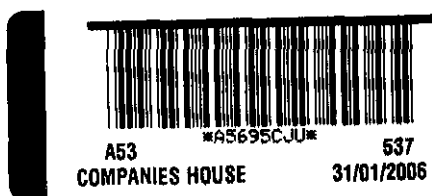


Lynxs Shredder Services Limited

Financial Statements

31 March 2004

Company No: 04401034



Lynxs Shredder Services Limited

Index

Contents	Pages
Officers and Professional Advisers	1
The Director's Report	2
Independent Auditors' Report to the Shareholders	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 to 8
 The Following Page Does Not Form Part of the Financial Statements	
Detailed Profit and Loss Account	10

Lynxs Shredder Services Limited

Company Information

The Board of Directors

T A Christian

Company Secretary

P J C Canney

Registered Office

The Clergy House
Churchyard
Ashford
Kent
TN23 1QG

Auditors

Shorts
Chartered Accountants
& Registered Auditors
6 Fairfield Road
Chesterfield
S40 4TP

Bankers

National Westminster Bank plc

Lynxs Shredder Services Limited

Director's Report

for the year ended 31 March 2004

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31 March 2004.

Principal Activities

The principal activity of the company during the year was the sale of spare parts for industrial shredders.

Director

The director who served the company during the year was as follows:

T A Christian

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

Director's Responsibilities

Company law requires the director 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 or loss of the company for that year.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director 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.

Auditors

A resolution to re-appoint Shorts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
The Clergy House
Churchyard
Ashford
Kent
TN23 1QG

Signed by

T A Christian

Director



Approved by the director on 27 January 2006

Lynxs Shredder Services Limited

Independent Auditors' Report to the Shareholders

for the year ended 31 March 2004

We have audited the financial statements of Lynxs Shredder Services Limited for the year ended 31 March 2004 on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 6. This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Director and Auditors

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.

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 director's 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Sharts

6 Fairfield Road
Chesterfield
S40 4TP

30 January 2006

SHORTS
Chartered Accountants
& Registered Auditors

Lynxs Shredder Services Limited

Profit and Loss Account

for the year ended 31 March 2004

	Note	Year to 31 Mar 04 £	Period from 21 Mar 02 to 31 Mar 03 £
Turnover		2,099,473	1,296,487
Cost of sales		1,885,500	1,136,985
Gross Profit		<u>213,973</u>	<u>159,502</u>
Administrative expenses		138,811	103,353
Operating Profit	2	<u>75,162</u>	<u>56,149</u>
Interest receivable		412	575
Interest payable and similar charges		(3,160)	(192)
Profit on Ordinary Activities Before Taxation		<u>72,414</u>	<u>56,532</u>
Tax on profit on ordinary activities	3	—	10,784
Retained Profit for the Financial Year		<u>72,414</u>	<u>45,748</u>
Balance brought forward		45,748	—
Balance carried forward		<u>118,162</u>	<u>45,748</u>

The notes on pages 6 to 8 form part of these financial statements.

Lynxs Shredder Services Limited

Balance Sheet

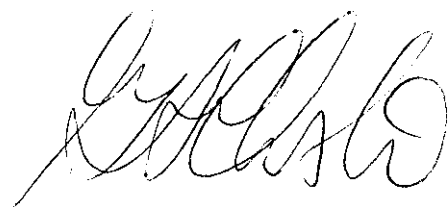
at 31 March 2004

	Note	£	2004 £	£	2003 £
Fixed Assets					
Tangible assets	4		6,212		—
Current Assets					
Stocks		134,620		45,401	
Debtors	5	632,792		371,748	
Cash at bank and in hand		132		146,142	
		<u>767,544</u>		<u>563,291</u>	
Creditors: Amounts Falling due Within One Year	6	<u>655,494</u>		<u>517,443</u>	
Net Current Assets			<u>112,050</u>		<u>45,848</u>
Total Assets Less Current Liabilities			<u>118,262</u>		<u>45,848</u>
Capital and Reserves					
Called-up equity share capital	8		100		100
Profit and loss account			<u>118,162</u>		<u>45,748</u>
Shareholders' Funds			<u>118,262</u>		<u>45,848</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved and signed by the director on 27 January 2006.

