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THAMES ESTUARY PLASTICS LIMITED

**DIRECTORS' REPORT
AND
ACCOUNTS**

**FOR THE YEAR ENDED
31ST MAY 2001**



Company No. 651454

THAMES ESTUARY PLASTICS LIMITED

COMPANY INFORMATION

Directors

Mr D. Watkins
Mrs S. D. Watkins
Mr T. Hood
Mr P. Underwood
Mr G. Short

Secretary

Mr T. Hood

Company number

651454

Registered office

Thames House
Arterial Road
Rayleigh
Essex
SS6 7UQ

Auditors

Wilkins Kennedy
Bridge House
London Bridge
London SE1 9QR

Bankers

National Westminster Bank Plc
PO Box 12
National Westminster House
6 High Street
Chelmsford, Essex
CM1 1BL

THAMES ESTUARY PLASTICS LIMITED

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THAMES ESTUARY PLASTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2001

The directors present their report and the audited accounts for the company for the year ended 31st May 2001.

Principal activities

The company's principal activity continued to be that of plastic welding, laminating and printing on plastic.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st May 2001	At 1st June 2000
Mr D. Watkins	Ordinary £1 shares	5,100	5,100
	Preference £1 shares	290,000	290,000
Mrs S. D. Watkins	Ordinary £1 shares	4,000	4,000
	Preference £1 shares	200,000	200,000
Mr T. Hood	Ordinary £1 shares	-	-
	Preference £1 shares	-	-
Mr P. Underwood	Ordinary £1 shares	-	-
	Preference £1 shares	-	-
Mr G. Short	Ordinary £1 shares	-	-
	Preference £1 shares	-	-

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 year. 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;

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 enable them to ensure that the accounts 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.

THAMES ESTUARY PLASTICS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2001

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board



Mr T. Hood, Secretary
30th November 2001

Thames House
Arterial Road
Rayleigh
Essex
SS6 7UQ

AUDITORS' REPORT TO THE SHAREHOLDERS OF THAMES ESTUARY PLASTICS LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), 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 directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

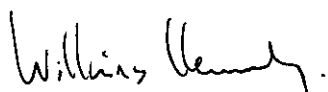
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st May 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Wilkins Kennedy
Chartered Accountants and Registered Auditors
Bridge House
London Bridge
London SE1 9QR
Date: 30th November 2001

THAMES ESTUARY PLASTICS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 2001

	Notes	2001 £	2000 £
Turnover	2	966,187	824,712
Cost of sales		(591,693)	(620,683)
Gross profit		374,494	204,029
Administrative expenses		(288,039)	(317,478)
		86,455	(113,449)
Other operating income		228,000	180,000
Operating profit	3	314,455	66,551
Interest payable and similar charges	4	(68,210)	(65,415)
Profit on ordinary activities before taxation		246,245	1,136
Tax on profit on ordinary activities	5	(112,224)	(10,295)
Profit/Loss for the financial year		134,021	(9,159)
Dividends	6	(60,000)	(40,000)
Retained profit/loss for the year		74,021	(49,159)
Retained profit brought forward		319,571	368,730
Retained profit carried forward		393,592	319,571

There were no recognised gains or losses for 2001 or 2000 other than those included in the profit and loss account.

THAMES ESTUARY PLASTICS LIMITED

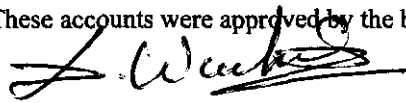
BALANCE SHEET

AS AT 31ST MAY 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	7		2,105,839		1,891,840
Current assets					
Stocks		47,286		75,285	
Debtors	8				
amounts falling due after more than one year		221,364		323,791	
amounts falling due within one year		95,149		79,443	
Cash at bank and in hand		-		950	
			<u>363,799</u>	<u>479,469</u>	
Creditors: amounts falling due within one year	9		<u>(265,189)</u>	<u>(443,969)</u>	
Net current assets			<u>98,610</u>		<u>35,500</u>
Total assets less current liabilities			<u>2,204,449</u>		<u>1,927,340</u>
Creditors: amounts falling due after more than one year	10		(1,076,398)		(900,448)
Provisions for liabilities and charges					
Deferred taxation	11		(126,500)		(99,362)
			<u>1,001,551</u>		<u>927,530</u>
Capital and reserves					
Share capital - equity	12		10,000		10,000
Share capital - non equity	12		500,000		500,000
Revaluation reserve			97,959		97,959
Profit and loss account			393,592		319,571
Shareholders' funds					
Equity		501,551		427,530	
Non-equity		500,000		500,000	
			<u>1,001,551</u>		<u>927,530</u>

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

These accounts were approved by the board on 30th November 2001 and signed on its behalf by:


Mr D. Watkins
Directors


Mr P. Underwood

THAMES ESTUARY PLASTICS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

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

Tangible fixed assets and 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 and periods generally applicable are:

Freehold properties	not depreciated
Improvements to Freehold	over ten years
Plant and machinery	over ten years
Motor vehicles	25% reducing balance basis
Fixtures and fittings	10% reducing balance basis

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.

