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REGISTRAR'S COPY

134.

Peter Fanning (Plastics) Limited

Report of the Directors  
and Financial Statements

for the year ended

31 March 1982



THORNTON BAKER

Chartered Accountants

BRIGHTON

Peter Fanning (Plastics) Limited

Report of the Directors

The directors present their report together with financial statements for the year ended 31 March 1982.

1. Principal activities

The company is principally engaged in the manufacture of plastic goods. In April 1981, the company moved premises to Hove thus incurring certain non-recurring expenses and disrupting production for a period.

2. Results and dividends

There was a loss for the year after taxation amounting to £33,246 (1981: £3,668). In view of the loss the directors do not recommend payment of a dividend.

3. Exports

Direct exports from the United Kingdom by the company as principal amounted to £21,862.

4. Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year.

The interests of the directors in the shares of the company at 1 April 1981 and at 31 March 1982, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1967, were as follows:-

|              | <u>1982 and 1981</u><br><u>Ordinary shares</u> |
|--------------|------------------------------------------------|
| T.B. Ives    | 2,000                                          |
| P.I. Fanning | 2,000                                          |
| C.L. Fecher  | 2,000                                          |

T.B. Ives retired from the Board on 31 March 1983.

5. Fixed Assets

The principal items of capital expenditure were:-

|                  |         |
|------------------|---------|
| Moulding machine | £14,395 |
| Computer         | £10,249 |
| Fork lift        | £ 2,400 |
| Motor vehicle    | £ 7,270 |

Peter Fanning (Plastics) Limited

Report of the Directors (continued)

6. Stock Valuation

During the year the company revised its method of valuing overheads attributable to stock of finished goods. This revision resulted in a reduction in the stock at 31 March 1982 of £16,110.

7. Auditors

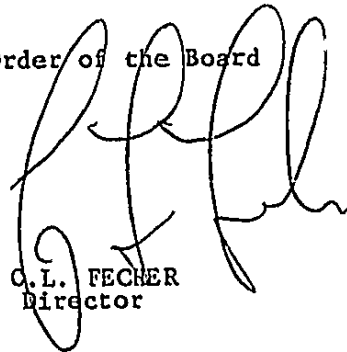
Thornton Baker offer themselves for re-appointment as auditors in accordance with Section 14(1) of the Companies Act 1976.

Registered Office:

Goldstone Lane,  
Hove,  
Sussex.

27 June 1983

By Order of the Board



C.L. FECHER  
Director

Report of the Auditors to the Members of

Peter Fanning (Plastics) Limited

We have audited the financial statements on pages 1 to 7. Our audit was conducted in accordance with approved Auditing standards having regard to the matter referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors who are shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31 March 1982 and of its loss and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

*Thornton Baker*  
THORNTON BAKER

Brighton

27 June 1983

Peter Fanning (Plastics) Limited

Accounting Policies

for the year ended 31 March 1982

The financial statements have been prepared under the historical cost convention and in compliance with S.149A and Sch.8A of the Companies Act 1948.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

(a) Depreciation

Depreciation is calculated on the reducing balance method and aims to write down the cost of all fixed assets (except the computer) over their expected useful lives.

The rates generally applicable are:-

|                     |     |
|---------------------|-----|
| Plant and equipment | 15% |
| Motor vehicles      | 25% |

No depreciation has been provided on the computer as it was purchased immediately prior to the year end.

(b) Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value.

In the case of raw materials, cost means purchase price including transport and handling costs, less trade discounts. In the case of work in progress and finished goods, cost consists of direct materials, direct labour and attributable production and other overheads.

Net realisable value means estimated selling price (less trade discounts), less all further costs to completion.

During the year, there has been a change in the accounting estimate in that the method of valuing attributable overheads has been revised. This change has resulted in a reduction in the stock at 31 March 1982 of £16,110 and an increase in the loss for the year of the same amount.

