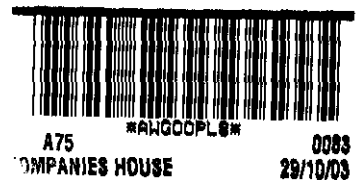


**BUCHANAN FOREST PRODUCTS TERMINAL
LIMITED**

REPORTS AND ACCOUNTS

31 DECEMBER 2001

REGISTERED NUMBER 3321092



BUCHANAN FOREST PRODUCTS TERMINAL LIMITED
REPORT AND ACCOUNTS 2001

CONTENTS	PAGE
Director and Officers	1
Director's Report	2
Statement of Director's Responsibilities	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7-11

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

DIRECTOR
H Mercer

SECRETARY
S Hardy

REGISTERED OFFICE
Leicester Road
Ibstock
Leicestershire
LE67 6HS

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

DIRECTOR'S REPORT

The Director presents his report and accounts for the year ended 31 December 2001.

CLOSURE

A decision to cease trading was made on 1st March 2000. An orderly wind-down of the business commenced on that date.

RESULTS AND DIVIDENDS

The wind-down of the business was completed by 31st December 2000, so the company did not trade in 2001.

The profit for the year on ordinary activities after taxation is £Nil (2000 - loss £18,620). The exceptional item for the year amounted to £Nil (2000-write-back £21,320) so the net profit after these write-backs amounts to £Nil (2000-profit - £2,700)

PRINCIPAL ACTIVITIES

The Company operated a port terminal for the marketing of timber.

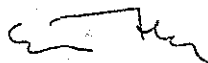
DIRECTOR AND HIS INTERESTS

Mr H Mercer, the sole Director served throughout the period. Mr H Mercer had no interest in the shares of Buchanan Forest Products Terminal Limited or Buchanan Forest Products Limited.

AUDITORS

It was resolved at a meeting of the members of the company on 21st November 2001 that in accordance with Section 250 of the Companies Act 1985, the Company being a dormant Company within the meaning of the said section, no auditor shall be appointed.

BY ORDER OF THE BOARD



Secretary

5/ October 2002

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Director to prepare accounts 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 accounts, the Director is required to:-

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business. As a decision has been made to close the company, the accounts have been prepared under the break-up basis.

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 accounts comply with the Companies Act 1985. He 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.

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	<i>Note</i>	<i>2001</i> £	<i>2000</i> £
TURNOVER	2	-	959,787
Cost of sales		-	924,641
GROSS PROFIT		-	35,146
Administrative expenses		-	41,755
OPERATING (LOSS)	3	-	(6,609)
Interest receivable		-	172
Interest payable	6	-	(12,183)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(18,620)
EXCEPTIONAL ITEM			
Termination of an operation	7	-	21,320
PROFIT AFTER EXCEPTIONAL ITEM		-	2,700
Tax on ordinary activities		-	-
RETAINED PROFIT FOR THE YEAR	11	-	2,700

There are no recognised gains or losses other than the profit for the period.

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

BALANCE SHEET

AT 31 December 2002

	Notes	2001 £	2000 £
CURRENT ASSETS			
Cash at bank		<u>-</u>	<u>3,621</u>
		-	3,621
CREDITORS:- amounts falling due within one year	9	<u>210,141</u>	<u>213,762</u>
NET CURRENT LIABILITIES		<u>(210,141)</u>	<u>(210,141)</u>
CAPITAL AND RESERVES			
Called up share capital	10	50,000	50,000
Profit and loss account	11	<u>(260,141)</u>	<u>(260,141)</u>
		<u>(210,141)</u>	<u>(210,141)</u>

For the year ended 31 December 2001 the company was entitled to exemption under section 249a (1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2).

