

PETER FANNING POLYFORM LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the Year ended 30 June 1998

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PETER FANNING POLYFORM LIMITED

COMPANY INFORMATION

30 June 1998

NUMBER	975813
CHAIRMAN	C L Fecher
OTHER DIRECTORS	J R Ross
SECRETARY	C L Fecher
REGISTERED OFFICE	Goldstone Lane Hove Sussex
AUDITORS	John A Tuffin & Co Chartered Accountants 12/13 Ship Street Brighton BN1 1AD

PETER FANNING POLYFORM LIMITED

DIRECTORS' REPORT
 ABBREVIATED FINANCIAL STATEMENTS
 30 June 1998

The directors present their report and the abbreviated financial statements for the year ended 30 June 1998.

Principal activity

The principal activity of the company is the manufacture of plastic goods.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £450,099.

During the year the company increased its manufacturing capacity by the acquisition of premises on the Whitebridge Estate in Stone. The buildings were subject to a refurbishment programme and additional moulding machinery was installed. It is intended during August 1998 to transfer existing production on the Mount Estate to the premises on the Whitebridge Estate. In accordance with company policy, where possible, all costs associated with this project have been written off in the period of expenditure. This has resulted in a significant reduction in net profits from the previous year.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £110,000 is proposed.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

Directors

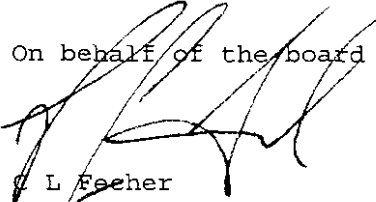
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 June 1998 Ordinary shares	1 July 1997 Ordinary shares
C L Fecher	60	60
J R Ross	40	40

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary John A Tuffin & Co will continue in office.

On behalf of the board


 C L Fecher
 Secretary

PETER FANNING POLYFORM LIMITED

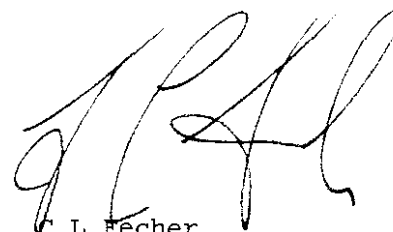
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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.

On behalf of the board

A handwritten signature in black ink, appearing to be 'C L Fecher', written in a cursive style.

C L Fecher
Chairman

PETER FANNING POLYFORM LIMITED

Auditors' report to

under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 5 to 15, together with the financial statements of the company for the year ended 30 June 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does 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 financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 15 are properly prepared in accordance with those provisions.

12/13 Ship Street
Brighton
BN1 1AD



John A Tuffin & Co
Registered Auditors
Chartered Accountants

Dated 28 April 1999.....

PETER FANNING POLYFORM LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the Year ended 30 June 1998

	Note	1998 £	1997 £
Gross profit		1,378,534	1,434,359
Net operating expenses			
Distribution costs		(153,194)	(168,990)
Administrative expenses		(1,079,630)	(775,245)
Other operating income		36	2,932
Operating profit	3	145,746	493,056
Interest payable	5	(40,386)	(41,952)
Profit on ordinary activities before taxation		105,360	451,104
Taxation	6	(28,277)	(122,049)
Profit on ordinary activities after taxation		77,083	329,055
Dividends	7	(110,000)	(122,000)
Retained (loss)/profit for the Year	17	(32,917)	207,055

Movements in reserves are shown in the notes to the financial statements.

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

There are no recognised gains and losses in 1998 or 1997 other than the (loss)/profit for the Year.

PETER FANNING POLYFORM LIMITED

ABBREVIATED BALANCE SHEET

at 30 June 1998

	Note	£	1998	£	1997	£
Fixed assets						
Tangible assets	8		594,973		333,207	
Current assets						
Stocks	10	163,837		124,284		
Debts factored without recourse	11	744,613		937,111		
Other debtors	11	69,293		55,097		
Cash at bank and in hand		5,480		1,703		
			983,223		1,118,195	
Creditors: amounts falling due within one year	12	(705,936)		(810,485)		
Net current assets			277,287		307,710	
Total assets less current liabilities			872,260		640,917	
Creditors: amounts falling due after more than one year	13	(422,161)		(157,899)		
			450,099		483,018	
Capital and reserves						
Called up share capital	15	10,000		10,000		
Share premium account	16	28,000		28,000		
Profit and loss account	17	412,099		445,018		
Total shareholders' funds	14	450,099		483,018		

