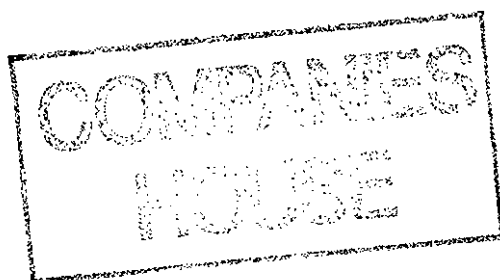


RIBBLE HOLDINGS LIMITED
ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1997



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



RIBBLE HOLDINGS LIMITED

COMPANY INFORMATION AND CONTENTS

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

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RIBBLE HOLDINGS LIMITED

DIRECTORS' REPORT

The directors submit their report together with the financial statements for the year ended 31st December 1997.

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 year. 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 year after taxation was £435 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's principal activity is 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.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year 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	
	1997	1996
	No.	No.
D. Haynes	333	333
M. O'Hara	333	333
S. Rector	333	333

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

AUDITORS

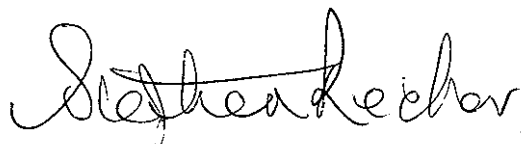
The Auditors, Messrs. Royce Peeling Green, Chartered Accountants, have expressed their willingness to continue in office, and a resolution regarding their appointment and remuneration will be submitted to the Annual General Meeting.

RIBBLE HOLDINGS LIMITED

DIRECTORS' REPORT

By Order of the Board:

S. RECTOR
SECRETARY

A handwritten signature in cursive script, reading "Stephen Rector".

31ST MARCH 1998

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

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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**ROYCE PEELING GREEN
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR**

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

2nd April 1998

RIBBLE HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997**

	Notes	1997 £	1996 £
Administration expenses		(280)	(809)
Other operating income		13,000	23,000
Operating profit	2	12,720	22,191
Interest payable	3	(12,229)	(21,472)
Profit on ordinary activities before Taxation		491	719
Tax on profit on ordinary activities	5	(56)	(378)
Profit on ordinary activities after Taxation		435	341
Retained profit transferred to reserves	12	435	341

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, 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 1997

	Notes	1997	1996
		£	£
Fixed Assets			
Investments	6	172,500	172,500
Current Assets			
Debtors	8	-	2,227
Cash at bank and in hand		837	867
		<u>837</u>	<u>3,094</u>
Creditors:			
Amounts falling due within one year	9	<u>(171,562)</u>	<u>(98,756)</u>
Net Current (Liabilities)		<u>(170,725)</u>	<u>(95,662)</u>
Total Assets Less Current Liabilities		<u>1,775</u>	<u>76,838</u>
Creditors:			
Amounts falling due after more than one year	10	<u>-</u>	<u>(75,498)</u>
		<u>1,775</u>	<u>1,340</u>
Capital and Reserves			
<i>Equity Interests</i>			
Share capital	11	999	999
Profit and loss account	12	<u>776</u>	<u>341</u>
TOTAL SHAREHOLDERS' FUNDS	13	<u>1,775</u>	<u>1,340</u>

These accounts were approved by the board on 31st March 1998.

D. Haynes

DIRECTOR



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

RIBBLE HOLDINGS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	£	1997 £	£	1996 £	£
Cash Inflow from Operating Activities	14		107,819		20,214	
Returns on Investments and Servicing of Finance	15		(12,464)		(20,816)	
Taxation			(378)		-	
Capital expenditure and financial investment	15		-		(172,500)	
Cash Inflow/(Outflow) before use of liquid resources and financing			94,977		(173,102)	
Financing	15		(95,007)		173,969	
(Decrease)/Increase in cash in the year			(30)		867	
Reconciliation of net cash flow to movement in net debt						
(Decrease)/Increase in cash in the year			(30)		867	
Cash outflow/(inflow) from decrease/(increase) in debt			95,007		(172,970)	
Change in net debt resulting from cash flows			94,977		(172,103)	
Movement in net debt in the period			94,977		(172,103)	
Net debt at 1st January 1997			(172,103)		-	
Net debt at 31st December 1997	16		(77,126)		(172,103)	

RIBBLE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

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:

	1997	1996
	£	£
Amounts payable to the auditors in respect of audit services	250	500

3 INTEREST PAYABLE

	1997	1996
	£	£
Bank loans, overdrafts and other loans repayable within five years	12,229	21,472

4 DIRECTORS AND EMPLOYEES

No staff costs were incurred in the year.

