

PETER FANNING POLYFORM LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 30TH JUNE 1996

Company Number : 975813

JOHN A TUFFIN & CO
CHARTERED ACCOUNTANTS



PETER FANNING POLYFORM LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 30TH JUNE 1996

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The following pages do not form part of the statutory accounts

8	Detailed Trading and Profit and Loss Account
9	Schedule to the Detailed Trading and Profit and Loss Account

PETER FANNING POLYFORM LIMITEDREPORT OF THE DIRECTORS

The directors present their report and audited accounts for the year ended 30th June 1996.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year was the manufacture of plastic goods.

REVIEW OF THE BUSINESS

A summary of the results of the trading for the year is given on page 4 of the accounts.

The directors consider the state of affairs to be satisfactory.

RESULTS AND DIVIDENDS

The loss of the company for the year was £30,909, (1995 - £105,254 profit).

Details of dividends paid and proposed are given in note 8.

DIRECTORS

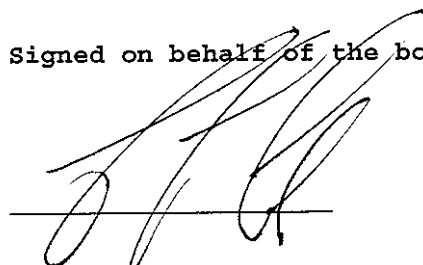
The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	<u>30th June 1996</u>	<u>30th June 1995</u>
C L Fecher	6,500	6,500
J R Ross	3,500	3,500

AUDITORS

The auditors, Messrs John A Tuffin & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors:



C L Fecher (Secretary)

Approved by the board:

28/4/97

Date

PETER FANNING POLYFORM LIMITED

REPORT OF THE DIRECTORS - CONTINUED

CHAIRMAN'S STATEMENT

The losses shown in the accounts occurred as a consequence of two abnormal events.

During the trading period many of the assets and the business of Wilmid Plc were aquired. Cost of the aquisition totalled some £170,000 and have been absorbed in these accounts.

Additional major expenditure related to the refurbishment of the Hove offices and factory at a total cost written off of some £60,000.

At the time of this Statement the absorption of the Wilmid business has been highly successful and both sales and profits have achieved record levels.

PETER FANNING POLYFORM LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial 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 financial accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial accounts 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 accounts 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.

PETER FANNING POLYFORM LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF

PETER FANNING POLYFORM LIMITED

We have audited the financial accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial accounts.

Opinion

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

John A Tuffin & Co
Registered Auditors
Chartered Accountants

12/13 Ship Street
Brighton
East Sussex
BN1 1AD



Date :

28 April 1997

PETER FANNING POLYFORM LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1996

	Note	<u>1996</u> £	<u>1995</u> £
TURNOVER	2	2,891,984	2,803,013
COST OF SALES		(2,000,911)	(1,878,285)
<u>GROSS PROFIT</u>		891,073	924,728
NET OPERATING EXPENSES			
Directors' Remuneration		(136,201)	(75,600)
Administrative Expenses		(765,373)	(674,102)
Bank Interest Received		684	-
<u>OPERATING PROFIT</u>	3	(9,817)	175,026
Interest Payable	6	(33,216)	(26,375)
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(43,033)	148,651
Taxation	7	12,124	(43,397)
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		(30,909)	105,254
Dividends	8	(17,500)	-
<u>RETAINED (LOSS)/PROFIT FOR THE YEAR</u>		(48,409)	105,254

Movements in reserves are shown in note 16.

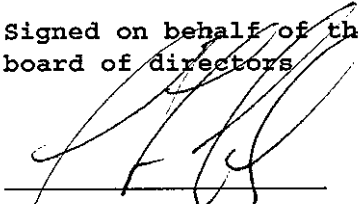
None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1996 or 1995 other than the (loss)/profit for the Year.

PETER FANNING POLYFORM LIMITEDBALANCE SHEET
AS AT 30TH JUNE 1996

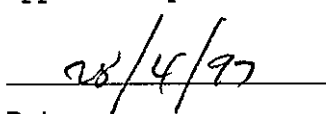
	Note	£	1996	£	1995	£
FIXED ASSETS						
Tangible Assets	9		350,363		226,789	
CURRENT ASSETS						
Stock	10	121,365		127,834		
Debtors	11	587,514		777,619		
Cash at Bank and in Hand		521		395		
			709,400		905,848	
CREDITORS: Amounts Falling Due Within One Year	12	573,916		629,938		
NET CURRENT ASSETS			135,484		275,910	
TOTAL ASSETS LESS CURRENT LIABILITIES			485,847		502,699	
CREDITORS: Amounts Falling Due After More Than One Year	13		209,882		178,326	
			£ 275,965		£ 324,373	
CAPITAL AND RESERVES						
Called Up Share Capital	15	10,000		10,000		
Share Premium Account		28,000		28,000		
Profit and Loss Account	16	237,964		286,373		
TOTAL SHAREHOLDERS' FUNDS	14	£ 275,964		£ 324,373		