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 15 were approved by the board of directors on *28 April 1999* and signed on its behalf by:

C L Fecher
Chairman

J R Ross
Director




PETER FANNING POLYFORM LIMITED

CASH FLOW STATEMENT

for the Year ended 30 June 1998

	Note	1998		1997	
		£	£	£	£
Net cash inflow from operating activities	18		276,272		313,530
Returns on investments and servicing of finance					
Interest paid		(22,174)		(31,084)	
Interest element of finance lease rental payments		(18,212)		(10,868)	
			(40,386)		(41,952)
Taxation					
Corporation tax paid			(108,389)		(26,743)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(362,548)		(96,973)	
Sale of tangible fixed assets		-		3,700	
			(362,548)		(93,273)
			(235,051)		151,562
Equity dividends paid			(110,000)		(122,000)
			(345,051)		29,562
Financing					
Debt due within a year:					
Bank loan repayments		45,102		-	
Hire purchase and finance leases		39,465		(7,210)	
Debt due beyond a year:					
Bank loan advances/(repayments)		170,978		(6,733)	
Hire purchase and finance leases		116,905		(33,040)	
			372,450		(46,983)
Increase/(decrease) in cash	19		27,399		(17,421)

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

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

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	Over the period of the lease
Short life computer equipment	25% of net book value
Plant and machinery	15% of net book value
Motor vehicles	25% of net book value
Fixtures and fittings	15% of net book value

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the Year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

3 Operating profit

	1998	1997
	£	£
Operating profit is stated after crediting		
Interest receivable	36	2,932
and after charging		
Staff costs (note 4)	1,475,600	1,202,262
Auditors' remuneration	7,280	8,040
Operating leases		
Hire of plant and machinery	13,128	25,747
Hire of assets other than plant & machin	9,682	5,406
Loss on sale of assets	-	129
Depreciation of tangible fixed assets (note 8)		
owned assets	100,781	60,502

4 Directors and employees

	1998	1997
	£	£
Staff costs including directors' emoluments		
Wages and salaries	1,375,884	1,105,884
Social security costs	5,348	7,378
Pension costs	94,368	89,000
	1,475,600	1,202,262
Average monthly number employed including executive directors:	Number 108	Number 89
Directors	£	£
Emoluments	53,478	72,612
Company contributions to money purchase pension schemes	94,368	89,000
	147,846	161,612

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £94,368 (1997 £89,000). No contributions were outstanding at the year end (1997 : Nil).

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

5 Interest payable

	1998 £	1997 £
Bank loan interest	9,579	9,257
Other interest	1,190	4,574
Hire purchase interest	18,212	10,868
Interest on discounted debts	11,405	17,253
	<u>40,386</u>	<u>41,952</u>

6 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 33% and 31%)	29,105	122,049
Over provision in earlier years	(828)	-
	<u>28,277</u>	<u>122,049</u>

7 Dividends

	1998 £	1997 £
Paid in the year	<u>110,000</u>	<u>122,000</u>

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Short Leasehold Buildings £	Short Life Assets £	Total £
1 July 1997	51,791	567,962	68,655	46,025	34,389	768,822
Additions	42,095	261,889	1,286	56,572	706	362,548
30 June 1998	<u>93,886</u>	<u>829,851</u>	<u>69,941</u>	<u>102,597</u>	<u>35,095</u>	<u>1,131,370</u>
Depreciation						
1 July 1997	21,628	338,834	41,633	6,369	27,152	435,616
Charge for Year	18,064	73,652	4,247	2,833	1,985	100,781
30 June 1998	<u>39,692</u>	<u>412,486</u>	<u>45,880</u>	<u>9,202</u>	<u>29,137</u>	<u>536,397</u>
Net book amount						
30 June 1998	<u>54,194</u>	<u>417,365</u>	<u>24,061</u>	<u>93,395</u>	<u>5,958</u>	<u>594,973</u>
1 July 1997	<u>30,163</u>	<u>229,129</u>	<u>27,022</u>	<u>39,656</u>	<u>7,237</u>	<u>333,207</u>

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

9 Assets subject to charges

Fixed assets costing £418,336 , accumulated depreciation £105,227,
(1997 : £257,355 and £90,736) are subject to commitments under Hire
Purchase or other finance contracts.

