

THAMES ESTUARY PLASTICS LTD

Financial Statements

for the year ended 31st May 1998

Company Number: 651454



THAMES ESTUARY PLASTICS LIMITED

Company Information

Company No: 651454

Chairman

Mr D. Watkins

Registered Office

Thames House
Arterial Road
Rayleigh
Essex
SS6 7UQ

Directors

Mr D. Watkins
Mrs S.D. Watkins
Mr I. Lauder
Mr T. Hood
Mr P. Underwood

Secretary

Mr T. Hood

Auditors

Wilkins Kennedy
1 Nelson Street
Southend on Sea
Essex
SS1 1EG

Bankers

Barclays Bank Plc.
Southend Business Centre
PO Box 1504
Southend on Sea
Essex

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THAMES ESTUARY PLASTICS LIMITED

Directors' Report

for the year ended 31st May 1998

The directors submit their report together with the audited financial statements for the year ended 31st May 1998.

Directors' Statement

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 for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £136,419. After deducting taxation and dividends, the profit of £16,639 has been transferred to reserves.

The directors recommend interim preference dividends amounting to £36,666.

Principal Activities

The principal activities of the company are those of plastic welding, laminating and printing on plastic.

There have been no significant changes in the trading activities during the year and none are envisaged in the coming year.

Review of Business

A summary of the results of the year's trading is given on page 4 of the financial statements.

The directors are satisfied with the results for the year and look forward to the forthcoming year with confidence.

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary £1	10% Preference £1	Ordinary £1	10% Preference £1
	1998 No.	1998 No.	1997 No.	1997 No.
Mr D. Watkins	5,100	290,000	5,900	-
Mrs S.D. Watkins	4,000	200,000	4,000	-
Mr I. Lauder	-	-	-	-
Mr T. Hood	-	-	-	-
Mr P. Underwood	-	-	-	-

THAMES ESTUARY PLASTICS LIMITED

Directors' Report

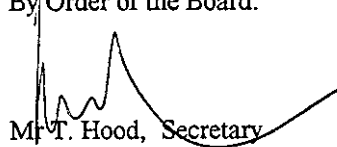
for the year ended 31st May 1998

In accordance with the articles of association Mr T. Hood and Mr P. Underwood retire from office and, being eligible, offer themselves for re-election.

Auditors

The Auditors, Wilkins Kennedy Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:



Mr T. Hood, Secretary

7th September 1998

THAMES ESTUARY PLASTICS LIMITED

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st May 1998

We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 May 1998 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Wilkins Kennedy
Chartered Accountants
and Registered Auditors

1 Nelson Street
Southend on Sea
Essex
SS1 1EG

7th September 1998

THAMES ESTUARY PLASTICS LIMITED**Profit and Loss Account****for the year ended 31st May 1998**

	Notes	1998 £	1997 £
Turnover	2	1,189,901	1,980,638
Cost of sales		(692,631)	(1,121,722)
Gross profit		497,270	858,916
Administrative expenses		(400,878)	(796,957)
Other operating income		150,000	174,965
Operating profit	3	246,392	236,924
Interest payable	4	(109,973)	(136,118)
Profit on ordinary activities before Taxation		136,419	100,806
Tax on profit on ordinary activities	5	(83,114)	(17,393)
Profit on ordinary activities after Taxation		53,305	83,413
Dividends	6	(36,666)	-
Retained profit transferred to reserves	15	16,639	83,413

All amounts relate to continuing activities.

