

PMP Interplex Limited

**Directors' report and abbreviated accounts
for the year ended 31 March 2001**

SC45447



PMP Interplex Limited

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PMP Interplex Limited

Company information

Directors	J Seidler (Chairman) KJ Campbell JBC Jolly WS Begg R Feder FJ Pease
Secretary	DS Jones
Auditors	Henderson Loggie Chartered Accountants Royal Exchange Panmure Street Dundee DD1 1DZ
Registered office	Elliot Industrial Estate Arbroath
Registered number	45447

PMP Interplex Limited

Directors' report

The directors submit their report and audited accounts for the year ended 31 March 2001.

Results

The profit for the year attributable to the members amounted to £1,836,226 (2000 - £1,458,451).

Review of the business and future developments

The company's principal activity during the year was the manufacture of components for the automotive, electrical and electronic industries.

The company's subsidiary is Loganhurst Interplex Limited. This company's principal activity is engineering and tool making.

Having had a very successful year, the company experienced a significant deterioration in its trading position towards the year end and into the new year. A number of new projects, including significant capital expenditure, have been initiated but these are unlikely to realise their full potential in the current year.

Introduction of the single European currency

The company trades in Euros within the European Community. The directors consider that the introduction of the Euro is having no significant impact on the company's operations.

Directors

The directors of the company at the date of this report and throughout the year are shown on page 1. The interests of the directors in office at 31 March 2001 in the ordinary share capital of the company were as follows:-

	At 31 March 2001	At 1 April 2000
J Seidler	-	-
KJ Campbell	-	-
JBC Jolly	1,125	1,125
WS Begg	1,125	1,125
R Feder	-	-
FJ Pease	-	-

The directors interests in the share capital of the parent undertaking are disclosed in that company's accounts.

PMP Interplex Limited

Directors' report

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Henderson Loggie as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in dark ink, appearing to read 'David S Jones', written in a cursive style.

DS Jones
Secretary
Arbroath
2 August 2001

PMP Interplex Limited

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to -

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

PMP Interplex Limited

Report of the auditors to PMP Interplex Limited pursuant to Section 247B of the Companies Act 1985.

We have examined the abbreviated accounts set out on pages 6 to 18 together with the accounts of PMP Interplex Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2001.

Respective responsibilities of directors and auditors

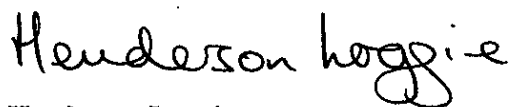
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. 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 accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts are properly prepared in accordance with that provision.



Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

2 August 2001

PMP Interplex Limited

Profit and loss account for the year ended 31 March 2001

	Notes	2001 £	2000 £
Gross profit		4,505,878	3,927,243
Distribution costs		350,587	335,800
Administrative expenses		1,597,386	1,475,777
		1,947,973	1,811,577
Operating profit	2-3	2,557,905	2,115,666
Net interest receivable	4	120,302	35,103
Profit on ordinary activities before taxation		2,678,207	2,150,769
Tax on ordinary activities	5	841,981	692,318
Profit for the financial year		1,836,226	1,458,451
Dividends paid		1,034,589	-
Retained profit for the year		801,637	1,458,451

Movements on reserves are set out in note 14.

There are no recognised gains or losses other than the profit for the financial year of £1,836,226 (2000 - £1,458,451). Such gains and losses together with dividends represent the movement on shareholders' funds.

PMP Interplex Limited

Balance sheet at 31 March 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	6		2,967,576		1,410,646
Investments	7		892,086		659,086
			<u>3,859,662</u>		<u>2,069,732</u>
Current assets					
Stocks	8	717,935		771,457	
Debtors	9	1,585,482		2,665,341	
Bank		1,583,502		732,315	
Cash in hand		6,584		364	
			<u>3,893,503</u>	<u>4,169,477</u>	
Creditors					
Amounts falling due within one year	10	2,256,942		2,391,742	
			<u>1,636,561</u>		<u>1,777,735</u>
Net current assets					
			<u>5,496,223</u>		<u>3,847,467</u>
Total assets less current liabilities					
Creditors					
Amounts falling due after more than one year	11		1,014,795		167,676
			<u>4,481,428</u>		<u>3,679,791</u>
Net assets					
			<u>4,481,428</u>		<u>3,679,791</u>
Capital and reserves					
Called up share capital	13		67,931		67,931
Share premium account	14		58,675		58,675
Capital redemption reserve	14		48,366		48,366
Profit and loss account	14		4,306,456		3,504,819
			<u>4,481,428</u>		<u>3,679,791</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These accounts were approved by the board of directors on 2 August 2001 and were signed on its behalf by:


