REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2000

FOR

CHASE POLYTHENE LIMITED



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CHASE POLYTHENE LIMITED

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CHASE POLYTHENE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2000

DIRECTORS:	G P Walters A P Ryan L P Walters C E Ryan
SECRETARY:	L P Walters
REGISTERED OFFICE:	Avco House 6 Albert Road Barnet Herts EN4 9SH
REGISTERED NUMBER:	2895813 (England and Wales)
AUDITORS:	The Kelmanson Partnership Chartered Certified Accountants Registered Auditors Avco House 6 Albert Road Barnet HERTS EN4 9SH

CHASE POLYTHENE LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report with the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the manufacture of polythene packaging.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS
No interim dividend was paid during the year. The directors recommend a final dividend of £600 per share.

The total distribution of dividends for the year ended 31st December 2000 will be £60,000.

DIRECTORS
The directors during the year under review were:

G P Walters
A P Ryan
L P Walters
C E Ryan

The beneficial interests of the directors holding office on 31st December 2000 in the issued share capital of the company were as follows:

	31.12.00	1.1.00
Ordinary £1 shares		
G P Walters	52	52
A P Ryan	12	12
L P Walters	24	24
C E Ryan	12	12

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.

AUDITORS
The auditors, The Kelmanson Partnership, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

L P Walters - SECRETARY

Dated: 23 March 2001

CHASE POLYTHENE LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF CHASE POLYTHENE LIMITED

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors
As described on page two 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 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 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



The Kelmanson Partnership
Chartered Certified Accountants
Registered Auditors
Avco House
6 Albert Road
Barnet
HERTS EN4 9SH

Dated: 23 March 2001

CHASE POLYTHENE LIMITED

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

	Notes	2000	1999
		£	£
TURNOVER		**735,080**	668,367
Cost of sales		**537,876**	467,249
GROSS PROFIT		**197,204**	201,118
Administrative expenses		**98,386**	98,479
OPERATING PROFIT	3	**98,818**	102,639
Interest payable and similar charges	4	**6,840**	7,106
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**91,978**	95,533
Tax on profit on ordinary activities	5	**18,909**	18,268
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		**73,069**	77,265
Dividends	6	**60,000**	60,000
		13,069	17,265
Retained profit brought forward		**74,194**	56,929
RETAINED PROFIT CARRIED FORWARD		**£87,263**	£74,194

The notes form part of these financial statements

CHASE POLYTHENE LIMITED

BALANCE SHEET
31ST DECEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS:					
Tangible assets	7		**167,884**		179,858
CURRENT ASSETS:					
Stocks	8	**21,661**		20,913	
Debtors	9	**136,862**		133,647	
Cash at bank		**10,494**		2,477	
		169,017		157,037	
CREDITORS: Amounts falling due within one year	10	**195,993**		192,905	
NET CURRENT LIABILITIES:			**(26,976)**		(35,868)
TOTAL ASSETS LESS CURRENT LIABILITIES:			**140,908**		143,990
CREDITORS: Amounts falling due after more than one year	11		**53,545**		69,696
			£87,363		£74,294
CAPITAL AND RESERVES:					
Called up share capital	13		**100**		100
Profit and loss account			**87,263**		74,194
SHAREHOLDERS' FUNDS:			**£87,363**		£74,294

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:

.....
G P Walters - DIRECTOR

.....
A P Ryan - DIRECTOR

Approved by the Board on 23rd March 2001

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance

Stocks
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. STAFF COSTS

There were no staff costs for the year ended 31st December 2000 nor for the year ended 31st December 1999.

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

	2000	1999
	=	=

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	**25,247**	29,201
Auditors' remuneration	**800**	800
Directors' emoluments	**-**	-

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2000	1999
	£	£
Bank loan interest	**6,840**	7,106

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	**18,909**	18,268

UK corporation tax has been charged at 20% (1999 - 20%).

6. DIVIDENDS

	2000	1999
	£	£
Final - ordinary shares	**60,000**	60,000

7. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Totals
	£	£	£	£
COST:				
At 1st January 2000	**91,500**	**169,289**	**1,888**	**262,677**
Additions	**-**	**13,273**	**-**	**13,273**
At 31st December 2000	**91,500**	**182,562**	**1,888**	**275,950**
DEPRECIATION:				
At 1st January 2000	**-**	**82,536**	**283**	**82,819**
Charge for year	**-**	**25,006**	**241**	**25,247**
At 31st December 2000	**-**	**107,542**	**524**	**108,066**
NET BOOK VALUE:				
At 31st December 2000	**91,500**	**75,020**	**1,364**	**167,884**
At 31st December 1999	91,500	86,753	1,605	179,858

8. STOCKS

	2000	1999
	£	£
Stock	**21,661**	20,913

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
V.A.T.	**2,240**	17,027
Trade debtors	**723**	1,147
Other debtors	**100**	100
Amounts due from associated company	**133,799**	115,373
	136,862	133,647

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank loans and overdrafts	**22,745**	26,372
Trade creditors	**92,889**	86,815
Directors current accounts	**60,000**	60,000
Taxation	**18,909**	18,268
Accrued expenses	**1,450**	1,450
	195,993	192,905

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000	1999
	£	£
Bank loans	**53,545**	69,696

12. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank loans	**76,290**	96,068

13. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2000 £	1999 £
10,000	Ordinary	£1	**10,000**	10,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
100	Ordinary	£1	**100**	100

14. TRANSACTIONS WITH DIRECTORS

During the year, the company sold goods to the value of £730,534 (1999: £664,390) to Chase Packaging Limited, a company in which G P Walters, L P Walters, A P Ryan and C Ryan are materially interested shareholders. These sales were made on a normal trading basis.

The amount due from Chase Packaging Limited as at 31 December 2000 is shown in note 9 of the financial statements.