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Registration Number 1564607

Derby Polythene Limited
Director's Report and Financial Statements
for the year ended 31st March 2003



Derby Polythene Limited

Company Information

Director	C. R. Wathey
Secretary	Mrs P. J. Wathey
Company Number	1564607
Registered Office	6 Nottingham Road Long Eaton Nottingham NG10 1HP
Auditors	Phipp & Co. (Accountants) Limited 6 Nottingham Road Long Eaton Nottingham NG10 1HP
Business Address	Unit 1 Spiral Tibe Works Off Osmanton Park road Derby
Bankers	Royal Bank of Scotland p.l.c., Cornmarket Derby

Derby Polythene Limited

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Derby Polythene Limited

Director's Report for the year ended 31st March 2003

The director presents his report and the financial statements for the year ended 31st March 2003.

Principal Activity

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

Director and his Interest

The director who served during the year and his interest in the company are as stated below:

	Ordinary shares				
	Company		Group		
	2003	2002	2003	2002	
C. R. Wathey	-	-	7,500	7,500	(Donington Plastics Ltd)

Director's Responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

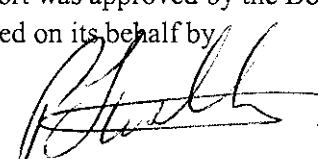
Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Phipp & Co. (Accountants) Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on
and signed on its behalf by

26 Jan 2004


Mrs P. J. Wathey
Secretary

Derby Polythene Limited

Independent Auditors' Report to the Shareholders of Derby Polythene Limited

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

Respective responsibilities of director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 director in the preparation of the financial statements, 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 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 as at 31st March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

M. J. W.

Phipp & Co. (Accountants) Limited

Chartered Accountants

Registered Auditor

6 Nottingham Road

Long Eaton

Nottingham

NG10 1HP

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Derby Polythene Limited

Profit and Loss Account for the year ended 31st March 2003

		2003	2002
	Notes	£	£
Turnover	2	282,008	314,234
Cost of sales		(175,713)	(230,417)
Gross profit		106,295	83,817
Distribution costs		(9,117)	(7,359)
Administrative expenses		(24,893)	(21,574)
Operating profit	3	72,285	54,884
Interest receivable and similar income		2,056	2,424
Interest payable and similar charges		-	(6)
Profit on ordinary activities before taxation		74,341	57,302
Tax on profit on ordinary activities	5	(13,627)	(11,167)
Profit on ordinary activities after taxation		60,714	46,135
Dividends		(80,000)	(100,000)
(Loss) for the year		(19,286)	(53,865)
Retained profit brought forward		188,290	242,155
Retained profit carried forward		169,004	188,290

The notes on pages 5 to 9 form an integral part of these financial statements.

Derby Polythene Limited

**Balance Sheet
as at 31st March 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	6		24,735		23,413
Current Assets					
Stocks	7	8,546		9,341	
Debtors	8	123,486		164,637	
Cash at bank and in hand		59,331		46,756	
		<u>191,363</u>		<u>220,734</u>	
Creditors: amounts falling due within one year	9	<u>(34,827)</u>		<u>(43,354)</u>	
Net Current Assets			<u>156,536</u>		<u>177,380</u>
Total Assets Less Current Liabilities			181,271		200,793
Provisions for Liabilities and Charges	10		<u>(792)</u>		<u>(1,028)</u>
Net Assets			<u>180,479</u>		<u>199,765</u>
Capital and Reserves					
Called up share capital	11		1,000		1,000
Revaluation reserve	12		10,475		10,475
Profit and loss account	12		169,004		188,290
Shareholders' Funds			<u>180,479</u>		<u>199,765</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on
and signed on its behalf by

26 January 2004

C. R. Wathey

**C. R. Wathey
Director**

The notes on pages 5 to 9 form an integral part of these financial statements.