Peter Fanning (Plastics) Limited

Profit and Loss Account

for the year ended 31 March 1982

|                                                           | <u>Note</u> | <u>1982</u>      | <u>1981</u>     |
|-----------------------------------------------------------|-------------|------------------|-----------------|
|                                                           |             | £                | £               |
| Trading loss before taxation<br>after taking into account |             | (33,246)         | (3,668)         |
| Bank deposit interest received                            |             | <u>1,424</u>     | <u>-</u>        |
| Directors' emoluments                                     | 1           | 43,751           | 37,768          |
| Depreciation                                              |             | 15,022           | 11,204          |
| Dilapidations                                             |             | 5,909            | -               |
| Removal costs                                             |             | 2,713            | -               |
| Auditors' remuneration                                    |             | 1,200            | 850             |
| Interest payable                                          | 2           | <u>3,835</u>     | <u>10,523</u>   |
| Taxation                                                  | 3           | <u>-</u>         | <u>-</u>        |
| Net loss                                                  |             | <u>£(33,246)</u> | <u>£(3,668)</u> |

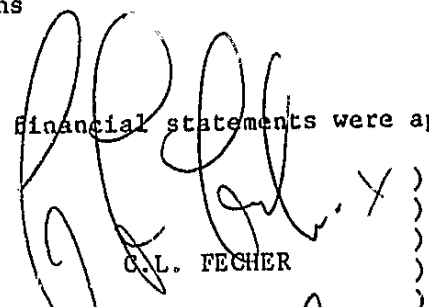
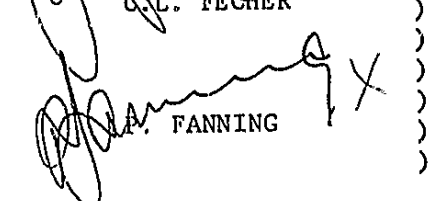
The Accounting Policies on page 1 and the Notes  
on pages 5 to 7 form part of these accounts

Peter Fanning (Plastics) Limited

Balance Sheet at 31 March 1982

|                                  | <u>Note</u> | <u>1982</u>    | <u>1981</u>     |
|----------------------------------|-------------|----------------|-----------------|
|                                  |             | £              | £               |
| <b>Assets employed</b>           |             |                |                 |
| Fixed assets                     | 4           | 78,808         | 62,772          |
| Investment                       | 5           | 120            | 120             |
| <b>Current assets</b>            |             |                |                 |
| Stock and work in progress       | 6           | 81,033         | 56,812          |
| Debtors                          |             | 123,900        | 101,493         |
| Bank balances and cash           |             | 10,099         | 185             |
|                                  |             | <u>215,032</u> | <u>158,490</u>  |
| <b>Current liabilities</b>       |             |                |                 |
| Peter Fanning (Holdings) Limited |             | 1,572          | 10,000          |
| Creditors                        | 7           | 179,248        | 83,435          |
| Hire purchase                    |             | 10,209         | 5,716           |
| Directors' current accounts      |             | 2,068          | 806             |
| Bank overdraft (secured)         |             | 24,581         | 13,513          |
|                                  |             | <u>217,678</u> | <u>113,470</u>  |
| Net current (liabilities)/assets |             | <u>(2,646)</u> | <u>45,020</u>   |
|                                  |             | <u>£76,282</u> | <u>£107,912</u> |
| <b>Financed by</b>               |             |                |                 |
| Share capital                    | 8           | 6,000          | 6,000           |
| Reserves                         | 9           | 22,822         | 56,068          |
| Total share capital and reserves |             | 28,822         | 62,068          |
| Loans                            | 10          | 47,460         | 45,844          |
|                                  |             | <u>£76,282</u> | <u>£107,912</u> |

These financial statements were approved by the Board of Directors on 27 June 1983

  
 G.L. FECHER  
  
 P. FANNING  
 Directors

The Accounting Policies on page 1 and the Notes  
on pages 5 to 7 form part of these accounts

