Registration number 608721

Payne Bros UK Ltd

Abbreviated accounts

for the year ended 31 December 2002



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Payne Bros UK Ltd

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Payne Bros UK Ltd

Directors' report
for the year ended 31 December 2002

The directors present their report and the accounts for the year ended 31 December 2002.

Principal activity and review of the business

The principal activity of the company is the wholesaling of glassware, catering accessories and cleaning products.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31/12/02	01/01/02 or date of appointment
David William Payne	-	-
Doreen Ann Payne	-	-
David Stuart Lee Payne	-	-
Hugh Peter Irvine (resigned 27.3.02)	-	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 to 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

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that R J Lewin & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 1/5/03 and signed on its behalf by

D A Payne

Mrs Doreen Ann Payne
Secretary

Independent auditors' report to Payne Bros UK Ltd under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 15 together with the financial statements of Payne Bros UK Ltd for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2002, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.

Other information

On 3RD MAY 2003 we reported as auditors of Payne Bros UK Ltd to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 2002 and our audit report was as follows:

' We have audited the financial statements of Payne Bros UK Ltd for the year ended 31 December 2002 which comprise the profit and loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' are responsible for preparing the Annual Report and financial statements in accordance with the applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

As described in the statement of directors' responsibilities the company's directors are 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 proprerly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' 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 directors' remuneration and transactions with the company is not disclosed.

Independent auditors' report to Payne Bros UK Ltd under Section 247B of the Companies Act 1985

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We read the directors 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 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 the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

Date: 3RD MAY 2003

R J Lewin & Co
Chartered Accountants & Registered Auditors

Old Bell Chambers
Bank Street
Chepstow
Monmouthshire
NP16 5EJ

Abbreviated profit and loss account
for the year ended 31 December 2002

	Notes	Continuing operations 2002 £	2001 £
Gross profit		1,628,537	1,896,960
Administrative expenses		(1,585,668)	(1,668,594)
Other operating income		17,554	15,051
Operating profit	2	60,423	243,417
Investment income	3	-	726,990
Other interest receivable and similar income	5	3,986	5,697
Amount written off investments	4	-	(546,509)
Interest payable and similar charges	6	(1,249)	(1,338)
Profit on ordinary activities before taxation		63,160	428,257
Tax on profit on ordinary activities	9	(10,174)	(50,831)
Retained profit for the year		52,986	377,426
Retained profit brought forward		1,042,778	665,352
Retained profit carried forward		1,095,764	1,042,778

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 15 form an integral part of these financial statements.

Payne Bros UK Ltd

Abbreviated balance sheet
as at 31 December 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Intangible assets	10		16,960		21,200
Tangible assets	11		267,147		305,380
Investments	12		1,088		1,088
			285,195		327,668
Current assets					
Stocks	13	1,094,800		1,063,054	
Debtors	14	886,957		1,103,411	
Cash at bank and in hand		115,628		103,847	
		2,097,385		2,270,312	
Creditors: amounts falling due within one year	15	(1,286,060)		(1,547,846)	
Net current assets			811,325		722,466
Total assets less current liabilities			1,096,520		1,050,134
Creditors: amounts falling due after more than one year	16		(550)		(7,150)
Net assets			1,095,970		1,042,984
Capital and reserves					
Called up share capital	17		206		206
Profit and loss account			1,095,764		1,042,778
Equity shareholders' funds	18		1,095,970		1,042,984

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 1/5/03 and signed on its behalf by

David William Payne
Director

The notes on pages 7 to 15 form an integral part of these financial statements.

Cash flow statement
for the year ended 31 December 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		60,423	243,417
Depreciation		71,441	79,416
(Increase) in stocks		(31,746)	(35,178)
Decrease in debtors		216,454	105,827
(Decrease) in creditors		(216,263)	(284,347)
Net cash inflow from operating activities		100,309	109,135
Cash flow statement			
Net cash inflow from operating activities		100,309	109,135
Returns on investments and servicing of finance	21	2,737	731,349
Taxation	21	(49,704)	(2,618)
Capital expenditure	21	(28,968)	(57,838)
		24,374	780,028
Financing	21	(12,588)	(750,152)
Increase in cash in the year		11,786	29,876
Reconciliation of net cash flow to movement in net funds (Note 22)			
Increase in cash in the year		11,786	29,876
Cash outflow from increase in debts and lease financing		12,588	750,152
Change in net funds resulting from cash flows		24,374	780,028
New finance leases and hire purchase contracts		-	(23,921)
Movement in net funds in the year		24,374	756,107
Net funds at 1 January 2002		84,105	(672,001)
Net funds at 31 December 2002		108,479	84,106

Notes to the abbreviated financial statements for the year ended 31 December 2002

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales and shipthrough reclaims made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over 50 years
Office equipment	-	between 15% and 25% reducing balance
Fixtures & fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.6. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7. Stock

Stock is valued at the lower of weighted average cost and net realisable value.