Derby Polythene Limited

Notes to the Financial Statements for the year ended 31st March 2003

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

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

1.4. Stock

Stock is valued at the lower of cost and net realisable value.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to materialise.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	7,416	6,968
Loss on disposal of tangible fixed assets	538	-
Auditors' remuneration	1,825	1,743

Derby Polythene Limited

**Notes to the Financial Statements
for the year ended 31st March 2003**

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4. Director's emoluments

	2003	2002
	£	£
Remuneration and other benefits	<u>4,608</u>	<u>4,500</u>

5. Taxation

	2003	2002
	£	£
UK current year taxation		
UK Corporation Tax	13,868	11,643
Transfer from deferred taxation	<u>(236)</u>	<u>(236)</u>
	13,632	11,407
 Prior years		
UK Corporation Tax	<u>(5)</u>	<u>(240)</u>
	<u>13,627</u>	<u>11,167</u>

Derby Polythene Limited

Notes to the Financial Statements for the year ended 31st March 2003

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6. Tangible fixed assets

	Plant and machinery	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£
Cost/revaluation				
At 1st April 2002	31,539	12,399	38,400	82,338
Additions	-	896	15,380	16,276
Disposals	-	-	(13,400)	(13,400)
At 31st March 2003	<u>31,539</u>	<u>13,295</u>	<u>40,380</u>	<u>85,214</u>
Depreciation				
At 1st April 2002	28,271	10,339	20,315	58,925
On disposals	-	-	(5,862)	(5,862)
Charge for the year	490	444	6,482	7,416
At 31st March 2003	<u>28,761</u>	<u>10,783</u>	<u>20,935</u>	<u>60,479</u>
Net book values				
At 31st March 2003	<u>2,778</u>	<u>2,512</u>	<u>19,445</u>	<u>24,735</u>
At 31st March 2002	<u>3,268</u>	<u>2,060</u>	<u>18,085</u>	<u>23,413</u>

7. Stocks

	2003 £	2002 £
Stocks	<u>8,546</u>	<u>9,341</u>

Stock comprises of raw materials.

Derby Polythene Limited

Notes to the Financial Statements for the year ended 31st March 2003

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8. Debtors

	2003 £	2002 £
Trade debtors	74,386	55,282
Amounts owed by group undertakings	48,345	107,882
Prepayments and accrued income	755	1,473
	<u>123,486</u>	<u>164,637</u>

9. Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	11,334	14,184
Corporation tax	13,868	11,643
Other taxes and social security costs	7,075	14,739
Accruals and deferred income	2,550	2,788
	<u>34,827</u>	<u>43,354</u>

10. Deferred Taxation

Deferred tax is analysed over the following timing differences:

	Provided	
	2003 £	2002 £
Accelerated capital allowances	<u>792</u>	<u>1,028</u>

Movements on the provision for deferred taxation are:

	2003 £	2002 £
At 1st April 2002	1,028	1,264
Transferred to profit and loss account	(236)	(236)
At 31st March 2003	<u>792</u>	<u>1,028</u>

Derby Polythene Limited

Notes to the Financial Statements for the year ended 31st March 2003

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11.	Share capital	2003	2002	
		£	£	
	Authorised			
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	
	Allotted, called up and fully paid			
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	
12.	Reserves			
		Revaluation reserve	Profit and loss account	Total
		£	£	£
	At 1st April 2002	10,475	188,290	198,765
	(Loss) for the year		(19,286)	(19,286)
	At 31st March 2003	<u>10,475</u>	<u>169,004</u>	<u>179,479</u>

13. Contingent liabilities

Unlimited cross guarantees exist between the company and its' parent company together with three other companies, Goldstar Services Ltd., Central Polythene Ltd. and Derby Flexographic Printers Ltd., in respect of all bank borrowings at 31st March 2003. The total bank borrowings at that date were below agreed lending limits.

14. Related party transactions

The company makes purchases, at normal commercial rates, from the holding company, Donington Plastics Ltd and Derby Flexographic Printers Ltd in which the director also has an interest. In the year ended 31st March 2003 these amounted to £55,000 from the former and £2,163 from the latter. There was no amount owed to Derby Flexographic Printers Ltd at the balance sheet date.

15. Ultimate parent undertaking

The director regards the ultimate holding company to be Donington Plastics Limited, a company incorporated in the United Kingdom. The company is exempt under Section 228 of the Companies Act 1985 from preparing group accounts.