T A Christian



The notes on pages 6 to 8 form part of these financial statements.

Lynxs Shredder Services Limited
Notes to the Financial Statements
for the year ended 31 March 2004

1. Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, 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:

Plant & Machinery - 20% straight line

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Lynxs Shredder Services Limited

Notes to the Financial Statements

for the year ended 31 March 2004

2. Operating Profit

Operating profit is stated after charging/(crediting):

	Year to 31 Mar 04	Period from 21 Mar 02 to 31 Mar 03
	£	£
Depreciation of owned fixed assets	213	-
Auditors' fees	1,800	1,500
Net profit on foreign currency translation	<u>(4,931)</u>	<u>(4,244)</u>

3. Taxation on ordinary activities

	Year to 31 Mar 04	Period from 21 Mar 02 to 31 Mar 03
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 19%)	14,160	10,784
Group relief	<u>(14,160)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>10,784</u>

4. Tangible Fixed Assets

	Plant & Machinery £
Cost	
Additions	6,425
At 31 March 2004	<u>6,425</u>
Depreciation	
Charge for the year	213
At 31 March 2004	<u>213</u>
Net Book Value	
At 31 March 2004	<u>6,212</u>
At 31 March 2003	<u>-</u>

Lynxs Shredder Services Limited

Notes to the Financial Statements

for the year ended 31 March 2004

5. Debtors

	2004	2003
	£	£
Trade debtors	391,912	295,611
Amounts owed by group undertakings	216,088	76,037
Other debtors	24,792	100
	<u>632,792</u>	<u>371,748</u>

6. Creditors: Amounts Falling due Within One Year

	2004	2003
	£	£
Bank loans and overdrafts	134,801	—
Trade creditors	428,557	471,557
Corporation tax	—	10,784
Other taxation and social security	1,518	3,211
Other creditors	90,618	31,891
	<u>655,494</u>	<u>517,443</u>

7. Related Party Transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

8. Share Capital

Authorised share capital:

	2004	2003
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2004		2003
	No	£	No
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

9. Ultimate Parent Company

The parent company is Lynxs Shredder Technology Limited, which is the ultimate parent company.

Lynxs Shredder Services Limited

Management Information

Year Ended 31 March 2004

**The following page does not form part of the statutory financial statements
which are the subject of the independent auditors' report on page 3.**

Lynxs Shredder Services Limited
Trading and Profit and Loss Account
for the year ended 31 March 2004

	Year to 31 Mar 04	Period from 21 Mar 02 to 31 Mar 03
	£	£
Turnover	2,099,473	1,296,487
Cost of Sales		
Opening stock and work-in-progress	45,401	—
Purchases	1,911,724	1,137,273
Transport and haulage	62,995	45,113
	<u>2,020,120</u>	<u>1,182,386</u>
Closing work-in-progress	(134,620)	(45,401)
	<u>1,885,500</u>	<u>1,136,985</u>
Gross Profit	213,973	159,502
Overheads		
Wages and salaries	66,526	59,250
Employers national insurance contributions	7,402	5,951
Rent	5,467	—
Insurance	493	—
Motor expenses	23	—
Travel and subsistence	4,426	2,633
Telephone	55	—
Office expenses	367	—
Printing	876	—
Stationery and postage	—	202
Sundry expenses	557	607
Donations	50	—
Management charge	48,000	36,000
Legal and professional fees	1,443	—
Accountancy fees	950	1,075
Auditors remuneration	2,050	1,500
Depreciation	213	—
Bank charges	4,844	379
Foreign currency gains/losses	(4,931)	(4,244)
	<u>138,811</u>	<u>103,353</u>
Operating Profit	75,162	56,149
Bank interest receivable	412	575
	<u>75,574</u>	<u>56,724</u>
Bank interest payable	(3,160)	(192)
Profit on Ordinary Activities	<u>72,414</u>	<u>56,532</u>