10 Stocks

	1998	1997
	£	£
Raw materials	163,837	124,284
	<u>163,837</u>	<u>124,284</u>

11 Debtors

	1998	1997
	£	£
Debts factored without recourse:		
Gross debts (after providing for credit protection fee and accrued interest)	706,190	785,323
less: non-returnable proceeds	<u>38,423</u>	<u>151,788</u>
	<u>744,613</u>	<u>937,111</u>
Other debtors:		
Amounts falling due within one year		
Other debtors and prepayments	69,293	55,097
	<u>69,293</u>	<u>55,097</u>

12 Creditors: amounts falling due
within one year

	1998	1997
	£	£
Bank loans and overdrafts	50,102	5,000
Trade creditors	323,831	318,595
Amounts owed to related company (Note 21)	9,664	3,600
Corporation tax	42,139	110,251
Other taxation and social security	110,992	153,844
Other creditors	2,610	42,610
Accruals and deferred income	70,856	120,308
Obligations under finance leases and hire purchase contracts - note 13	<u>95,742</u>	<u>56,277</u>
	<u>705,936</u>	<u>810,485</u>

The Bank Overdraft and Loans are secured by a Fixed and Floating Charge
over the fixed and other assets.

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

13 Creditors: amounts falling due
after more than one year

	1998 £	1997 £
Bank loans	249,910	97,858
Other loans	-	8,064
Obligations under finance leases	172,251	51,977
	<u>422,161</u>	<u>157,899</u>

Maturity of debt

In one year or less, or on demand - see note 12	145,844	61,277
Between two and five years	97,707	51,977
In five years or more	152,203	105,922
	<u>395,754</u>	<u>219,176</u>

Amounts falling due
after more than five years:

Bank loans	152,203	97,858
Other loans	-	8,064
	<u>152,203</u>	<u>105,922</u>

Obligations under finance leases
and hire purchase contracts

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 12	95,742	56,277
In the second to fifth years	172,251	51,977
	<u>267,993</u>	<u>108,254</u>

14 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial Year	77,083	329,055
Dividends	(110,000)	(122,000)
Net (subtraction from)/addition to shareholders' funds	(32,917)	207,055
Opening shareholders' funds	483,016	275,961
Closing shareholders' funds	<u>450,099</u>	<u>483,016</u>

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

15 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised	10,000	10,000	10,000	10,000
Allotted called up and fully paid				
Ordinary Shares of £1.00	10,000	10,000	10,000	10,000

16 Share premium account

	1998 £
1 July 1997 and 30 June 1998	28,000

17 Profit and loss account

	1998 £
1 July 1997	445,016
Retained loss for the Year	(32,917)
30 June 1998	412,099

18 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1998 £	1997 £
Operating profit	145,746	493,056
Depreciation charges	100,781	60,502
Loss on sale of fixed assets	-	129
Increase in stocks	(39,553)	(2,919)
Decrease/(increase) in debtors	178,302	(404,694)
(Decrease)/increase in creditors	(109,004)	167,456
Net cash inflow from operating activities	276,272	313,530

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

19 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash in hand, at bank	1,703	3,777	5,480
Overdrafts	-	(31,176)	(31,176)
		<u>(27,399)</u>	
Debt due within 1 year	(5,000)	(13,926)	(18,926)
Debt due after 1 year	(105,922)	(143,988)	(249,910)
Finance leases	(51,977)	(216,016)	(267,993)
		<u>(373,930)</u>	
Total	<u>(161,196)</u>	<u>(401,329)</u>	<u>(562,525)</u>

Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
(Decrease)/increase in cash in the Year	(27,399)	38,855
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(373,930)	46,983
Change in net debt resulting from cash flows	(401,329)	85,838
Net debt at 1 July 1997	(161,196)	(247,034)
Net debt at 30 June 1998	<u>(562,525)</u>	<u>(161,196)</u>

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1998

20 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30 June 1999

	Property		Other	
	1998	1997	1998	1997
	£	£	£	£
Leases expiring :				
Between one an five years	-	-	22,500	42,000
after five years	138,448	45,000	-	-
	<u>138,448</u>	<u>45,000</u>	<u>-</u>	<u>-</u>

21 Related parties

The company trades from premises leased from a company in which C L Fecher Esq. has a material interest. The lease was granted in 1991 for a period of 21 years at full market rent.

