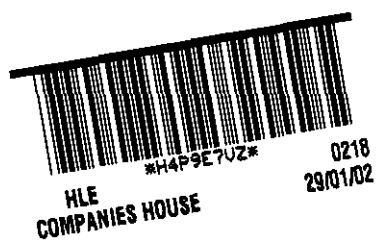


CTP WHITE KNIGHT LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2001



CTP WHITE KNIGHT LIMITED

COMPANY INFORMATION

Directors

Mr G Upton
Mr T S Kurwie
Mr C Mawe
Mr R Salt
Mr I Williamson

Secretary

Mr R Salt

Company number

1003927

Registered office

4 Hawthorn Road
Eastbourne
East Sussex
BN23 6QA

Auditors

Ernst & Young LLP
Leeds

CTP WHITE KNIGHT LIMITED

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CTP WHITE KNIGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2001

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

Principal activities and review of business

The company's principal activity during the year was the manufacture of plastic injection moulded products.

Results and dividends

The loss for the year amounts to £195,607 (2000 : profit £239,146) and is dealt with as shown in the profit and loss account on page 4.

The directors recommend dividends amounting to £254,393 (2000: £76,752).

Directors and their interests

The directors who held office during the year are listed below:

Name of director

Mr G Upton

Mr T S Kurwie

Mr C Mawe

Mr R Salt

Mr I Williamson

Also a director of the company was Mrs H E Brian-Davis who resigned on 14 July 2000.

Directors' interests notifiable under the terms of the Companies Act 1985 were those listed below:

Carclo plc	5p ordinary shares	5p ordinary shares	Options held	Granted during	Lapsed during	Options held
	1 April 2000 No.	31 March 2001 No.	1 April 2000 No.	period No.	period No.	31 March 2001 No.
Mr G Upton	4,523	4,523	33,000	20,000	33,000	20,000
	-	-	6,250*	8,649+	6,250*	8,649+
Mr R Salt	-	-	-	10,000	-	10,000
	-	-	-	864+	-	864+

* options granted under the Carclo Sharesave Option Scheme 1997.

+ options granted under the Carclo Sharesave Option Scheme 2000.

Mr I Williamson, Mr T S Kurwie and Mr C Mawe were also directors of the ultimate parent company, Carclo plc, in whose accounts their interests in the share capital of that company are shown.

CTP WHITE KNIGHT LIMITED

DIRECTORS' REPORT ,

FOR THE YEAR ENDED 31 MARCH 2001

Events since the end of the year

On 19 September 2001, the company announced that it was to withdraw from the manufacture of CD boxes and would cease to trade.

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 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 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.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be reappointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985.

By order of the Board



Mr R Salt, Secretary
18 January 2002

4 Hawthorn Road
Eastbourne
East Sussex
BN23 6QA

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CTP WHITE KNIGHT LIMITED

We have audited the company's financial statements for the year ended 31 March 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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 misstatements 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 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 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 the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

**Ernst & Young LLP
Registered Auditor
Leeds**

18.1.02

CTP WHITE KNIGHT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2001

	<i>Notes</i>	<i>2001</i> £	<i>2000</i> £
Turnover	2	<u>6,143,297</u>	<u>7,632,796</u>
Operating (loss)/profit	3	<u>(240,348)</u>	<u>362,626</u>
Interest payable and similar charges	4	<u>(38,609)</u>	<u>(13,973)</u>
(Loss)/profit on ordinary activities before taxation		<u>(278,957)</u>	<u>348,653</u>
Taxation	7	<u>83,350</u>	<u>(109,507)</u>
(Loss)/profit for the financial year		<u>(195,607)</u>	<u>239,146</u>
Dividends	8	<u>(254,393)</u>	<u>(76,752)</u>
(Deficit)/retained profit for the year	15	<u><u>(450,000)</u></u>	<u><u>162,394</u></u>

All amounts relate to continuing activities.

