on ordinary activities before Taxation</b> |       | 719       |
| Tax on profit on ordinary activities                 | 5     | (378)     |
| <b>Profit on ordinary activities after Taxation</b>  |       | 341       |
| <b>Retained profit transferred to reserves</b>       | 12    | 341       |

*All amounts relate to continuing activities.*

*There have been no recognised gains or losses, other than the results for the financial period, and all profits or losses have been accounted for on an historical cost basis.*

*The notes on pages 7 to 11 form part of these financial statements.*

**RIBBLE HOLDINGS LIMITED**

**BALANCE SHEET AS AT 31ST DECEMBER 1996**

|                                              | Notes | 1996         |                 |
|----------------------------------------------|-------|--------------|-----------------|
|                                              |       | £            | £               |
| <b>Fixed Assets</b>                          |       |              |                 |
| Investments                                  | 6     |              | 172,500         |
| <b>Current Assets</b>                        |       |              |                 |
| Debtors                                      | 8     | 2,227        |                 |
| Cash at bank and in hand                     |       | 867          |                 |
|                                              |       | <u>3,094</u> |                 |
| <b>Creditors:</b>                            |       |              |                 |
| Amounts falling due within one year          | 9     | (98,756)     |                 |
| <b>Net Current (Liabilities)</b>             |       |              | <u>(95,662)</u> |
| <b>Total Assets Less Current Liabilities</b> |       |              | <u>76,838</u>   |
| <b>Creditors:</b>                            |       |              |                 |
| Amounts falling due after more than one year | 10    |              | <u>(75,498)</u> |
|                                              |       |              | <u>1,340</u>    |
| <b>Capital and Reserves</b>                  |       |              |                 |
| <i>Equity Interests</i>                      |       |              |                 |
| Share capital                                | 11    |              | 999             |
| Profit and loss account                      | 12    |              | <u>341</u>      |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>             | 13    |              | <u>1,340</u>    |

These accounts were approved by the board on 12th March 1997.

D. Haynes

**DIRECTOR**



*The notes on pages 7 to 11 form part of these financial statements.*

**RIBBLE HOLDINGS LIMITED****CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER 1996**

|                                                                                | Notes | 1996      |           |
|--------------------------------------------------------------------------------|-------|-----------|-----------|
|                                                                                |       | £         | £         |
| <b>Net Cash Inflow from Operating Activities</b>                               | 14    |           | 20,214    |
| <b>Returns on Investments and Servicing of Finance</b>                         |       |           |           |
| Interest paid                                                                  |       | (20,816)  |           |
| <b>Net Cash (Outflow) from Returns on Investments and Servicing of Finance</b> |       |           | (20,816)  |
| <b>Investing Activities</b>                                                    |       |           |           |
| Purchase of fixed assets investments                                           |       | (172,500) |           |
| <b>Net Cash (Outflow) from Investing Activities</b>                            |       |           | (172,500) |
| <b>Net Cashflow before Financing</b>                                           |       |           | (173,102) |
| <b>Financing</b>                                                               |       |           |           |
| Issue of share capital                                                         |       | 999       |           |
| New bank loans                                                                 |       | 232,757   |           |
| Repayment of amounts borrowed                                                  |       | (59,787)  |           |
| <b>Net Cash Inflow from Financing</b>                                          |       |           | 173,969   |
| <b>Increase in Cash and Cash Equivalents</b>                                   |       |           | 867       |

*The notes on pages 7 to 11 form part of these financial statements.*

**1 PRINCIPAL ACCOUNTING POLICIES**

*Accounting Convention*

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

*Consolidation*

The directors have taken advantage of the exemptions from the requirement to prepare group accounts under s248 of the Companies Act 1985 on the grounds that the group is medium sized within the meaning of that Act.

*Investments*

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

*Deferred Taxation*

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

**2 OPERATING PROFIT**

*The operating profit is stated after charging or crediting:*

|                                                              |            |
|--------------------------------------------------------------|------------|
|                                                              | 1996       |
|                                                              | £          |
| Amounts payable to the auditors in respect of audit services | 500        |
|                                                              | <u>500</u> |

**3 INTEREST PAYABLE**

|                                                                    |               |
|--------------------------------------------------------------------|---------------|
|                                                                    | 1996          |
|                                                                    | £             |
| Bank loans, overdrafts and other loans repayable within five years | 21,472        |
|                                                                    | <u>21,472</u> |

**4 DIRECTORS AND EMPLOYEES**

No staff costs were incurred in the period.

The average monthly number of employees, including directors, during the period was as follows:

|            |          |
|------------|----------|
|            | 1996     |
|            | Number   |
| Management | 3        |
|            | <u>3</u> |

# RIBBLE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1996

Remuneration in respect of directors, including amounts paid by subsidiary undertakings, was as follows:

|                         | 1996<br>£      |
|-------------------------|----------------|
| Management remuneration | 164,673        |
| Pensions                | 21,100         |
|                         | <u>185,773</u> |

The emoluments, excluding pension contributions, of the chairman, who is the highest paid director, were £70,079.