2 Turnover

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

THAMES ESTUARY PLASTICS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

3	Operating profit		
	<i>The operating profit is stated after charging or crediting:</i>	2001	2000
		£	£
	Depreciation of tangible fixed assets:		
	-owned assets	177,400	179,999
	Loss on disposal of fixed assets	-	(1,195)
	Auditors' remuneration	2,400	2,400
	Rental income	<u>(228,000)</u>	<u>(180,000)</u>
4	Interest payable and similar charges	2001	2000
		£	£
	Interest payable on bank loans and overdrafts	68,210	62,979
	Finance leases and hire purchase contracts	-	2,436
		<u>68,210</u>	<u>65,415</u>
5	Taxation		
	Based on the profit for the year:		
	UK corporation tax at 20% (2000 21%/20%)	85,086	10,295
	Deferred tax charge	<u>27,138</u>	<u>-</u>
6	Dividends	2001	2000
		£	£
	Ordinary dividends - proposed	20,000	-
	Preference dividends - paid	40,000	40,000
	Total equity and non-equity dividends	<u>60,000</u>	<u>40,000</u>

THAMES ESTUARY PLASTICS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

7 Tangible fixed assets

	Freehold land and buildings	Long leasehold land and buildings	Plant and machinery	Fixtures and fittings	Total
Cost or valuation	£	£	£	£	£
At 1st June 2000	962,410	398,463	1,945,970	269,668	3,576,511
Additions	391,400	-	-	-	391,400
At 31st May 2001	1,353,810	398,463	1,945,970	269,668	3,967,911
Depreciation					
At 1st June 2000	-	-	1,520,976	163,696	1,684,672
Charge for the year	-	-	166,802	10,598	177,400
At 31st May 2001	-	-	1,687,778	174,294	1,862,072
Net book value					
At 31st May 2001	1,353,810	398,463	258,192	95,374	2,105,839
At 31st May 2000	962,410	398,463	424,994	105,972	1,891,839

Asset Revaluation

Freehold land and buildings were revalued on 8th August 1997 on the basis of open market value by Kemsley Whitely & Ferris, Chartered Surveyors. The directors are of the opinion that the open market value has not changed significantly since that time.

8 Debtors

	2001	2000
	£	£
Amounts owed by associated undertakings	314,675	399,505
Other debtors	1,250	2,857
Prepayments and accrued income	588	872
	316,513	403,234

9 Creditors: amounts falling due within one year

	2001	2000
	£	£
Bank loan and overdraft	113,465	322,396
Trade creditors	11,049	59,962
Amounts owed to related companies	-	35,858
Other creditors	100,886	25,753
Directors' loans	39,789	-
	265,189	443,969

'Other creditors' include £96,686 (2000: £20,928) in respect of taxation and social security.

THAMES ESTUARY PLASTICS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 2001

10 Creditors: amounts falling due after more than one year

	2001	2000
	£	£
Bank loans	1,076,398	888,438
Directors' loans	-	12,010

The bank loans and overdrafts are secured by a floating charge over the company's assets and a first charge on the company's freehold property.

11 Deferred taxation

Deferred taxation fully provided for in the financial statements is set out below.

	2001	2000
	£	£
At 1st June 2000	99,362	99,362
Movement in the year	27,138	-
At 31st May 2001	126,500	99,362

Deferred taxation unprovided for in the financial statements is £nil (2000 £53,000).

12 Share capital

	2001	2000
	£	£
Authorised		
10,000 Ordinary shares of £1.00 each	10,000	10,000
500,000 Preference shares of £1.00 each	500,000	500,000
	510,000	510,000
Allotted		
10,000 Allotted, called up and fully paid ordinary shares of £1.00 each	10,000	10,000
500,000 Preference shares of £1.00 each	500,000	500,000
	510,000	510,000

13 Related parties

Mr D. Watkins has a controlling interest in the company and in both Thames Card Technology Limited and Thames Loose Leaf Limited and is a director of Thames Direct Limited.

Included in debtors is £69,252 (2000 - £323,791) due from Thames Card Technology Limited and £240,229 (2000 - £75,714) due from Thames Loose Leaf Limited and £5,194 (2000 - £35,858 due to) due from Thames Direct Limited.

During the year, rent of £228,000 (2000 - £180,000) was received from Thames Card Technology Limited and commission of £155,135 (2000 - £131,899) was received from Thames Loose Leaf Limited