The directors acknowledge their responsibility for:

- i) Ensuring the company keeps accounting records which comply with section 221; and
- ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the director on 31 October 2002 and signed by:



H Mercer

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES

Fundamental Accounting Concept

The accounts have been prepared on a break-up basis reflecting the decision to wind-down the business on 1st March 2000. Accordingly, adjustments have been made to provide for the diminution in value of all fixed assets so as to reduce their carrying value to their estimated realisable amount, to provide for any further liabilities which will arise, and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Accounting convention

The accounts have been prepared under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:-

Office equipment - over 5 to 10 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes transport and handling charges. Net realisable value is the estimated selling price at which the stocks can be sold in the normal course of business, after allowing for the cost of realisation.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2001

1. ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the assets have passed to the company, are capitalised in the balance sheet and are depreciated over their expected useful lives.

The interest element of rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pensions

The Company operates a defined contribution scheme which requires contributions to be made to a separately administered fund for each employee. Contributions to this fund are charged to the profit and loss account as they become due.

Cash Flow Statement

The Company has taken advantage of the exemption permitted under FRS 1 revised from preparing a cashflow statement as it qualifies as a small company.

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2001

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties with respect to merchanting and related businesses.

The company operated in one main area of activity, that of trading in forest products.

All turnover by origin and destination was within the UK & Eire.

3. OPERATING (LOSS) / PROFIT

	2001	2000
	£	£
This is stated after charging:		
Auditors' remuneration - audit services	-	2,000
Depreciation of tangible fixed assets	-	567
Operating lease rentals		
- motor vehicles	-	2,601

4. DIRECTOR'S EMOLUMENTS

The Director received no remuneration from the company in 2001 or in 2000.

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2001

5. STAFF COSTS	2001	2000
	£	£
Wages and salaries	-	18,621
Social security costs	-	2,049
Other pension costs	-	1,734
	<u>-</u>	<u>22,404</u>

The average weekly number of employees during the year was as follows:

	2001	2000
	No.	No.
Management and sales	-	1
Administrative	-	-
	<u>-</u>	<u>1</u>

6. INTEREST PAYABLE

	2001	2000
	£	£
Bank overdraft	-	197
Related company	-	11,986
	<u>-</u>	<u>12,183</u>

7. EXCEPTIONAL ITEM-TERMINATION OF AN OPERATION

	2001	2000
	£	£
Fixed assets	-	(561)
Stocks	-	87
Debtors	-	(909)
Other provisions	-	(19,937)
	<u>-</u>	<u>(21,320)</u>

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2001

8. PENSION SCHEME COSTS AND COMMITMENTS

The Company operates a defined contribution scheme for its employees which requires contributions to be made to separately administered funds for each employee.

No contributions were made by the Company to the scheme or charged to the profit and loss account in 2001 (£1,734 - 2000).

9. CREDITORS

	2001	2000
	£	£
Trade creditors	-	568
Amounts owed to immediate parent undertaking	105,597	105,597
Amounts owed to related company	104,544	105,597
Accruals and deferred income	-	2,000
	<u>210,141</u>	<u>213,762</u>

10. SHARE CAPITAL

	2001	2000
	£	£
Authorised, allotted and fully paid: 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

BUCHANAN FOREST PRODUCTS TERMINAL LIMITED

NOTES TO THE ACCOUNTS

at 31 December 2001

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders funds</i>
	£	£	£
At 1 January 2000	50,000	(262,841)	(212,841)
Profit for the year	-	2,700	2,700
At 31 December 2000	50,000	(260,141)	(210,141)
Profit for the year	-	-	-
At 31 December 2001	50,000	(260,141)	(210,141)

12. RELATED PARTY TRANSACTIONS

The Company purchased timber in 2001 with a value of £Nil (2000-£378,127) in the normal course of business and at arms length from Price & Pierce Ltd, a subsidiary of Price & Pierce (Holding Company) Ltd who is a shareholder in the Company.

13. ULTIMATE HOLDING COMPANY

The ultimate parent undertaking and the largest group of undertakings of which the company is a member and for which group accounts are prepared, is Buchanan Forest Products Ltd, a company incorporated in Canada. Copies of its group accounts are available from the company secretary, McIntyre Centre, Thunder Bay, Ontario, Canada.