Signed on behalf of the
board of directors


C. L. Fecher
Director


J. R. Ross
Director

Approved by the board:


Date

PETER FANNING POLYFORM LIMITEDCASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 1996

	<u>1996</u>	<u>1995</u>
	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	253,679	94,839
Returns on Investments and Servicing of Finance		
Interest Paid	(33,216)	(11,519)
Net Cash Outflow from Returns on Investments and Servicing of Finance	(33,216)	(11,519)
Taxation	12,126	(43,397)
Capital Expenditure		
Purchases of tangible fixed assets	(203,291)	(83,353)
Disposals of tangible fixed assets	16,000	3,536
Dividends paid to ordinary shareholders	(17,500)	-
<u>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>27,798</u>	<u>(39,894)</u>

See Note 17 for the notes to this statement.

PETER FANNING POLYFORM LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1996**1. ACCOUNTING POLICIES****Basis of Accounting**

These financial accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Short Leasehold Property	The period of the lease
Plant and Machinery	15% on written down value
Fixtures and Fittings	15% on written down value
Computer Equipment	25% on written down value
Motor Vehicles	25% on written down value

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the company.

PETER FANNING POLYFORM LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1996**3. OPERATING PROFIT**

	<u>1996</u>	<u>1995</u>
	£	£
Operating Profit is stated after charging:		
Depreciation of Tangible Assets	63,719	69,421
Profit/(Loss) on Sale of Fixed Assets	-	(545)
Operating Lease Rentals:		
Car Leasing	13,438	18,393
Hire of Plant and Equipment	18,497	14,390
Hire of Other Equipment	7,020	7,496
Staff Costs - note 4	1,194,104	990,692
Audit and Accountancy	10,605	8,765
	<u> </u>	<u> </u>

4. STAFF COSTS

The average monthly number employed including directors, within each category of persons was:

<u>1996</u>	<u>1995</u>
86	75
<u> </u>	<u> </u>

The costs incurred, including Directors Remuneration (note 5), in respect of these employees were:

	<u>1996</u>	<u>1995</u>
	£	£
Directors' Remuneration	117,052	66,779
Directors' Pension Scheme	7,210	1,186
Directors' NIC (Employers Share)	11,939	7,635
Factory Wages	798,214	708,459
Salaries and Wages	242,178	202,345
Relocation Expenses	4,717	-
Recruitment and Training	12,794	4,288
	<u> </u>	<u> </u>
	1,194,104	990,692
	<u> </u>	<u> </u>

Pension Costs**Defined Contributions Scheme**

The company operates a defined contributions scheme. The assets of the scheme are held separately from those of the company in an administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,210 (1995 £1,186).

PETER FANNING POLYFORM LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 19965. DIRECTORS

	<u>1996</u>	<u>1995</u>
	£	£
Emoluments of directors of the company were as follows:		
Directors' Remuneration	117,052	66,779
Directors' Pension Scheme	7,210	1,186
Directors' NIC (Employers Share)	11,939	7,635
	<u>136,201</u>	<u>75,600</u>

Number of Directors whose total emoluments, excluding pension contributions, were within the ranges:

£25,000 - £30,000	-	1
£35,000 - £40,000	-	1
£40,000 - £45,000	1	-
£70,000 - £75,000	1	-

6. INTEREST PAYABLE

	<u>1996</u>	<u>1995</u>
	£	£
Bank Interest and Charges	17,537	14,126
Loan Interest	2,034	3,442
Hire Purchase Interest	12,596	8,077
Interest and Penalties	1,049	730
	<u>33,216</u>	<u>26,375</u>

7. TAXATION

	<u>1996</u>	<u>1995</u>
	£	£
Taxation is based on the Loss for the Year and comprises:		
U.K. Corporation Taxation at 25% (1995 25%)	(11,798)	43,397
Overprovision in Previous Year	(326)	-
	<u>(12,124)</u>	<u>43,397</u>