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

CTP WHITE KNIGHT LIMITED

BALANCE SHEET

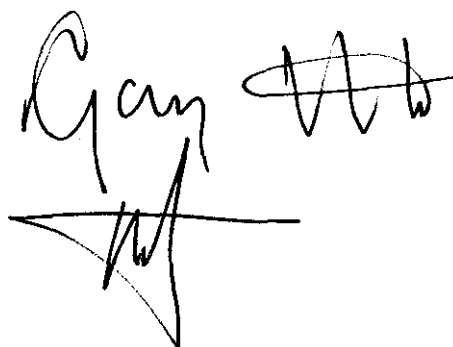
AS AT 31 MARCH 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	9		1,691,106		1,754,798
Current assets					
Stocks	10	551,459		881,530	
Debtors	11	1,295,862		1,863,418	
Cash at bank and in hand		1,201		1,599	
		1,848,522		2,746,547	
Creditors: amounts falling due within one year	12	(1,124,359)		(1,622,379)	
Net current assets			724,163		1,124,168
Total assets less current liabilities			2,415,269		2,878,966
Provisions for liabilities and charges					
Deferred taxation	13		(15,269)		(28,966)
			2,400,000		2,850,000
Capital and reserves					
Share capital	14		2,000,000		2,000,000
Profit and loss account	15		400,000		850,000
Equity shareholders' funds	16		2,400,000		2,850,000

Mr G Upton
Director

Mr R Salt
Director

18 January 2002



CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

1 Accounting policies

Basis of accounting

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

As permitted by Financial Reporting Standard 1 (revised 1996) - "Cash Flow Statements", the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts.

Related party transactions

The company has taken advantage of the exemption to Financial Reporting Standard 8 from disclosing transactions with related parties that are part of Carclo plc.

Depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives as follows:

Plant and machinery	10 - 20%
Motor vehicles	25%

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overhead expenses.

Deferred taxation

Provision is made for deferred taxation using the liability method where it is considered that such a liability may become payable in the future.

Foreign currencies

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end, except where they are covered by forward contracts in which case the rate appropriate to the forward contracts is used.

CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

Pensions

The company contributes to a group pension scheme which is a defined benefit scheme and fully funded. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the company. The effect of any experience surpluses is retained within the accounts of the ultimate parent company.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value 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.

2 Turnover

Turnover is the net invoiced value of goods and services provided by the company exclusive of VAT.

Turnover is attributable to one continuing activity, the manufacture of plastic injection moulded products.

The geographical analysis of turnover is as follows:

	2001	2000
	£	£
United Kingdom	5,875,669	7,344,983
Rest of Europe	246,868	269,927
Rest of World	20,760	17,886
	<u>6,143,297</u>	<u>7,632,796</u>

3 Operating (loss)/profit

The operating (loss)/profit is arrived at as follows:

	2001	2000
	£	£
Turnover	6,143,297	7,632,796
Finished goods & work in progress stock change	237,332	(352,933)
Raw materials and consumables	2,840,738	3,416,374
Employee costs (note 5)	1,395,930	1,936,480
Depreciation	614,371	725,847
Operating lease rentals - plant and machinery	4,485	36,195
Operating lease rentals - land and buildings	291,275	267,444
Auditors' remuneration	10,000	10,000
Management charge	110,000	110,000
Other operating charges	879,514	1,120,763
	<u>(240,348)</u>	<u>362,626</u>

Included above is £75,110 (2000 - £Nil) in respect of exceptional costs incurred as a result of employee redundancies.

CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

4 Interest payable and similar charges

	2001	2000
	£	£
Bank overdraft	38,609	13,973

5 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2001	2000
	£	£
Wages and salaries	1,189,952	1,754,286
Social security costs	100,464	146,304
Pension costs	30,404	35,890
Redundancy costs	75,110	-
	1,395,930	1,936,480

	2001	2000
	Number	Number
The average monthly number of employees, including directors, during the year was	66	98

Directors' emoluments

	2001	2000
	£	£
Emoluments	75,619	116,843

Mr I Williamson, Mr T S Kurwie and Mr C Mawe were also directors of the holding company and fellow subsidiaries. Mr R Salt was also a director of fellow subsidiaries. These directors received remuneration of £525,169 (2000 - £579,457), all of which was paid by the holding company. The directors do not believe that it is practicable to apportion this amount between their service as directors of the holding company and the fellow subsidiary companies.

	2001	2000
	Number	Number
Retirement benefits were accruing to directors as follows:		
Defined benefit schemes	4	5

6 Pensions

Contributions to the pension scheme are determined by qualified actuaries on the basis of the triennial valuation. The most recent valuation was as at 1 April 1998 and details of this actuarial valuation are disclosed in the accounts of the parent company.

CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

7 Taxation

	2001 £	2000 £
Based on the (loss)/profit for the year:		
UK corporation tax (credit)/charge	(68,246)	164,160
Deferred tax	(14,312)	(54,653)
	(82,558)	109,507
Prior periods:		
UK corporation tax	(1,407)	-
Deferred taxation	615	-
	(83,350)	109,507

8 Dividends

	2001 £	2000 £
Per ordinary £1 share		
Interim paid - 12.72p (2000 - 3.84p)	254,393	76,752

9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2000	8,397,250	104,598	8,501,848
Additions - non group	395,491	26,800	422,291
Additions - group	196,405	-	196,405
Disposals - non group	(795,494)	(33,422)	(828,916)
At 31 March 2001	8,193,652	97,976	8,291,628
Depreciation			
At 1 April 2000	6,649,676	97,374	6,747,050
Charge for the year	607,512	6,859	614,371
Group additions	64,686	-	64,686
Disposals - non group	(794,205)	(31,380)	(825,585)
At 31 March 2001	6,527,669	72,853	6,600,522
Net book value			
At 31 March 2001	1,665,983	25,123	1,691,106
At 31 March 2000	1,747,574	7,224	1,754,798

CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

10	Stocks	2001	2000
		£	£
	Raw materials	80,507	173,246
	Work in progress	-	4,565
	Finished goods	470,952	703,719
		<u>551,459</u>	<u>881,530</u>
11	Debtors	2001	2000
		£	£
	Trade debtors	962,719	1,572,250
	Taxation recoverable	68,246	-
	Amounts owed by group undertakings	56,883	65,981
	Other debtors	50,800	83,691
	Prepayments and accrued income	157,214	141,496
		<u>1,295,862</u>	<u>1,863,418</u>
12	Creditors: amounts falling due within one year	2001	2000
		£	£
	Bank loans and overdrafts	452,817	253,873
	Trade creditors	422,897	783,488
	Corporation tax	-	164,160
	Amounts owed to group undertakings	12,698	208
	Other taxes and social security	120,228	124,353
	Other creditors	7,711	158,972
	Accruals and deferred income	108,008	137,325
		<u>1,124,359</u>	<u>1,622,379</u>
13	Deferred taxation	2001	2000
		£	£
	At 1 April 2000	28,966	83,619
	Movement in the year	(13,697)	(54,653)
	At 31 March 2001	<u>15,269</u>	<u>28,966</u>
	Deferred taxation is as follows:		
		2001	2000
		£	£
	Accelerated capital allowances	<u>15,269</u>	<u>28,966</u>

CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

14	Share capital	2001	2000
		£	£
	Authorised		
	Equity shares		
	2,000,000 Ordinary shares of £1.00 each	<u>2,000,000</u>	<u>2,000,000</u>
	Allotted		
	Equity shares		
	2,000,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>2,000,000</u>	<u>2,000,000</u>
15	Reserves		Profit and loss account
			£
	At 1 April 2000		850,000
	Loss for the year		(450,000)
	At 31 March 2001		<u>400,000</u>
16	Reconciliation of movement in shareholders' funds	2001	2000
		£	£
	(Loss)/profit for the financial year	(195,607)	239,146
	Dividends	(254,393)	(76,752)
	(Decrease)/increase in shareholders' funds	(450,000)	162,394
	Opening shareholders' funds	<u>2,850,000</u>	<u>2,687,606</u>
	Closing shareholders' funds	<u><u>2,400,000</u></u>	<u><u>2,850,000</u></u>
17	Capital commitments		
	The company had the following capital commitments:	2001	2000
		£	£
	Contracted for but not provided in the financial statements	-	197,447
18	Contingent liabilities		
	Guarantees have been given by the company in respect of amounts drawn against borrowing facilities of certain associated undertakings.		

CTP WHITE KNIGHT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

19 Operating lease commitments

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2001</i>	<i>2000</i>
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Within one year	-	38,262
Between two and five years	37,000	44,000
After five years	184,500	184,500
	<u>221,500</u>	<u>266,762</u>

20 Post balance sheet events

On 19 September 2001, the company announced that it was to withdraw from the manufacture of CD boxes and would cease to trade.

21 Ultimate parent company

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Ploughland House, 62 George Street, Wakefield, WF1 1ZF.