Other directors' emoluments, excluding pension contributions, fell within the following ranges:

|                     | 1996<br>Number |
|---------------------|----------------|
| £ 45,001 - £ 50,000 | 2              |

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

*Based on the profit for the period:*

U.K. Corporation tax at 25%

1996  
£

378

### 6 FIXED ASSETS INVESTMENTS

|                       | Shares in Group<br>Undertakings<br>£ |
|-----------------------|--------------------------------------|
| Cost                  |                                      |
| Additions             | 172,500                              |
| At 31st December 1996 | <u>172,500</u>                       |
| <br>Net Book Value    |                                      |
| At 31st December 1996 | <u>172,500</u>                       |

### 7 PRINCIPAL FIXED ASSET INVESTMENTS

The company holds more than 10% of the share capital of the following:

| Name                                      | Country of registration<br>(or incorporation) and<br>operation | Class<br>of share | Proportion<br>held | Nature of business                                   |
|-------------------------------------------|----------------------------------------------------------------|-------------------|--------------------|------------------------------------------------------|
| <i>Principal subsidiary undertakings:</i> |                                                                |                   |                    |                                                      |
| Ribble Packaging Limited                  | England                                                        | Ordinary          | 100%               | Manufacturer and<br>converter of<br>corrugated board |

**RIBBLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1996**

|                          | <b>Profit/ (Loss) for period<br/>£</b> | <b>Aggregate Capital and Reserves at 31.12.96<br/>£</b> |
|--------------------------|----------------------------------------|---------------------------------------------------------|
| Ribble Packaging Limited | 265,665                                | 302,640                                                 |

The accounting reference date for the subsidiary undertaking is coterminous with that of the company.

Using the equity method of accounting, which entails the application of a fair value to the subsidiary's land and buildings at the date of acquisition, the value of the company's investment in Ribble Packaging Limited at that date was approximately £220,000.

|          |                                                       |                   |
|----------|-------------------------------------------------------|-------------------|
| <b>8</b> | <b>DEBTORS</b>                                        | <b>1996<br/>£</b> |
|          | Amounts owed by group undertakings                    | <u>2,227</u>      |
| <b>9</b> | <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> | <b>1996<br/>£</b> |
|          | Bank loans and overdrafts                             | 97,472            |
|          | Corporation tax                                       | 378               |
|          | Accruals and deferred income                          | <u>906</u>        |
|          |                                                       | <u>98,756</u>     |

The bank loan is secured by a debenture in favour of the Royal Bank of Scotland plc dated 8th November 1995.

|           |                                                      |                   |
|-----------|------------------------------------------------------|-------------------|
| <b>10</b> | <b>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</b> | <b>1996<br/>£</b> |
|           | Bank loans                                           | <u>75,498</u>     |
|           |                                                      | <u>75,498</u>     |

The bank loan is secured by a debenture in favour of the Royal Bank of Scotland plc dated 8th November 1995.

**RIBBLE HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1996**

**11 SHARE CAPITAL**

| <b>Authorised</b>                    | <b>Number</b> | <b>£</b> |
|--------------------------------------|---------------|----------|
| Ordinary shares of £1 each           | 3,000         | 3,000    |
| Preferred ordinary shares of £1 each | 2,000         | 2,000    |

| <b>Allotted, issued and fully paid</b> | <b>Number</b> | <b>£</b> |
|----------------------------------------|---------------|----------|
| Ordinary shares of £1 each             |               |          |
| Issues during the period               | 999           | 999      |
| At 31st December 1996                  | 999           | 999      |

Two shares were issued on incorporation and a further 997 shares were issued on 8th November 1995 to provide working capital on the acquisition of Ribble Packaging Limited.

West Register Investments Limited (a wholly owned subsidiary of the Royal Bank of Scotland plc) hold an option to subscribe for preferred ordinary shares at par. This option expires on 8th November 1998 and relates to between 666 and 333 shares, the option currently relates to 509 shares.

**12 RESERVES**

|                       | <b>Profit and<br/>Loss<br/>Account<br/>£</b> |
|-----------------------|----------------------------------------------|
| Profit for the period | 341                                          |

**13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

|                                 | <b>1996<br/>£</b> |
|---------------------------------|-------------------|
| Profit for the financial period | 341               |
| New share capital subscribed    | 999               |
| Increase in shareholders' funds | 1,340             |
| Closing shareholders' funds     | 1,340             |

**14 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                           | <b>1996<br/>£</b> |
|-------------------------------------------|-------------------|
| Operating profit                          | 22,191            |
| (Increase) in debtors                     | (2,227)           |
| Increase in creditors                     | 250               |
| Net Cash Inflow from Operating Activities | 20,214            |

**RIBBLE HOLDINGS LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER 1996****15 ANALYSIS OF CHANGES IN CASH OR CASH EQUIVALENTS  
AS SHOWN IN THE BALANCE SHEET**

|                       | Cash at<br>Bank and<br>in Hand<br>£ |
|-----------------------|-------------------------------------|
| At 31st December 1996 | 867                                 |
| On incorporation      | -                                   |
| Change in the period  | 867                                 |

**16 ANALYSIS OF CHANGES IN FINANCING DURING THE  
PERIOD**

|                                      | Share<br>Capital<br>£ | Loans<br>£ |
|--------------------------------------|-----------------------|------------|
| Cash inflow/(outflow) from financing | 999                   | 172,970    |
| Balance at 31st December 1996        | 999                   | 172,970    |