8. DIVIDENDS

	<u>1996</u>	<u>1995</u>
	£	£
Dividends Paid	<u>17,500</u>	<u>-</u>

PETER FANNING POLYFORM LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 19969. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant and Machinery	Office Fixtures and Fittings	Leasehold Land and Buildings	Total
COST OR VALUATION	£	£	£	£	£
1st July 1995	14,300	440,649	81,747	12,000	548,696
Additions	35,501	123,569	10,196	34,025	203,291
Disposals	-	(20,440)	-	-	(20,440)
30th June 1996	49,801	543,778	91,943	46,025	731,547
DEPRECIATION					
1st July 1995	6,926	259,538	54,737	705	321,906
Charge for the Year	10,719	43,302	6,867	2,831	63,719
Disposals	-	(4,440)	-	-	(4,440)
30th June 1996	17,645	298,400	61,604	3,536	381,185
NET BOOK VALUE					
30th June 1996	32,157	245,378	30,339	42,489	350,363
30th June 1995	7,374	181,111	27,009	11,295	226,789

Tangible Fixed Assets includes, in respect of assets held under finance leases and hire purchase contracts, net book value £82,613 (1995 £77,649), cumulative depreciation £38,648 (1995 £39,091) and charge for the Year £18,357 (1995 £25,884).

10. STOCKS

	<u>1996</u>	<u>1995</u>
	£	£
Raw Materials and Consumables	121,365	127,834

11. DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Amounts falling due within one year:		
Trade Debtors	558,650	652,346
Sundry Debtors	23,864	125,273
ACT Recoverable	5,000	-
	587,514	777,619

PETER FANNING POLYFORM LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1996

12. CREDITORS - Amounts Falling Due
Within One Year

	<u>1996</u>	<u>1995</u>
	£	£
Bank Overdraft	37,673	52,183
Factoring Account (Secured on Trade Debtors)	41,046	54,205
Bank Loan Account	5,000	5,000
Trade Creditors	214,533	272,735
Sundry Creditors	67,604	33,031
Corporate Taxation	31,945	68,142
Income Tax and Social Security	27,796	29,155
Hire Purchase Account	40,811	31,859
Finance Lease Account	8,986	-
Amounts Owed to Associated Company	3,600	3,600
Value Added Tax	94,922	80,028
	<u>573,916</u>	<u>629,938</u>

13. CREDITORS - Amounts Falling Due
After More Than One Year

	<u>1996</u>	<u>1995</u>
	£	£
Bank Loan Account	109,591	114,972
Amounts Owed to Associated Company	12,664	19,564
Directors' Loan Account	1,735	110
Directors' Loan Account	875	-
Hire Purchase Account	67,739	43,680
Finance Lease Account	17,278	-
	<u>209,882</u>	<u>178,326</u>

The Bank Loan is secured by a fixed and floating charge on the assets of the company, and by directors personal guarantee.

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(30,909)	105,254
Dividends	(17,500)	-
	<u>(48,409)</u>	<u>105,254</u>
NET (SUBTRACTION FROM)/ADDITION TO SHAREHOLDERS' FUNDS	(48,409)	105,254
Opening shareholders' funds	324,373	219,119
<u>CLOSING SHAREHOLDERS' FUNDS</u>	<u>275,964</u>	<u>324,373</u>

15. SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Ordinary Shares Of £1 each		
Authorised	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted, Issued and Fully Paid	10,000	10,000

PETER FANNING POLYFORM LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 199616. RESERVES

	Profit and Loss Account	Share Premium Account
	£	£
Balance at 1st July 1995	286,373	28,000
Retained Loss for the Year	(48,409)	-
Balance at 30th June 1996	237,964	28,000

17. NOTES TO THE CASH FLOW STATEMENTRECONCILIATION OF OPERATING PROFIT TO
NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	<u>1996</u>	<u>1995</u>
	£	£
Operating Profit/(Loss)	(9,817)	160,170
Depreciation Charges	63,719	69,421
(Profit) on Sale of Fixed Assets	-	(545)
Decrease/(Increase) in Stocks	6,469	(27,837)
Decrease/(Increase) in Debtors	190,105	(141,409)
Increase/(Decrease) in Creditors	3,203	35,039
Net Cash Inflow/(Outflow) from Operating Activities	253,679	94,839

ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

Balance at 30th June 1995	(105,996)	(66,102)
Net Cash Inflow/(Outflow)	27,798	(39,894)
Balance at 30th June 1996	(78,198)	(105,996)

ANALYSIS OF THE BALANCES OF CASH AND CASH
EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1996</u>	<u>1995</u>	<u>Change in Year</u>
			£
Cash at Bank and in Hand	521	395	126
Bank Overdrafts	(78,719)	(106,391)	27,672
	(78,198)	(105,996)	27,798

PETER FANNING POLYFORM LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 199618. TRANSACTIONS WITH DIRECTORS

The company trades from premises occupied under a lease granted by a company in which C L Fecher Esq, a director, has a material interest. The lease was granted in 1991 for a period of 21 years at full market rent and under terms similar to those which would have applied had it been granted to a non-connected party.