THAMES ESTUARY PLASTICS LIMITED

Balance Sheet

as at 31st May 1998

	Notes	1998 £	1997 £
Fixed Assets			
Tangible fixed assets	7	2,083,776	2,289,161
Current Assets			
Stock	8	95,486	146,393
Debtors	9	374,527	76,417
Cash at bank and in hand		1,440	61,660
		<u>471,453</u>	<u>284,470</u>
Creditors:			
Amounts falling due within one year	10	<u>(717,323)</u>	<u>(699,430)</u>
Net Current Liabilities		<u>(245,870)</u>	<u>(414,960)</u>
Total Assets Less Current Liabilities		<u>1,837,906</u>	<u>1,874,201</u>
Creditors:			
Amounts falling due after more than one year	11	(712,483)	(815,418)
Provision for Liabilities and Charges			
Deferred taxation	13	<u>(99,362)</u>	<u>(49,362)</u>
		<u>1,026,061</u>	<u>1,009,421</u>
Capital and Reserves			
Share capital	14	510,000	10,000
Revaluation reserve	15	97,959	97,959
Profit and loss account	15	418,102	901,462
	16	<u>1,026,061</u>	<u>1,009,421</u>
Analysis of Shareholders' Funds			
Equity interests		526,061	1,009,421
Non-equity interests		500,000	-
		<u>1,026,061</u>	<u>1,009,421</u>

These accounts were approved by the board on 7th September 1998.

Mr D. Watkins

Mr P. Underwood
Directors

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

Freehold land and buildings	over ten years
Plant and machinery	Over 10 years
Motor vehicles	25% reducing balance basis
Leased motor vehicles	Over period of lease
Computer system	10% reducing balance basis
Leased computer equipment	Over period of lease
Fixtures and fittings	10% reducing balance basis

Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants or assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Stocks

Stocks are valued on a "first in - first out" basis at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. In the case of work in progress and finished goods, cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

THAMES ESTUARY PLASTICS LIMITED

Notes to the Financial Statements

for the year ended 31st May 1998

2 Turnover

The turnover and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating Profit

The operating profit is stated after charging or crediting:

	1998	1997
	£	£
Amounts payable to the auditors in respect of audit services	1,200	7,000
Depreciation - owned assets	130,851	140,276
Depreciation - assets held under hire purchase or finance lease contracts	67,611	72,007
Loss on disposal of fixed assets	2,782	18,804

4 Interest Payable

	1998	1997
	£	£
Bank loans and overdrafts	97,915	90,076
Hire purchase and finance lease interest	12,058	46,042
	109,973	136,118

5 Tax on Profit on Ordinary Activities

	1998	1997
	£	£
Based on the profit for the year:		
U.K. Corporation tax at 31% (1997: 24%/21%)	35,000	15,000
Deferred tax charge	50,000	-
	85,000	15,000
Prior year adjustments - corporation tax	(1,886)	2,393
	83,114	17,393

6 Dividends

	1998	1997
	£	£
Non-equity		
10% Preference shares - paid	36,666	-

THAMES ESTUARY PLASTICS LIMITED

Notes to the Financial Statements

for the year ended 31st May 1998

7 Tangible Fixed Assets

	Freehold land and buildings	Imp'ments to freehold buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost or Valuation	£	£	£	£	£	£
At 1 June 1997	962,410	141,348	2,185,892	41,185	244,294	3,575,129
Additions	-	91,016	-	-	25,024	116,040
Disposals	-	-	(229,921)	(22,000)	-	(251,921)
At 31 May 1998	962,410	232,364	1,955,971	19,185	269,318	3,439,248
Depreciation						
At 1 June 1997	-	35,677	1,091,932	33,393	124,965	1,285,967
Charge for year	-	17,062	167,616	803	12,981	198,462
Disposals	-	-	(111,539)	(17,418)	-	(128,957)
At 31 May 1998	-	52,739	1,148,009	16,778	137,946	1,355,472
Net Book Value						
Owned assets	962,410	179,625	261,267	2,407	131,372	1,537,081
Leased assets	-	-	546,695	-	-	546,695
At 31 May 1998	962,410	179,625	807,962	2,407	131,372	2,083,776
Owned assets	962,410	105,671	445,899	7,792	119,329	1,641,101
Leased assets	-	-	648,061	-	-	648,061
At 31st May 1997	962,410	105,671	1,093,960	7,792	119,329	2,289,162

8	Stocks	1998	1997
		£	£
	Raw materials	40,241	59,349
	Work in progress	55,245	87,044
		95,486	146,393

9	Debtors	1998	1997
		£	£
	Trade debtors	350,100	69,624
	Corporation tax recoverable	2,500	-
	Other debtors	14,115	-
	Prepayments and accrued income	7,812	6,793
		374,527	76,417

