

PETER FANNING POLYFORM LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
30 JUNE 2004



CHISNALL COMER ISMAIL & CO
ACCOUNTANTS & REGISTERED AUDITORS

Maria House
35 Millers Road
Brighton BN1 5NP

PETER FANNING POLYFORM LIMITED

COMPANY INFORMATION

Directors	C L Fecher S Holwell D E Moore J R G Ross A R Mann
Secretary	C L Fecher
Company number	975813
Registered office	Goldstone Lane Hove East Sussex BN3 7BB
Auditors	Chisnall Comer Ismail & Co Maria House 35 Millers Road Brighton BN1 5NP

PETER FANNING POLYFORM LIMITED

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DIRECTORS' REPORT
For the year ended 30 June 2004

The directors present their report and the financial statements for the year ended 30 June 2004.

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 then 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of rotational moulding of plastic parts.

The results for the year and the financial position of the company are shown in the attached financial statements.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £291,010 (2003 - Loss £131,525) .

The directors do not recommend the payment of a dividend.

DIRECTORS

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

	Ordinary shares of £1 each	
	<u>30/6/04</u>	<u>1/7/03</u>
C L Fecher	6,500	6,500
S Holwell	-	-
D E Moore	-	-
J R G Ross	3,500	3,500
A R Mann (appointed 10/03/04)	-	-

DIRECTORS' REPORT
For the year ended 30 June 2004

AUDITORS

The auditors, Chisnall Comer Ismail & Co were appointed on 29 June 2004 and will be proposed for reappointment in accordance with section 345 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of
the board of directors

CL Fecher
Secretary

Dated:

12 OCT 2004

INDEPENDENT AUDITORS' REPORT TO PETER FANNING POLYFORM LIMITED
Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts of Peter Fanning Polyform Limited for the year ended 30 June 2004 set out on pages 4 to 15, together with the financial statements of the company for the year ended 30 June 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with s.247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the 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 and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered 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 financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with those provisions.

Chisnall Comer Ismail & Co

Chisnall Comer Ismail & Co
Chartered Accountants and Registered Auditors

Maria House
35 Millers Road
Brighton
BN1 5NP

Date: **18 OCT 2004**

PETER FANNING POLYFORM LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2004

	Note	2004 £	2003 £
GROSS PROFIT		1,982,362	1,482,705
Administrative expenses		<u>(1,569,585)</u>	<u>(1,546,248)</u>
OPERATING PROFIT/(LOSS)	2	412,777	(63,543)
Interest receivable		194	-
Interest payable	5	<u>(68,083)</u>	<u>(67,982)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		344,888	(131,525)
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	6	(53,878)	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		291,010	(131,525)
(LOSS)/RETAINED PROFIT BROUGHT FORWARD		(26,881)	104,644
RETAINED PROFIT/(LOSS) CARRIED FORWARD		<u><u>£ 264,129</u></u>	<u><u>£ (26,881)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2004 or 2003 other than those included in the profit and loss account.

PETER FANNING POLYFORM LIMITED

ABBREVIATED BALANCE SHEET
As at 30 June 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Tangible fixed assets	7	411,301	508,143
CURRENT ASSETS			
Stocks	8	334,097	401,642
Debtors	9	1,052,837	1,077,789
Cash at bank and in hand		651	1,115
		<u>1,387,585</u>	<u>1,480,546</u>
CREDITORS: amounts falling due within one year	10	<u>(1,396,366)</u>	<u>(1,866,110)</u>
NET CURRENT LIABILITIES		<u>(8,781)</u>	<u>(385,564)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>402,520</u>	<u>122,579</u>
CREDITORS: amounts falling due after more than one year	11	(73,014)	(111,460)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	(27,378)	-
NET ASSETS		<u>£ 302,128</u>	<u>£ 11,119</u>
CAPITAL AND RESERVES			
Called up share capital	13	10,000	10,000
Share premium account		28,000	28,000
Profit and loss account		264,128	(26,881)
SHAREHOLDERS' FUNDS - All Equity	14	<u>£ 302,128</u>	<u>£ 11,119</u>

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

Signed on behalf of
the board of directors

C L Fecher
Director

Approved on:

