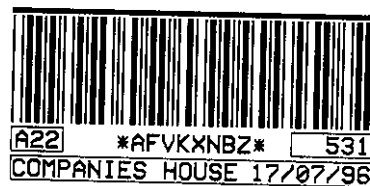


**ASSOCIATED INDEPENDENT MERCHANT
STOCKISTS LIMITED**

ANNUAL REPORT

YEAR ENDED 31 MARCH 1996

Registered Number 01676633



ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED

ANNUAL REPORT YEAR ENDED 31 MARCH 1996

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ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 March 1996 .

RESULTS AND DIVIDENDS

The profit for the financial year after tax amounted to £1,642.

The directors do not recommend the payment of a dividend for the year and recommend the balance of retained profit totalling £1,642 be transferred to reserves.

REVIEW OF THE BUSINESS

The principal activity of the Company remains that of Purchasing Rebate Co-ordinator.

The Board of Directors, together with the Buying Committee and Marketing Committee, have continued to improve relations with our Major Paper Mill Suppliers by seeking even closer links. A result of this action was that the Member's collective turnover for the calendar year 1995 was in excess of £107m enabling the Company's general standing and credibility within the UK Paper Trade to dramatically improve as a whole.

The Directors have continued, and will continue, to ensure that the Company maximises it's collective buying arrangements and marketing initiatives at every possible opportunity. This action enables it's members to compete effectively within a rapidly polarising Paper Merchanting sector, where independent merchants are clearly now the exception rather than the rule.

DIRECTORS

The directors at 31 March 1996 were as follows:

T R Bowler
H G N Davies
M J Wheat
M W L Randall
P J Blakeley (resigned 6.7.95)
M R Ovenden (appointed 6.7.95)

None of the directors has any interest in the share capital of the company.

FIXED ASSETS

Changes in fixed assets are shown in Note 9.

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
DIRECTORS' REPORT

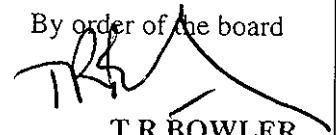
STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors Pannell Kerr Forster, Chartered Accountants, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

By order of the board



T R BOWLER
Secretary

6 June 1996

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
STATEMENT OF 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 or loss of the company 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;
- 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 enable them to ensure that 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED**

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of 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.

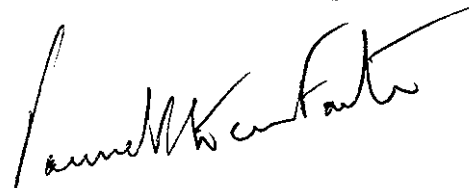
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards. 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 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 affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

10 June 1996

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 1996

	Notes	<u>1996</u> £	<u>1995</u> £
SALES AND REBATES RECEIVED	2	159,984	170,005
PURCHASES AND REBATES PAID TO MEMBERS		<u>(159,984)</u>	<u>(170,005)</u>
GROSS PROFIT		-	-
ADMINISTRATIVE EXPENSES		<u>1,108</u>	<u>(2,686)</u>
OPERATING PROFIT/(LOSS)		1,108	(2,686)
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME	7	<u>534</u>	<u>315</u>
PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	8	1,642	(2,371)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	13	<u><u>1,642</u></u>	<u><u>(2,371)</u></u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the result for the year.

There is no difference between the profit as reported above and the historical cost profit for the year.

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
BALANCE SHEET
31 MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Tangible assets	9	435	9,181
CURRENT ASSETS			
Debtors	10	-	574
Cash at bank and in hand		<u>15,092</u>	<u>11,628</u>
		15,092	12,202
CREDITORS			
Amounts falling due within one year	11	<u>21,945</u>	<u>29,443</u>
NET CURRENT LIABILITIES		<u>(6,853)</u>	<u>(17,241)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(6,418)</u>	<u>(8,060)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,100	1,100
Profit and loss account	13	<u>(7,518)</u>	<u>(9,160)</u>
EQUITY SHAREHOLDERS' FUNDS	14	<u>(6,418)</u>	<u>(8,060)</u>

Approved by the board on 6 June 1996



T R BOWLER

DIRECTOR

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1996

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs.