THAMES ESTUARY PLASTICS LIMITED

Notes to the Financial Statements

for the year ended 31st May 1998

10	Creditors: Amounts falling due within one year	1998 £	1997 £
	Bank loan and overdraft	20,782	38,492
	Net obligations under hire purchase and finance lease contracts	96,972	145,695
	Trade creditors	533,247	457,760
	Corporation tax	35,000	15,000
	Other taxes and social security	9,990	19,424
	Other creditors	15,523	945
	Accruals and deferred income	5,809	22,114
		<u>717,323</u>	<u>699,430</u>

The bank loan and overdraft are secured by way of a cross guarantee and debenture between Thames Loose Leaf Limited and Thames Card Technology Limited and a charge over the company's freehold land and buildings.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

11	Creditors: Amounts falling due after one year	1998 £	1997 £
	Bank loans	650,032	659,132
	Net obligations under hire purchase and finance lease contracts	62,451	156,286
		<u>712,483</u>	<u>815,418</u>

The security relating to the above items is as disclosed in note 11.

Bank loans and overdrafts fall repayable as follows:-

Between one and two years	9,099	9,099
Between two and five years	32,668	32,668
	<u>41,767</u>	<u>41,767</u>
Within one year	9,099	38,492
	<u>50,866</u>	<u>80,259</u>
Total bank loans repayable after more than five years	608,265	617,365
Total bank loan repayments	<u>659,131</u>	<u>697,624</u>

12	Obligations Under Hire Purchase and Finance Lease	1998 £	1997 £
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	96,972	145,695
	Between two and five years	62,451	156,286
		<u>159,423</u>	<u>301,981</u>

THAMES ESTUARY PLASTICS LIMITED

Notes to the Financial Statements

for the year ended 31st May 1998

13 Deferred Taxation

Deferred taxation provided and unprovided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the Balance Sheet date.

	Amount Provided		Amount Unprovided	
	1998	1997	1998	1997
	£	£	£	£
Accelerated capital allowances	(99,362)	(49,362)	(75,898)	(62,023)

14 Share Capital

Authorised	1998	1997
	£	£
10,000 Ordinary shares of £1 each	10,000	10,000
500,000 10% preference shares of £1 each	500,000	-
	<u>510,000</u>	<u>10,000</u>

Allotted, called up and fully paid	1998	1997
	£	£
10,000 Ordinary shares of £1 each	10,000	10,000
500,000 10% preference shares of £1 each	500,000	-
	<u>510,000</u>	<u>10,000</u>

Movements during the year

	10% preference shares of £1 each
At 1st June 1997	-
Issues during the year	500,000
At 31st May 1998	<u>500,000</u>

15 Reserves

	Revaluation Reserve	Profit and Loss Account
	£	£
At 1st June 1997	97,959	401,463
Profit for the year	-	16,639
At 31st May 1998	<u>97,959</u>	<u>418,102</u>

THAMES ESTUARY PLASTICS LIMITED

Notes to the Financial Statements

for the year ended 31st May 1998

16	Reconciliation of the Movement in Shareholders' Funds	1998	1997
		£	£
	Profit for the financial year	53,305	83,413
	Dividends	(36,666)	-
		<hr/>	<hr/>
		16,639	83,413
	Other recognised gains	-	97,959
	New share capital subscribed	500,000	-
	Opening shareholders' funds	509,422	828,049
		<hr/>	<hr/>
	Closing shareholders' funds	1,026,061	1,009,421

17 Related Party Transactions

D. Watkins has a controlling interest in both Thames Card Technology Limited and Thames Loose Leaf Limited

Included within trade creditors is £332,146 (1997 £89,290) due to Thames Card Technology Limited and £160,708 (1997 £303,070) due to Thames Loose Leaf Limited. Included within trade debtors is £350,000 (1997 £nil) due from Thames Card Technology Limited. During the year sales of £962,280 (1997 £1,430,065) were made to Thames Card Technology Limited and £33,352 (1997 £43,718) to Thames Loose Leaf Limited. Rental income of £150,000 (1997 £150,000) was received from Thames Card Technology Limited.