KJ Campbell
Director

PMP Interplex Limited

Cash flow statement for the year ended 31 March 2001

	Notes	£	2001 £	£	2000 £
Net cash inflow from operating activities	15		3,800,628		2,011,036
Returns on investments and servicing of finance					
Interest received		132,874		43,269	
Interest paid		(5,592)		-	
Net cash inflow from returns on investment and servicing of finance			127,282		43,269
Taxation paid			(794,148)		(596,243)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(1,913,600)		(590,536)	
Acquisitions and disposals					
Purchase of subsidiary undertaking		-		(231,586)	
Loan to subsidiary undertaking		(233,000)		(417,500)	
			(233,000)	(649,086)	
Net cash outflow from capital expenditure and financial investment activities			(2,146,600)		(1,239,622)
Equity dividends paid			(1,034,589)		-
(Decrease)/increase in cash before financing			(47,427)		218,440
Financing					
New secured loan		900,000		-	
Repayment of secured loan		(5,122)		-	
			894,878		-
Increase in cash in year	16		847,451		218,440
Reconciliation of net cash flow to movement in net funds	16				
Net funds at 1 April 2000			581,373		362,933
Increase in cash in year		847,451		218,440	
Cash inflow from increase in debt		(894,878)		-	
			(47,427)		218,440
Net funds at 31 March 2001			533,946		581,373

1 Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention, and have been prepared in accordance with applicable accounting standards.

The company and its subsidiaries comprise a medium sized group. The company has taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. The accounts therefore present information about the company as an individual undertaking and not about its group.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Freehold land and buildings	-	over 40 years
Plant and machinery	-	over 2 to 10 years

Government grants

Government grants receivable on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual amounts.

Other grants are credited to income when received.

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw materials and sundries	- actual invoice cost
Work in progress and die tools	- direct materials and labour plus attributable production overheads.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Deferred taxation

Provision is made on the liability method for taxation which is foreseen with reasonable probability to be payable in the future, using the rates of tax relevant to the forecast dates of payment of tax.

PMP Interplex Limited

Notes to the accounts (continued)

1 Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences on exchange are dealt with in the profit and loss account.

Leasing

Rentals paid under operating leases are charged against income as incurred.

Rentals received under operating leases are credited as received.

Pension costs

The company operates a scheme which can be split into two sections, a defined benefit section and a defined contribution section.

The defined benefit section covers the majority of employees. Payments made to the defined benefit section and charged against profits are calculated with actuarial advice and represent a proper charge to cover the accruing liabilities on a continuing basis.

The expected cost of pensions in respect of the defined benefit section is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme.

The company also has a separate defined contribution scheme in place.

PMP Interplex Limited

Notes to the accounts (continued)

2 Operating profit

	2001 £	2000 £
Operating profit is stated after crediting:		
Release from deferred income	-	5,507
Foreign exchange gains	59,933	-
	<u>59,933</u>	<u>-</u>
and after charging:		
Auditors remuneration	11,600	10,300
Auditors remuneration for non audit work	3,200	6,990
Depreciation	429,498	460,490
Operating lease rentals		
- plant and machinery	27,266	30,253
	<u>27,266</u>	<u>30,253</u>
Directors		
Aggregate emoluments	375,893	323,930
Company pension contributions to money purchase schemes	13,181	10,078
	<u>13,181</u>	<u>10,078</u>

Retirement benefits are accruing to three directors (*2000 – three*) under both a money purchase scheme and a defined benefit scheme.