Peter Fanning (Plastics) Limited  
Statement of Source and Application of Funds  
for the year ended 31 March 1982

|                                                               | £      | <u>1982</u>   | £                | £             | <u>1981</u> | £               |
|---------------------------------------------------------------|--------|---------------|------------------|---------------|-------------|-----------------|
| Source/(outflow) of funds                                     |        |               |                  |               |             |                 |
| From operations                                               |        |               |                  |               |             |                 |
| Trading loss before tax                                       |        |               | (33,246)         |               |             | (3,668)         |
| Adjustments for items not involving<br>the movement of funds: |        |               |                  |               |             |                 |
| Depreciation                                                  | 15,022 |               |                  | 11,204        |             |                 |
| Loss on disposal of fixed assets                              | 1,436  |               |                  | 197           |             |                 |
| Profit on disposal of leases                                  | (550)  |               |                  | -             |             |                 |
|                                                               |        | <u>15,908</u> |                  |               |             | <u>11,401</u>   |
|                                                               |        |               | (17,338)         |               |             | 7,733           |
| From other sources                                            |        |               |                  |               |             |                 |
| Sale of fixed assets                                          | 5,043  |               |                  |               | 5           |                 |
| Loan                                                          | -      |               |                  | <u>20,000</u> |             |                 |
|                                                               |        | <u>5,043</u>  |                  |               |             | <u>20,005</u>   |
|                                                               |        |               | (12,295)         |               |             | 27,738          |
| Application of funds                                          |        |               |                  |               |             |                 |
| Purchase of fixed assets                                      |        |               | (36,987)         |               |             | (29,286)        |
| Net outflow of funds                                          |        |               | <u>£(49,282)</u> |               |             | <u>£(1,548)</u> |
| Increases/(decreases) in working capital                      |        |               |                  |               |             |                 |
| Stock                                                         |        | 24,221        |                  |               |             | (848)           |
| Debtors                                                       |        | 22,407        |                  |               |             | 8,016           |
| Creditors                                                     |        | (95,813)      |                  |               |             | 2,013           |
| Directors' current accounts                                   |        | (1,262)       |                  |               |             | (52)            |
| Peter Fanning (Holdings) Limited                              |        | 8,428         |                  |               |             | -               |
| Hire purchase accounts                                        |        | (6,109)       |                  |               |             | <u>2,679</u>    |
|                                                               |        |               | (48,128)         |               |             | 11,808          |
| Net liquid funds:                                             |        |               |                  |               |             |                 |
| Bank balances and cash                                        |        |               | <u>(1,154)</u>   |               |             | <u>(13,356)</u> |
| Net decrease in working capital                               |        |               | <u>£(49,282)</u> |               |             | <u>£(1,548)</u> |

Peter Fanning (Plastics) Limited

Notes to the Accounts

for the year ended 31 March 1982

| 1. Directors' emoluments | <u>1982</u><br>£ | <u>1981</u><br>£ |
|--------------------------|------------------|------------------|
| Directors' fees          | 39,305           | 33,830           |
| Pension contributions    | <u>4,446</u>     | <u>3,570</u>     |
|                          | <u>£43,751</u>   | <u>£37,400</u>   |

The emoluments of the directors, excluding pension contributions were as follows:-

|                           |               |               |
|---------------------------|---------------|---------------|
| The chairman              | 13,432        | 12,134        |
| The highest paid director | 14,300        | 11,246        |
|                           | <u>Number</u> | <u>Number</u> |
| Other director            |               |               |
| £10,001 - £15,000         | 1             | 1             |

| 2. Interest payable    | <u>1982</u><br>£ | <u>1981</u><br>£ |
|------------------------|------------------|------------------|
| Bank interest          | -                | 6,313            |
| Hire purchase interest | <u>3,835</u>     | <u>4,210</u>     |
|                        | <u>£3,835</u>    | <u>£10,523</u>   |

3. Taxation

Tax losses

The company has unrelieved tax losses of £97,398 (1981: £41,511) which are available to be set against future trading profits of the company.

Close company legislation

The company is a close company as defined by Section 282 of the Income and Corporation Taxes Act 1970.

The directors are of the opinion that the income of the company does not fall to be apportioned under the provisions of Schedule 16 to the Finance Act 1972.

