

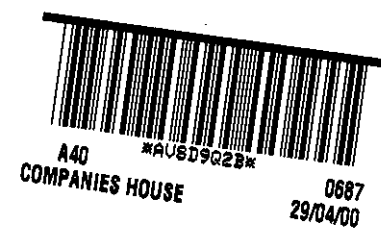
PETER FANNING POLYFORM LIMITED
ABBREVIATED FINANCIAL STATEMENTS

30 JUNE 1999

Registered number: 975813

JOHN A TUFFIN & CO
CHARTERED ACCOUNTANTS

BN1 1AD



PETER FANNING POLYFORM LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30 June 1999

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PETER FANNING POLYFORM LIMITED

COMPANY INFORMATION

30 June 1999

NUMBER	975813
CHAIRMAN	C L Fecher
OTHER DIRECTORS	J R Ross D E Moore : Appointed 28 September 1998
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

30 June 1999

The directors present their report and the audited financial statements for the year ended 30 June 1999.

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 £329,435.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £60,000 is paid.

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

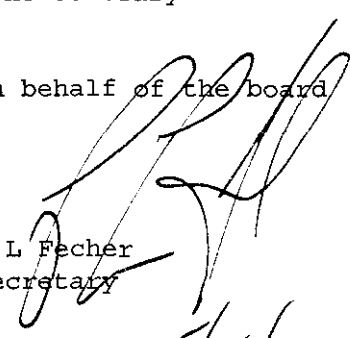
The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 June 1999	1 July 1998
	Ordinary shares	Ordinary shares
C L Fecher	6,000 6500	6,000 6500
J R Ross	4,000 3500	4,000 3500
D E Moore : Appointed 28 September 1998	-	-

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

Goldstone Lane
Hove
Sussex

Dated 25/4/2000

PETER FANNING POLYFORM LIMITED

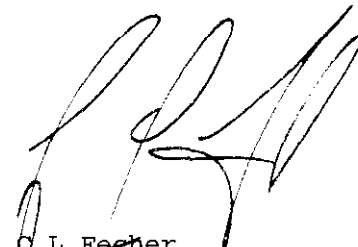
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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



C. L. Escher
Chairman

PETER FANNING POLYFORM LIMITED

Auditors' report to
Peter Fanning Polyform Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 5 to 16, together with the financial statements of the company for the year ended 30 June 1999 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.

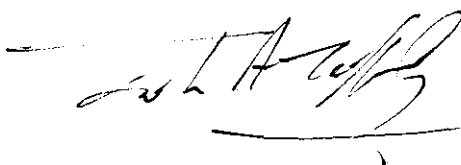
Basis of opinion

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 16 are properly prepared in accordance with those provisions.

12/13 Ship Street
Brighton BN1 1AD



John A Tuffin & Co
Registered Auditors
Chartered Accountants

Dated 27 April 2000

PETER FANNING POLYFORM LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1999

	Note	1999 £	1998 £
Gross profit		1,200,774	1,378,534
Net operating expenses			
Administrative expenses		(1,244,637)	(1,244,229)
Other operating income		93	36
Operating (loss)/profit	3	(43,770)	134,341
Interest payable	5	(46,000)	(28,981)
(Loss)/profit on ordinary activities before taxation		(89,770)	105,360
Taxation	6	29,105	(28,277)
(Loss)/profit on ordinary activities after taxation		(60,665)	77,083
Dividends	7	(60,000)	(110,000)
Retained loss for the year	18	(120,665)	(32,917)

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 1999 or 1998 other than the loss for the year.

