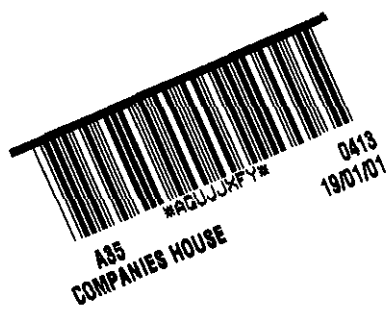


Report

1564607

DERBY POLYTHENE LIMITED

31ST MARCH 2000



DERBY POLYTHENE LIMITED

CONTENTS

	<u>Page</u>
Company Particulars	1
Directors' Report	2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6-8

DERBY POLYTHENE LIMITED

Registered in England No. 1564607

COMPANY PARTICULARS

DIRECTORS:

A.E.A. Jervis (Chairman)
C.R. Wathey

SECRETARY:

Mrs. S.A. Jervis

REGISTERED OFFICE:

6 Nottingham Road,
Long Eaton,
Nottingham
NG10 1HP

AUDITORS:

Phipp & Co.,
Chartered Accountants,
6 Nottingham Road,
Long Eaton,
Nottingham
NG10 1HP

BANKERS:

Royal Bank of Scotland plc.,
Cornmarket,
Derby.

DERBY POLYTHENE LIMITED

REPORT OF THE DIRECTORS

The Directors present their report to the members together with annual accounts for the year ended 31st March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year, is the manufacture of polythene products.

DIRECTORS

The Directors who held office at the date of this report are listed on page 1. The Company is a wholly owned subsidiary Company of Donington Plastics Limited and the interest of the Directors are reflected in the accounts of that Company.

The Director who retires by rotation is A.E.A. Jervis who, being eligible, offers himself for re-election.

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 year. 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 to operate.

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.

DONATIONS

No charitable or political donations were made during the year.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

The directors have taken advantage, in the preparation of their report, of the exemptions applicable to small companies.

Approved by the board of directors on 17 June 2001 and signed on their behalf by:

MRS. S. A. JERVIS (Secretary)



AUDITORS REPORT

AUDITORS REPORT TO THE MEMBERS OF DERBY POLYTHENE LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies.



Phipp & Co.,
Chartered Accountants
and Registered Auditors

17 June 2001

6, Nottingham Road,
Long Eaton, Nottingham

DERBY POLYTHENE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
TURNOVER	2	330,741	328,407
Cost of sales		<u>224,065</u>	<u>206,258</u>
Gross Profit			106,676
122,149			
Administration expenses		(28,898)	(23,789)
Distribution expenses		<u>(6,157)</u>	<u>(3,425)</u>
Operating profit		71,621	94,935
Interest receivable		2,609	1,647
Interest payable		<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	3	74,230	96,582
Taxation on ordinary activities	4	<u>14,520</u>	<u>20,504</u>
Profit on ordinary activities after taxation		59,710	76,078
Retained profit brought forward		<u>120,649</u>	<u>44,571</u>
Retained profit carried forward		<u>£180,359</u>	<u>£120,649</u>

CONTINUING OPERATIONS

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

RECOGNISED GAINS

The company has no recognised gains or losses other than the profit for the above two financial years.

DERBY POLYTHENE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
FIXED ASSETS			
Tangible assets	5	30,506	25,373
CURRENT ASSETS			
Stocks	6	5,149	3,488
Debtors	7	98,287	101,756
Cash at bank		<u>110,464</u>	<u>47,831</u>
		213,900	153,075
CREDITORS			
Amounts falling due within one year	8	<u>51,048</u>	<u>44,177</u>
NET CURRENT ASSETS		162,852	108,898
TOTAL ASSETS LESS CURRENT LIABILITIES		193,358	134,271
CREDITORS			
Provision for deferred taxation 9		<u>1,524</u>	<u>2,147</u>
		<u>£191,834</u>	<u>£132,124</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account		180,359	120,649
Revaluation reserve		<u>10,475</u>	<u>10,475</u>
		<u>£191,834</u>	<u>£132,124</u>

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Part VII of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the board of directors on 17 June 1991 and signed on their behalf by:

Q R Wether
..... (Director)

DERBY POLYTHENE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2000

1. ACCOUNTING POLICIES

There have been no changes in accounting policy during the year.