Peter Fanning (Plastics) Limited

Notes to the Accounts

for the year ended 31 March 1982

4. Fixed assets

|                                     | <u>Total</u> | <u>Short</u>     | <u>Plant and</u> | <u>Motor</u>    | <u>Computer</u> |
|-------------------------------------|--------------|------------------|------------------|-----------------|-----------------|
|                                     | <u>£</u>     | <u>leasehold</u> | <u>machinery</u> | <u>vehicles</u> | <u>£</u>        |
|                                     |              | <u>property</u>  |                  |                 |                 |
|                                     |              | <u>£</u>         |                  |                 |                 |
| Cost                                |              |                  |                  |                 |                 |
| At 1 April 1981                     | 94,995       | 220              | 61,241           | 33,534          | -               |
| Additions                           | 36,987       | -                | 19,469           | 7,269           | 10,249          |
|                                     | 131,982      | 220              | 80,710           | 40,803          | 10,249          |
| Disposals                           | 12,058       | 220              | 2,588            | 9,250           | -               |
| At 31 March 1982                    | £119,924     | £ -              | £78,122          | £31,553         | £10,249         |
| Depreciation                        |              |                  |                  |                 |                 |
| At 1 April 1981                     | 32,223       | 185              | 19,399           | 12,639          | -               |
| Provided in the year                | 15,022       | -                | 8,807            | 6,215           | -               |
|                                     | 47,245       | 185              | 28,206           | 18,854          | -               |
| Disposals                           | 6,129        | 185              | -                | 5,944           | -               |
| At 31 March 1982                    | £41,116      | £ -              | £28,206          | £12,910         | £ -             |
| Net book amount<br>at 31 March 1982 | £78,808      | £ -              | £49,916          | £18,643         | £10,249         |
| Net book amount<br>at 31 March 1981 | £62,772      | £35              | £41,842          | £20,895         | £ -             |

5. Investment

The investment represents the cost of the issued share capital of Walter Warsop Limited. The company did not trade during the year and therefore no consolidated accounts have been prepared.

6. Stock and work in progress

|                                     | <u>1982</u> | <u>1981</u> |
|-------------------------------------|-------------|-------------|
|                                     | <u>£</u>    | <u>£</u>    |
| Raw materials                       | 38,274      | [ 56,812    |
| Work in progress and finished goods | 42,759      | [           |
|                                     | £81,033     | £56,812     |

As described in the Accounting Policies on page 1, the method of estimating overheads attributable to finished goods has been revised resulting in a reduction of £16,110 in the finished goods stock.

7. Creditors

Included in the total creditors of £179,248 is an amount of £10,249 which was converted into a hire purchase agreement in June 1982.

Peter Fanning (Plastics) Limited

Notes to the Accounts  
(continued)

for the year ended 31 March 1982

8. Share capital

|                            | <u>1982 and 1981</u> |                                  |
|----------------------------|----------------------|----------------------------------|
|                            | <u>Authorised</u>    | <u>Issued and<br/>fully paid</u> |
| Ordinary shares of £1 each | <u>£10,000</u>       | <u>£6,000</u>                    |

9. Reserves

|                  | <u>Retained profits</u><br>£ |
|------------------|------------------------------|
| At 1 April 1981  | 56,068                       |
| Net loss         | <u>(33,246)</u>              |
| At 31 March 1982 | <u>£22,822</u>               |

10. Loans

|                                                                                                          | <u>1982</u><br>£ | <u>1981</u><br>£ | <u>Repay-<br/>ment<br/>instal-<br/>ments</u><br>£ | <u>Average<br/>rate of<br/>interest</u> |
|----------------------------------------------------------------------------------------------------------|------------------|------------------|---------------------------------------------------|-----------------------------------------|
| Hire purchase wholly<br>repayable before<br>31 March 1983                                                | 23,278           | 17,169           | 1,324                                             | 19%                                     |
| From directors                                                                                           | <u>34,391</u>    | <u>34,391</u>    | NIL                                               | NIL                                     |
|                                                                                                          | 57,669           | 51,560           |                                                   |                                         |
| Deduct:                                                                                                  |                  |                  |                                                   |                                         |
| Proportion included under<br>current liabilities -<br>repayable within one<br>year of balance sheet date | <u>10,209</u>    | <u>5,716</u>     |                                                   |                                         |
|                                                                                                          | <u>£47,460</u>   | <u>£45,844</u>   |                                                   |                                         |

11. Directors' interests in contracts

All the Directors are also Directors and shareholders of Peter Fanning (Holdings) Limited to whom rent of £28,000 has been paid during the year.

12. Contingent liabilities

A cross guarantee exists in respect of the bank borrowing of Peter Fanning (Holdings) Limited which amounted to £167,946 at 31 March 1982.