12 OCT 2004

J R G Ross
Director

PETER FANNING POLYFORM LIMITED

ABBREVIATED CASH FLOW STATEMENT
For the year ended 30 June 2004

	Note	2004 £	2003 £
Net cash flow from operating activities	15	744,642	57,537
Returns on investments and servicing of finance	16	(67,889)	(67,982)
Taxation		3,888	(3,888)
Capital expenditure and financial investment	16	18,085	(27,968)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		698,726	(42,301)
Financing	16	(8,916)	(57,792)
INCREASE/(DECREASE) IN CASH IN THE YEAR		£ 689,810	£ (100,093)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 17)
For the year ended 30 June 2004

	2004 £	2003 £
Increase/(Decrease) in cash in the year	689,810	(100,093)
Cash outflow from decrease in debt and lease financing	8,916	57,792
MOVEMENT IN NET DEBT IN THE YEAR	698,726	(42,301)
Net debt at 1 July 2003	(1,055,641)	(1,013,340)
NET DEBT AT 30 JUNE 2004	£ (356,915)	£ (1,055,641)

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land and buildings	-	over the life of the lease
Plant and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Office equipment	-	25% reducing balance

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.6 Stocks and work in progress

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

1.7 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

2. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	2004	2003
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	71,683	62,987
- held under finance leases	4,490	31,560
Auditors' remuneration	9,579	17,215
Operating lease rentals:		
- other operating leases	232,728	226,609
	<u>232,728</u>	<u>226,609</u>

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2004	2003
	£	£
Wages and salaries	1,985,423	2,210,859
Social security costs	200,522	223,171
Other pension costs	-	6,000
	<u>£ 2,185,945</u>	<u>£ 2,440,030</u>

The average monthly number of employees, including directors, during the year was as follows:

	2004	2003
Directors	5	4
Production	112	115
Administration	22	23
Cleaning	1	1
	<u>140</u>	<u>143</u>

4. DIRECTORS' REMUNERATION

	2004	2003
	£	£
Emoluments	<u>£ 225,813</u>	<u>£ 186,038</u>
Company pension contributions to money purchase pension schemes	<u>£ -</u>	<u>£ 6,000</u>

During the year retirement benefits were accruing to no directors (2003 - 1) in respect of money purchase pension schemes.

The highest paid director received remuneration of £75,552 (2003 - £71,500).

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

5. INTEREST PAYABLE

	2004	2003
	£	£
On bank loans and overdrafts	7,292	9,309
On other loans	23,226	675
On finance leases and hire purchase contracts	2,387	16,281
Other interest payable	35,178	41,717
	<u>£ 68,083</u>	<u>£ 67,982</u>

6. TAXATION

	2004	2003
	£	£
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax on profits of the year	26,500	-
Deferred tax		
Origination and reversal of timing differences	27,378	-
Total deferred tax (see note 12)	27,378	-
Tax on profit on ordinary activities	<u>£ 53,878</u>	<u>£ -</u>

Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2004	2003
	£	£
Profit/(loss) on ordinary activities before tax	344,888	(131,525)
Profit/(loss) on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19% (2003 - 19)	65,529	(24,990)
Effects of:		
Expenses not deductible for tax purposes	-	128
Capital allowances for period in excess of depreciation	1,210	54
Utilisation of tax losses	(40,265)	24,808
Adjustment to provisional tax charge for prior periods	26	-
Current tax charge for year (see note above)	<u>£ 26,500</u>	<u>£ -</u>

Factors that may affect future tax charges

There are no factors affecting future tax charges.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

7. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 July 2003	153,299	1,058,005	149,289	143,763	1,504,356
Additions	-	-	-	12,513	12,513
Disposals	-	(3,969)	(55,171)	(3,404)	(62,544)
At 30 June 2004	153,299	1,054,036	94,118	152,872	1,454,325
Depreciation					
At 1 July 2003	56,735	741,055	88,619	109,804	996,213
Charge for the year	10,729	46,947	10,043	8,454	76,173
On disposals	-	-	(28,511)	(851)	(29,362)
At 30 June 2004	67,464	788,002	70,151	117,407	1,043,024
Net book value					
At 30 June 2004	£ 85,835	£ 266,034	£ 23,967	£ 35,465	£ 411,301
At 30 June 2003	£ 96,564	£ 316,950	£ 60,670	£ 33,959	£ 508,143

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2004 £	2003 £
Plant and machinery	16,519	79,779
Motor vehicles	4,724	52,442
	£ 21,243	£ 132,221

8. STOCKS

	2004 £	2003 £
Raw materials	105,721	124,233
Work in progress	228,376	277,409
	£ 334,097	£ 401,642

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

9. DEBTORS

	2004 £	2003 £
Due within one year		
Trade debtors	910,692	935,455
Other debtors	59,340	91,460
Prepayments and accrued income	82,805	50,874
	<u>£ 1,052,837</u>	<u>£ 1,077,789</u>