(a) Accounting convention

The financial statements set out on pages 5 to 10 are prepared under the historical cost convention.

(b) Depreciation

Tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following annual rates:

Office equipment	10%
Computer	20%
Motor vehicles	25%

(c) Turnover

Turnover represents invoiced sales less allowances, trade discounts and value added tax.

(d) Pension costs

The company operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions payable by the company to the fund in respect of the year.

2 TURNOVER

All turnover arose from trading in the UK. Many rebates in 1995/96 were paid directly to members.

3 STAFF PARTICULARS

Staff costs comprised:

	<u>1996</u>	<u>1995</u>
	£	£
Wages and salaries	-	30,752
Social Security costs	175	2,060
Other pension costs	-	3,237
	<u>175</u>	<u>36,049</u>

The average weekly number of persons employed during the year was made up as follows:

	<u>1996</u>	<u>1995</u>
	Number	Number
Administration	<u>5</u>	<u>7</u>

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1996

5 DIRECTOR'S REMUNERATION

The aggregate amount of directors' emoluments comprised:

	<u>1996</u>	<u>1995</u>
	£	£
Salaries as executives (including pension contributions)	<u>-</u>	<u>29,487</u>

6 PENSION COSTS

The assets of the company pension scheme are held separately from those of the company.

Contributions made by the company to the scheme during the year amounted to £Nil (1995 : £3,237).

7 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income represented interest receivable on bank deposits.

8 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging the following:

		<u>1996</u>	<u>1995</u>
		£	£
Depreciation	(Note 9)	661	5,454
Auditor's remuneration - audit fee		650	650
Staff costs	(Note 3)	175	36,049
		<u>-</u>	<u>-</u>

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1996

9 FIXED ASSETS - TANGIBLE

The movement on these accounts during the year was as follows:

	<u>Office equipment</u>	<u>Computer</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
Cost				
At 1 April 1995	4,765	4,673	16,170	25,608
Disposals	-	-	(16,170)	(16,170)
At 31 March 1996	4,765	4,673	-	9,438
Accumulated depreciation				
At 1 April 1995	3,853	4,489	8,085	16,427
Charge	477	184	-	661
Disposals	-	-	(8,085)	(8,085)
At 31 March 1996	4,330	4,673	-	9,003
Net book amount				
At 31 March 1996	435	-	-	435
At 1 April 1995	912	184	8,085	9,181

10 DEBTORS

Debtors comprised:

	<u>1996</u>	<u>1995</u>
	£	£
Other debtors	-	574

11 CREDITORS

Amounts falling due within one year

Creditors comprised:

	<u>1996</u>	<u>1995</u>
	£	£
Trade creditors	18,600	20,500
Other taxation and social security	695	1,135
Accruals and deferred income	2,650	7,808
	<u>21,945</u>	<u>29,443</u>

12 CALLED UP SHARE CAPITAL

Called up share capital comprised allotted, called up and fully paid ordinary shares of £1 each. The authorised share capital of the company throughout the year was £2,000 divided into 2,000 ordinary shares of £1 each.

ASSOCIATED INDEPENDENT MERCHANT STOCKISTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1996

13 RESERVES

The movement of reserves during the year was as follows:

	Profit and loss <u>account</u> £
At 1 April 1995	(9,160)
Retained profit for the year	<u>1,642</u>
At 31 March 1996	<u><u>(7,518)</u></u>

14 EQUITY SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds was as follows:

	<u>1996</u> £	<u>1995</u> £
Profit/(loss) for the financial year	1,642	(2,371)
Balance at 1 April 1995	<u>(8,060)</u>	<u>(5,689)</u>
Balance at 31 March 1996	<u><u>(6,418)</u></u>	<u><u>(8,060)</u></u>