The Financial Statements have been prepared under the historical cost convention using the following accounting policies:-

CASH FLOW STATEMENT

The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

TURNOVER

Turnover represents invoiced sales values of goods after deduction of value added tax.

DEPRECIATION

Depreciation is calculated to write off the cost of fixed assets over their expected useful lives on the following bases:-

Plant and machinery	15% p.a. on reducing balance
Fixtures and fittings	15% p.a. on reducing balance
Motor vehicles	25% p.a. on reducing balance

Depreciation is charged for the whole year of acquisition but none is charged in the year of disposal. No provision is made for the increased replacement cost of fixed assets.

STOCK AND WORK IN PROGRESS

Stock and work in progress are valued at the lower of cost and net realisable value. The valuation of work in progress and finished goods includes direct materials, direct labour and appropriate manufacturing and administration overheads.

DEFERRED TAXATION

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

2. TURNOVER AND PROFIT BEFORE TAXATION

The turnover and profit before taxation is attributable to the one activity of manufacture of polythene products and all arises in the U.K.

3. OPERATING PROFIT

	<u>2000</u> £	<u>1999</u> £
This is stated after charging or crediting:-		
Directors' remuneration	2,856	1,265
Auditors' remuneration	1,850	1,850
Depreciation	9,198	7,407
Loss on sale of fixed assets	<u>1,249</u>	<u>-</u>

DERBY POLYTHENE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2000 (CONTINUED)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profits for the year:-

Corporation tax at 20% on the taxable profits for the year

Over provision for previous year

(Reduction)/Increase in provision for deferred taxation

15,366

(223)

(623)

21,000

(2)

(494)

£14,520

£20,504

5. TANGIBLE ASSETS

Cost

Cost 1st April 1999

Additions

Disposals

At 31st March 2000

Depreciation

At 1st April 1999

Disposals

Charge for year

At 31st March 2000

Net Book Value

At 31st March 2000

At 31st March 1999

Motor Vehicles

Plant and Equipment

Fixtures and Fittings

Total

33,199

25,000

(19,999)

£ 38,200

14,525

(8,750)

8,106

£ 13,881

£ 24,319

£ 18,674

31,539

26,217

-

798

£ 27,015

£ 4,524

£ 5,322

10,685

580

-

-

£ 11,265

9,308

-

294

£ 9,602

£ 1,663

£ 1,377

75,423

25,580

(19,999)

£ 81,004

50,050

(8,750)

9,198

£ 50,498

£ 30,506

£ 25,373

6. STOCK AND WORK IN PROGRESS

Raw materials

Work in progress

Finished goods

2000

1999

1,250

600

3,299

£ 5,149

1,000

500

1,988

£ 3,488

7. DEBTORS

Trade debtors

Prepayments and accrued income

494

Amount due from holding company

56,442

41,268

£ 98,287

78,707

577

22,555

£101,756

8. CREDITORS FALLING DUE WITHIN ONE YEAR

Bank overdraft

Trade creditors

Taxation and social security

Accruals and deferred income

Amount due to holding company

Corporation tax

2,861

16,755

9,800

6,266

-

15,366

£ 51,048

175

9,890

7,070

6,042

-

21,000

£ 44,177

DERBY POLYTHENE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2000 (CONTINUED)

9. DEFERRED TAXATION

A full provision has been made for deferred taxation.

10. CONTINGENT LIABILITY

Unlimited cross guarantees exist between the company and its parent company together with three other companies, Gold Star Services Ltd., Central Polythene Ltd. and Derby Flexographic Printers Ltd., in respect of all bank borrowings at 31st March 2000. The total bank borrowings at that date were below agreed lending limits.

11. CALLED UP SHARE CAPITAL

2000

1999

Ordinary shares of £1 each

Called up, allotted and fully paid

£ 1,000

£ 1,000

Authorised

£ 1,000

£ 1,000

12. ULTIMATE HOLDING COMPANY

The Directors regard the ultimate holding company to be Donington Plastics Limited, a company incorporated in the United Kingdom.

13. RELATED PARTY TRANSACTIONS

The company makes purchases from the holding company at normal commercial rates. In the year ended 31st March, 2000 these amounted to £85,848.