Highest paid director

Aggregate emoluments	154,345	134,612
Company pension contributions to money purchase scheme	5,273	4,032
Defined benefit pension scheme:		
Accrued pension at end of year	45,111	40,025
	<u>45,111</u>	<u>40,025</u>

3 Employees

Wages and salaries	2,463,060	2,202,326
Social security costs	212,590	188,004
Other pension costs	185,063	164,763
	<u>2,860,713</u>	<u>2,555,093</u>

Average number of employees:

	Number	Number
Office and management	24	25
Manufacturing	91	89
	<u>115</u>	<u>114</u>

PMP Interplex Limited

Notes to the accounts (continued)

4 Net interest receivable

	2001	2000
	£	£
Bank interest	67,183	22,878
Interest from subsidiary undertaking	32,399	11,483
Other interest	26,312	742
Interest paid	(5,592)	-
	<u>120,302</u>	<u>35,103</u>

5 Tax on profit on ordinary activities

Current year		
Corporation tax	852,000	695,000
Prior year		
Corporation tax	(10,019)	(2,682)
	<u>841,981</u>	<u>692,318</u>

PMP Interplex Limited

Notes to the accounts (continued)

6 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 31 March 2000	758,694	5,313,068	6,071,762
Additions	1,748,623	237,805	1,986,428
At 31 March 2001	2,507,317	5,550,873	8,058,190
Depreciation			
At 31 March 2000	196,869	4,464,247	4,661,116
Provided during the year	44,585	384,913	429,498
At 31 March 2001	241,454	4,849,160	5,090,614
Net book value			
At 31 March 2001	2,265,863	701,713	2,967,576
At 31 March 2000	561,825	848,821	1,410,646

Included in freehold land and buildings are assets leased to Loganhurst Interplex Limited with a cost of £1,018,715. The accumulated depreciation charge on these assets is £25,468. The lease came into force after the year end.

7 Fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost			
At 31 March 2000	241,586	417,500	659,086
Addition	-	233,000	233,000
At 31 March 2001	241,586	650,500	892,086

The company holds more than 20% of the equity of the following companies:-

Name of company	Country of registration and operation	Ordinary £1 shares held	Nature of business
Loganhurst Interplex Limited	England	95%	Engineering and tool making
Precision Miniature Pressings Limited	Scotland	100%	Non-trading
Nasbrit Limited	Scotland	100%	Non-trading

PMP Interplex Limited

Notes to the accounts (continued)

7 Fixed asset investments (continued)

The subsidiary undertakings financial position for the year ended 31 March 2001 is as follows:

	Share capital and reserves £	Loss for the year after taxation £
Subsidiary undertakings		
<i>Trading</i>		
Loganhurst Interplex Limited	(124,119)	(215,855)
<i>Dormant</i>		
Precision Miniature Pressings Limited	1,000	n/a
Nasbrit Limited	9,000	n/a
	<u>=====</u>	<u>=====</u>

8 Stocks

	2001 £	2000 £
Raw materials and consumables	316,781	532,296
Work in progress	401,154	239,161
	<u>=====</u>	<u>=====</u>
	171,935	771,457

9 Debtors

Trade debtors	1,395,134	2,157,521
Amount owed by fellow subsidiaries	109,310	398,487
Prepayments and accrued income	81,038	53,473
ACT recoverable	-	55,860
	<u>=====</u>	<u>=====</u>
	1,585,482	2,665,341

PMP Interplex Limited

Notes to the accounts (continued)

10 Creditors

	2001	2000
	£	£
Amounts falling due within one year:		
Bank term loan (see note 12)	69,337	-
Bank overdraft (secured)	161,262	151,306
Trade creditors	488,244	767,197
Amount owed to ultimate parent undertaking	229,830	197,486
Amount owed to subsidiary undertakings	76,870	78,612
Corporation tax	413,382	460,710
Other taxes and social security costs	154,837	238,268
Accruals	578,879	453,163
Group relief	84,301	45,000
	<u>2,256,942</u>	<u>2,391,742</u>

The bank overdraft is secured by unlimited cross guarantees between PMP Interplex Limited and its subsidiary undertakings, a standard security over the property at Elliott Industrial Estate, Arbroath and floating charges on the assets of PMP Interplex Ltd and its subsidiary undertakings.

11 Creditors

	2001	2000
	£	£
Amounts falling due after more than one year:		
Bank term loan (see note 12)	825,541	-
Pension provision	189,254	167,676
	<u>1,014,795</u>	<u>167,676</u>

12 Bank term loan

Term loan	894,878	-
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The term loan is repayable by 120 monthly instalments of £10,524 including interest commencing on 1 March 2001. Interest is charged at 1½% above base, fixed annually.