PETER FANNING POLYFORM LIMITED

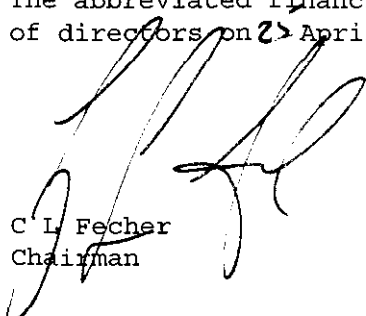
ABBREVIATED BALANCE SHEET

at 30 June 1999

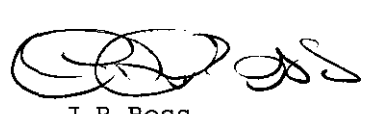
	Note	1999		1998	
		£	£	£	£
Fixed assets					
Tangible assets	8	636,798		594,973	
Current assets					
Stocks	10	130,230		163,837	
Debts factored without recourse	11	552,086		744,613	
Other debtors	11	82,954		69,293	
Cash at bank and in hand		532		5,480	
		<u>765,802</u>		<u>983,223</u>	
Creditors: amounts falling due within one year	12	<u>(677,958)</u>		<u>(705,936)</u>	
Net current assets			<u>87,844</u>		<u>277,287</u>
Total assets less current liabilities			<u>724,642</u>		<u>872,260</u>
Creditors: amounts falling due after more than one year	13		<u>(395,207)</u>		<u>(422,161)</u>
			<u>329,435</u>		<u>450,099</u>
Capital and reserves					
Called up share capital	16	10,000		10,000	
Share premium account	17	28,000		28,000	
Profit and loss account	18	291,435		412,099	
Total shareholders' funds	15		<u>329,435</u>		<u>450,099</u>

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 16 were approved by the board of directors on 25 April 2000 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 1999

	Note	1999		1998	
		£	£	£	£
Net cash inflow					
from operating activities	19		312,413		264,867
Returns on investments and servicing of finance					
Interest paid		(24,135)		(10,769)	
Interest element of finance lease rental payments		(21,865)		(18,212)	
			(46,000)		(28,981)
Taxation					
Corporation tax paid			(19,639)		(108,389)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(43,317)		(362,548)	
Sale of tangible fixed assets		4,300		-	
			(39,017)		(362,548)
			207,757		(235,051)
Equity dividends paid			(60,000)		(110,000)
			147,757		(345,051)
Financing					
Debt due within a year:					
Bank loan repayments		(18,926)		(5,000)	
Debt due beyond a year:					
Other loan repayments		-		(8,064)	
Bank loan (repayments)/advances		(3,016)		170,978	
Hire Purchase and Finance Leases		(110,954)		214,536	
			(132,896)		372,450
Increase in cash	20		14,861		27,399

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

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.

Tangible fixed assets

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
Computer equipment	25% of net book value
Plant and machinery	25% of net book value
Motor vehicles	25% of net book value
Fixtures and fittings	25% 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 1999

3 Operating (loss)/profit

	1999 £	1998 £
Operating (loss)/profit is stated after crediting		
Interest receivable	93	36
and after charging		
Staff costs (note 4)	1,321,450	1,475,600
Auditors' remuneration	7,000	7,280
Operating leases		
Hire of plant and machinery	24,434	13,128
Hire of assets other than plant & machin	9,420	9,682
Loss on sale of assets	7	-
Depreciation of tangible fixed assets (note 8)		
Owned assets	111,498	100,781

4 Directors and employees

	1999 £	1998 £
Staff costs including directors' emoluments		
Wages and salaries	1,305,801	1,375,884
Recruitment and training	10,630	5,348
Pension costs	5,019	94,368
	1,321,450	1,475,600
Average monthly number employed including executive directors:	Number 108	Number 108
Directors	£	£
Emoluments	105,650	53,478
Company contributions to money purchase pension schemes	5,019	94,368
	110,669	147,846

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 £5,019 (1998 £94,368). No contributions (1998 : Nil) were outstanding at the year end.

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

5 Interest payable

	1999	1998
	£	£
Bank loan interest	23,137	9,579
Other interest	925	1,190
Hire purchase interest	21,865	18,212
Interest on late payment of tax	73	-
	<u>46,000</u>	<u>28,981</u>

6 Taxation

	1999	1998
	£	£
Corporation tax on loss on ordinary activities at 21% (1998 21%)	(1,605)	29,105
Advance corporation taxation	(27,500)	-
	<u>(29,105)</u>	<u>29,105</u>
Over provision in earlier years	-	(828)
	<u>(29,105)</u>	<u>28,277</u>

7 Dividends

	1999	1998
	£	£
Paid in year	<u>60,000</u>	<u>110,000</u>

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Computer Equipment £	Total £
1 July 1998	93,886	829,851	69,942	102,597	35,094	1,131,370
Additions	35,700	96,383	-	25,547	-	157,630
Disposals	(10,209)	-	-	-	-	(10,209)
30 June 1999	119,377	926,234	69,942	128,144	35,094	1,278,791
Depreciation						
1 July 1998	39,692	412,486	45,880	9,202	29,137	536,397
Charge	21,398	76,321	3,609	8,681	1,489	111,498
Disposals	(5,902)	-	-	-	-	(5,902)
30 June 1999	55,188	488,807	49,489	17,883	30,626	641,993
Net book amount						
30 June 1999	64,189	437,427	20,453	110,261	4,468	636,798
1 July 1998	54,194	417,365	24,061	93,395	5,958	594,973

Included above are assets costing £539,240 (1998 : £418,336); net book value £282,751 (1998 : £313,109), that are subject to commitments under hire purchase or finance lease contracts.