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

	1997 Number	1996 Number
Management	3	3

RIBBLE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

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

	1997 £	1996 £
Aggregate emoluments	178,712	164,673
Company pension contributions to money purchase schemes	22,800	21,100
	<u>201,512</u>	<u>185,773</u>

The directors were the only employees in the year.

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
<i>Based on the profit for the year:</i>		
U.K. Corporation tax at 22%	<u>56</u>	<u>378</u>

6 FIXED ASSETS INVESTMENTS

	Shares in Group Undertakings £
Cost	
At 1st January 1997	172,500
Additions	-
At 31st December 1997	<u>172,500</u>
Net Book Value	
At 31st December 1997	<u>172,500</u>
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 (or incorporation) and operation	Class of share	Proportion held	Nature of business	Profit/ (Loss) for year £	Aggregate Capital and Reserves at 31.12.97 £
<i>Principal subsidiary undertakings:</i>						
Ribble Packaging Limited	England	Ordinary	100%	Manufacturer and converter of corrugated board	149,783	452,423

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

RIBBLE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

8	DEBTORS	1997	1996
		£	£
	Amounts owed by group undertakings	-	2,227
9	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1997	1996
		£	£
	Bank loans and overdrafts	77,963	97,472
	Amounts owed to group undertakings	92,872	-
	Corporation tax	56	378
	Accruals and deferred income	671	906
		<u>171,562</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.

10	CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	1997	1996
		£	£
	Bank loans	-	75,498
		<u>-</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.

11	SHARE CAPITAL		
	Authorised	Number	£
	Ordinary shares of £1 each	3,000	3,000
	Preferred ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
	Allotted, issued and fully paid	Number	£
	Ordinary shares of £1 each	<u>999</u>	<u>999</u>

West Register Investments Limited (a wholly owned subsidiary of the Royal Bank of Scotland plc) holds 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.

RIBBLE HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997
12 RESERVES

	Profit and Loss Account £
At 1st January 1997	341
Profit for the year	435
At 31st December 1997	<u>776</u>

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the financial year	435	341
New share capital subscribed	-	999
Increase in shareholders' funds	<u>435</u>	<u>1,340</u>
Opening shareholders' funds	1,340	-
Closing shareholders' funds	<u>1,775</u>	<u>1,340</u>

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

	1997	1996
	£	£
Operating profit	12,720	22,191
Decrease/(Increase) in debtors	2,227	(2,227)
Increase in creditors	<u>92,872</u>	<u>250</u>
Net Cash Inflow from Operating Activities	<u>107,819</u>	<u>20,214</u>

15 GROSS CASH FLOWS

	1997	1996
	£	£
<i>Returns on investments and servicing of finance</i>		
Interest paid	<u>(12,464)</u>	<u>(20,816)</u>
<i>Net cash (outflow) for returns on investments and servicing of finance</i>	<u>(12,464)</u>	<u>(20,816)</u>
<i>Capital expenditure and financial investment</i>		
Purchase of fixed asset investments	<u>-</u>	<u>(172,500)</u>
<i>Net cash (outflow) for capital expenditure and financial investment</i>	<u>-</u>	<u>(172,500)</u>

RIBBLE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997

Financing

Issue of ordinary share capital	-	999
<i>Debt due within one year:</i>		
New short term loans	-	232,757
Repayment of short term loans	(95,007)	(59,787)
	(95,007)	172,970
<i>Net cash (outflow)/inflow for financing</i>	(95,007)	173,969

16 ANALYSIS OF NET DEBT

	At 1st January 1997	Cash Flow	Other non-cash changes	At 31st December 1997
	£	£	£	£
Cash in hand and at bank	867	(30)	-	837
	867	(30)	-	837
Debt due within one year	(97,472)	95,007	(75,498)	(77,963)
Debt due after one year	(75,498)	-	75,498	-
Total	(172,103)	94,977	-	(77,126)