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	4,240	4,240
Depreciation and other amounts written off tangible assets	62,256	71,920
Loss on disposal of tangible fixed assets	4,945	3,256
Auditors' remuneration	4,250	4,250

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3. Income from investments

	2002 £	2001 £
Income from subsidiary undertakings	-	726,990

4. Amounts written off investments

	2002 £	2001 £
Amounts written off investments in prior years written back:		
- fixed assets	-	546,509

5. Interest receivable and similar income

	2002 £	2001 £
Bank interest	3,986	4,303
Other interest	-	1,394
	3,986	5,697

6. Interest payable and similar charges

	2002 £	2001 £
Hire purchase interest	1,188	1,338
On overdue tax	61	-
	1,249	1,338

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7. Employees

Number of employees

The average monthly numbers of employees (including the directors) during the year were:	2002	2001
	50	50

Employment costs	2002 £	2001 £
Wages and salaries	927,299	959,488
Social security costs	6,450	10,146
Other pension costs	4,553	8,291
	938,302	977,925

7.1. Directors' emoluments

	2002 £	2001 £
Remuneration and other emoluments	68,643	102,683
Pension contributions	1,140	5,014
	69,783	107,697

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	1

8. Pension costs

The company operates defined contribution pension schemes in respect of one of the directors and staff. The schemes and their assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £4,553 (2001 - £8,291).

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9. Tax on profit on ordinary activities

Analysis of charge in period		2002 £	2001 £
Current tax			
UK corporation tax at 20.00% (2001 - 20.00%)	%	10,174	49,716
Prior period adjustments		-	1,115
		10,174	50,831
Total current tax charge		10,174	50,831
Tax on profit on ordinary activities		10,174	50,831

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20 per cent). The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before taxation	63,160	428,257
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (31 December 2001 : 20%)	12,632	85,651
Expenses not deductible for tax purposes (primarily goodwill amortisation)	(199)	35,856
Capital allowances for period in excess of depreciation	2,657	80
Current tax charge for period	(10,174)	(49,715)

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10. Intangible fixed assets

	Goodwill	Total
	£	£
Cost		
At 1 January 2002	42,400	42,400
At 31 December 2002	42,400	42,400
Provision for diminution in value		
At 1 January 2002	21,200	21,200
Charge for year	4,240	4,240
At 31 December 2002	25,440	25,440
Net book values		
At 31 December 2002	16,960	16,960
At 31 December 2001	21,200	21,200

11. Tangible fixed assets

	Long leasehold property	Fixtures, & Fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2002	61,875	258,124	146,297	512,812	979,108
Additions	-	-	23,479	14,464	37,943
Disposals	-	-	-	(86,458)	(86,458)
At 31 December 2002	61,875	258,124	169,776	440,818	930,593
Depreciation					
At 1 January 2002	8,661	206,501	110,113	348,453	673,728
On disposals	-	-	-	(72,538)	(72,538)
Charge for the year	1,238	7,743	12,049	41,226	62,256
At 31 December 2002	9,899	214,244	122,162	317,141	663,446
Net book values					
At 31 December 2002	51,976	43,880	47,614	123,677	267,147
At 31 December 2001	53,214	51,623	36,184	164,359	305,380

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Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2002 Net book value £	2002 Depreciation charge £	2001 Net book value £	2001 Depreciation charge £
Motor vehicles	10,441	3,480	49,371	16,457

12. Fixed asset investments

	Other unlisted investments £	Total £
Cost		
At 1 January 2002		
At 31 December 2002	1,088	1,088
Net book values		
At 31 December 2002	1,088	1,088
At 31 December 2001	1,088	1,088

Fixed asset investments

	2002 £	2001 £

13. Stocks

	2002 £	2001 £
Goods for resale	1,094,800	1,063,054

14. Debtors

	2002 £	2001 £
Trade debtors	805,708	995,178
Other debtors	21,040	42,106
Prepayments and accrued income	60,209	66,127
	886,957	1,103,411

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15. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	-	4
Net obligations under finance leases and hire purchase contracts	6,600	12,588
Trade creditors	939,746	1,087,757
Amounts owed to connected companies	1,088	1,088
Corporation tax	10,186	49,717
Other taxes and social security costs	98,529	126,220
Directors' accounts	212,288	240,602
Other creditors	-	6,306
Accruals and deferred income	17,623	23,564
	1,286,060	1,547,846

16. Creditors: amounts falling due after more than one year	2002 £	2001 £
Net obligations under finance leases and hire purchase contracts	550	7,150

17. Share capital	2002 £	2001 £
Authorised equity		
206 Ordinary shares of £1 each	206	206
Allotted, called up and fully paid equity		
206 Ordinary shares of £1 each	206	206

18. Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit for the year	52,986	377,426
Opening shareholders' funds	1,042,984	665,558
Closing shareholders' funds	1,095,970	1,042,984

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19. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum
	2002	2001	in year
	£	£	£
Hugh Peter Irvine	-	5,616	5,616

20. Ultimate parent undertaking

The ultimate parent company is Payne Bros Holdings (UK) Ltd which holds a 62% shareholding.

21. Gross cash flows

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	3,986	5,697
Interest paid	(1,249)	(1,338)
Dividends received	-	726,990
	2,737	731,349
Taxation		
Corporation tax paid	(49,704)	(2,618)
Capital expenditure		
Payments to acquire tangible assets	(37,943)	(67,138)
Receipts from sales of tangible assets	8,975	9,300
	(28,968)	(57,838)
Financing		
Repayment of other short term loans	-	(725,089)
Capital element of finance leases and hire purchase contracts	(12,588)	(25,063)
	(12,588)	(750,152)

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22. Analysis of changes in net debt

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	103,847	11,781	115,628
Overdrafts	(4)	4	-
	103,843	11,785	115,628
Finance leases and hire purchase contracts	(19,738)	12,588	(7,150)
Net debt	84,105	24,373	108,478