9 Land and buildings

	1999 £	1998 £
Short leasehold	110,261	93,395

10 Stocks

	1999 £	1998 £
Raw materials and work-in-progress	130,230	163,837
	130,230	163,837

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

11 Debtors

	1999	1998
	£	£
Debts factored without recourse:		
Gross debts (after providing for credit protection fee and accrued interest)	620,561	706,190
less: non-returnable proceeds	(68,475)	38,423
	<u>552,086</u>	<u>744,613</u>
Other debtors:		
Amounts falling due within one year		
Trade debtors	81,349	69,293
Other debtors	1,605	-
	<u>82,954</u>	<u>69,293</u>

12 Creditors: amounts falling due within one year

	1999	1998
	£	£
Bank loans and overdrafts	38,319	50,102
Trade creditors	264,085	323,831
Amounts owed to participating interests	9,000	9,664
Corporation tax	-	42,139
Other taxation and social security	161,992	110,992
Other creditors	2,610	2,610
Accruals and deferred income	105,866	70,856
Obligations under finance leases and hire purchase contracts - note 13	96,086	95,742
	<u>677,958</u>	<u>705,936</u>

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

13 Creditors: amounts falling due
after more than one year

	1999 £	1998 £
Other liabilities		
Bank loans	219,942	249,910
Obligations under finance leases and hire purchase contracts	175,265	172,251
	<u>395,207</u>	<u>422,161</u>
Maturity of debt		
In one year or less, or on demand - see note 12	26,952	18,926
Between one and two years	29,045	20,907
Between two and five years	128,335	76,800
In five years or more	62,562	152,203
	<u>246,894</u>	<u>268,836</u>
Amounts falling due after more than five years:		
Bank loans	62,562	152,203
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	96,086	95,742
In the second to fifth years	175,265	172,251
	<u>271,351</u>	<u>267,993</u>

The bank loans and overdraft are secured by a Fixed charge over book debts and a Floating charge over other assets.

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

14 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 2000.

	1999		1998	
	Plant & Other £	Property £	Plant & Other £	Property £
Expiring				
Between one and five years	24,500	-	22,500	-
After five years	-	164,000	-	138,448
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
(Loss)/profit for the financial year	(60,665)	77,083
Dividends	(60,000)	(110,000)
Net subtraction from shareholders' funds	(120,665)	(32,917)
Opening shareholders' funds	450,100	483,017
Closing shareholders' funds	<u>329,435</u>	<u>450,100</u>

16 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid				
Ordinary Shares	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

17 Share premium account

1999

£

1 July 1998

and

30 June 1999

28,000

18 Profit and loss account

1999

£

1 July 1998

Retained loss for the year

412,100

(120,665)

30 June 1999

291,435

19 Notes to the cash flow statement

Reconciliation of operating (loss)/profit
to operating cash flows

1999

£

1998

£

Operating (loss)/profit

(43,770)

134,341

Depreciation charges

111,498

100,781

Loss on sale of fixed assets

7

-

Decrease/(increase) in stocks

33,607

(39,553)

Decrease in debtors

111,996

178,302

Increase/(decrease) in creditors

99,075

(109,004)

Net cash inflow

from operating activities

312,413

264,867

PETER FANNING POLYFORM LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 June 1999

20 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	5,480	(4,948)	-	532
Bank overdrafts	(31,176)	19,809	-	(11,367)
		<u>14,861</u>		
Debt due within 1 year	(18,926)	18,926	(26,952)	(26,952)
Debt due after 1 year	(249,910)	3,016	26,952	(219,942)
Finance leases	(267,993)	110,955	(114,313)	(271,351)
		<u>132,897</u>		
Total	<u>(562,525)</u>	<u>147,758</u>	<u>(114,313)</u>	<u>(529,080)</u>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
Increase/(decrease) in cash in the year	14,861	(27,399)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	132,897	(373,930)
Change in net debt resulting from cash flows	147,758	(401,329)
New finance leases	(114,313)	-
Movement in net debt in the year	<u>33,445</u>	<u>(401,329)</u>
Net debt at 1 July 1998	(562,525)	(161,196)
Net debt at 30 June 1999	<u>(529,080)</u>	<u>(562,525)</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.