10. CREDITORS:

Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	278,834	914,713
Net obligations under finance leases and hire purchase contracts	5,719	30,583
Trade creditors	597,816	498,619
Directors loan accounts	167,164	150,264
Corporation tax	26,500	-
Social security and other taxes	239,254	176,458
Other creditors	32,929	31,270
Accruals and deferred income	48,149	64,203
	<u>£ 1,396,365</u>	<u>£ 1,866,110</u>

The bank loans and overdrafts are secured by a fixed charge over book debts and a floating charge over all other assets.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

11. CREDITORS:

Amounts falling due after more than one year

	2004	2003
	£	£
Bank loans	67,012	89,521
Net obligations under finance leases and hire purchase contracts	6,002	21,939
	<u>£ 73,014</u>	<u>£ 111,460</u>

Included within the above are amounts falling due as follows:

	2004	2003
	£	£
Between one and two years		
Bank loans	39,169	39,169
	<u> </u>	<u> </u>
Between two and five years		
Bank loans	27,843	50,352
	<u> </u>	<u> </u>

Bank loans and overdrafts aggregating to £345,846 (2003 - £1,004,234) are secured by a fixed charge over book debts and a floating charge over all other assets.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2004	2003
	£	£
Between two and five years	<u>£ 6,002</u>	<u>£ 21,939</u>

12. DEFERRED TAXATION

	2004	2003
	£	£
At 1 July 2003	-	-
Charge for the year	27,378	-
	<u>£ 27,378</u>	<u>£ -</u>

The provision for deferred taxation is made up as follows:

	2004	2003
	£	£
Accelerated capital allowances	27,378	-
	<u>£ 27,378</u>	<u>£ -</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

13. SHARE CAPITAL

	2004 £	2003 £
Authorised, allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	£ 10,000	£ 10,000

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit/(loss) for the year	291,010	(131,525)
	291,010	(131,525)
Opening shareholders' funds	11,119	142,644
Closing shareholders' funds	£ 302,129	£ 11,119

15. NET CASH FLOW FROM OPERATING ACTIVITIES

	2004 £	2003 £
Operating profit/(loss)	412,777	(63,543)
Depreciation of tangible fixed assets	76,173	94,547
Loss on disposal of tangible fixed assets	2,585	6,612
Decrease in stocks	67,545	3,644
Decrease/(increase) in debtors	21,064	(31,814)
Increase in creditors	164,498	48,091
NET CASH INFLOW FROM OPERATIONS	£ 744,642	£ 57,537

16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2004 £	2003 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	194	-
Interest paid	(65,696)	(51,701)
Hire purchase interest	(2,387)	(16,281)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	£ (67,889)	£ (67,982)

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

	2004 £	2003 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(12,513)	(42,483)
Sale of tangible fixed assets	30,598	14,515
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE	£ 18,085	£ (27,968)
	2004 £	2003 £
FINANCING		
New secured loans	31,885	670
Principal payment under finance lease	(40,801)	(58,462)
NET CASH OUTFLOW FROM FINANCING	£ (8,916)	£ (57,792)

17. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2003 £	Cash flow £	Other non-cash changes £	30 June 2004 £
Cash at bank and in hand:	1,115	(464)	-	651
Bank overdraft	(877,696)	690,274	-	(187,422)
	(876,581)	689,810	-	(186,771)
DEBT :				
Finance leases	(52,522)	40,801	-	(11,721)
Debts due within one year	(37,017)	(31,885)	(22,510)	(91,412)
Debts falling due after more than one year	(89,521)	-	22,509	(67,012)
NET DEBT	£ (1,055,641)	£ 698,726	£ (1)	£ (356,916)

18. PENSION COMMITMENTS

The company operates a defined contributions pension 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 £Nil (2003 £6,000). Contributions totalling £Nil (2003, £Nil) were payable to the fund at the balance sheet date and are included in creditors.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 June 2004

19. OPERATING LEASE COMMITMENTS

At 30 June 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2004	2003
	£	£
Expiry date:		
After more than 5 years	216,293	205,992

20. TRANSACTIONS WITH DIRECTORS

During the year the company paid £45,000 rent to Peter Fanning (Holdings) Limited, a company in which a director Mr C L Fecher has a material interest.

21. CONTROLLING PARTY

Director Mr C L Fecher controls the company due to his ownership of 65% of the issued ordinary share capital.