	2001	2000
	£	£
Amounts repayable by instalments:		
Within one year	69,337	-
Within two to five years	291,943	-
After five years	533,598	-
	<u>894,878</u>	<u>-</u>
Less included in current liabilities (note 10)	(69,337)	-
	<u>825,541</u>	<u>-</u>

PMP Interplex Limited

Notes to the accounts (continued)

12 Bank term loan (continued)

The bank loan is secured by unlimited cross guarantees between PMP Interplex Limited and its subsidiary companies, a standard security over the property at Unit 8, Saxon Way, Melbourn Royston and floating charges on the assets of PMP Interplex Limited and its subsidiary companies.

13	Share capital	2001 £	2000 £
	Authorised		
	500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
	Allotted, called up and fully paid		
	67,931 ordinary shares of £1 each	<u>67,931</u>	<u>67,931</u>

14 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
Balance at 31 March 2000	58,675	48,366	3,504,819
Retained profit for year	-	-	801,637
Balance at 31 March 2001	<u>58,675</u>	<u>48,366</u>	<u>4,306,456</u>

15 Reconciliation of operating profit to net cash inflow from operating activities

	2001 £	2000 £
Operating profit	2,557,905	2,115,666
Depreciation	429,498	460,490
Loss on sale of fixed assets	-	5
Release from deferred income	-	(5,507)
Decrease/(increase) in stocks	53,522	(94,300)
Decrease/(increase) in debtors	1,017,019	(761,683)
(Decrease)/increase in creditors	(257,316)	296,365
	<u>3,800,628</u>	<u>2,011,036</u>

PMP Interplex Limited

Notes to the accounts (continued)

16 Analysis of net funds

	At 1 April 2000 £	Cash flow £	At 31 March 2001 £
Cash in hand, at bank	732,679	857,407	1,590,086
Overdrafts	(151,306)	(9,956)	(161,262)
		<u>847,451</u>	
Debt due within 1 year	-	(69,337)	(69,337)
Debt due outwith 1 year	-	(825,541)	(825,541)
Total	<u>581,373</u>	<u>(47,427)</u>	<u>533,946</u>

17 Obligations under leases

Operating leases

Commitments under non-cancellable operating leases are as follows:-

	2001 £	2000 £
Plant and machinery		
Amounts payable within one year under operating leases which expire:		
Within one year	9,855	-
In two to five years	11,093	25,401
	<u>20,948</u>	<u>25,401</u>

18 Capital commitments

Authorised and contracted for	<u>1,046,156</u>	<u>-</u>
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PMP Interplex Limited

Notes to the accounts (continued)

19 Pension scheme

PMP Interplex Limited operates two pension schemes, the assets of both are held in separate trustee administered funds.

The Staff and Works Pension Scheme can be split into two sections, the first of which provides members with benefits of the defined contribution type. This defined contribution section of the Scheme opened to new members on 1 July 1997. The pension charge for the year ended 31 March 2001 was £22,395 (2000 - £12,724).

The comments below relate to the defined benefit section of the Scheme.

The pension cost of the defined benefit section is assessed in accordance with the advice of a qualified actuary using the attained age method. The latest actuarial valuation of the scheme was at 1 July 1998 at which date the market value of the assets was £4,089,426. This actuarial valuation is sufficient to cover 104% of the value of benefits that had accrued to members after allowing for expected future increases in earnings.

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rate of growth of dividends and the rates of increase in salaries and pensions. In the valuation, it is assumed that investment returns would be 9% per annum, that dividend growth would be 4.5% per annum and that salary increases would average 7.5% per annum and that pensions in payment would increase at 3% per annum and future pensions would increase at 3% per annum or if accrued after 6 April 1997 at 4.5% per annum.

Following discussion of the valuation results, company contributions were increased to 9.8% of pensionable salaries with effect from 1 July 1997. The pension charge for the year was £140,940 (2000 - £136,579).

The company also has an Executive defined contribution scheme. The pension charge relating to this scheme was £21,728 (2000 - £15,460).

At 31 March 2001 total outstanding contributions of £14,083 (2000 - £15,824) were included in creditors due within one year, £189,254 (2000 - £167,676) were included in creditors due after more than one year and prepaid contributions of £30,036 (2000 - £29,154) were included in debtors.

20 Ultimate parent undertaking

The ultimate parent undertaking is Interplex Industries Inc, which is incorporated in the USA.