

MARCH PACKAGING (HOLDINGS) LIMITED

Company Number: 1411614

Registered Office:
28 Wilton Road
Bexhill on Sea
East Sussex
TN40 1EZ

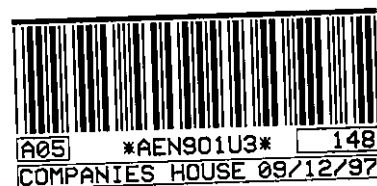
**FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1997**

CONTENTS

Statutory Financial Statements

- 1 Directors' Report
- 2 Auditors' Report
- 3 Profit and Loss Account
- 4 Balance Sheet
- 5 Cash Flow Statement
- 6 Notes to the Cash Flow Statement
- 7 Notes to the Financial Statements

ASHDOWN HURREY & CO
Chartered Accountants
Registered Auditors
20 Havelock Road
Hastings
East Sussex
TN34 1BP



MARCH PACKAGING (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS YEAR ENDED 31 MARCH 1997

PRINCIPAL ACTIVITIES

The principal activities of the company during the year under review were as follows:

- a) To act as a holding and management company to the group undertakings.
- b) The importation and resale of industrial machinery principally for the corrugated board industry.

The principal activity of the company's subsidiary undertakings are shown in the notes to the financial statements.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors do not anticipate any alteration in the company's scope of activities. No special matters arose during the year requiring additional comment.

The attached financial statements disclose a profit before taxation of £470,375 (1996 £310,356).

DIVIDENDS AND TRANSFERS

The directors do not recommend the payment of a further dividend. The balance on the profit and loss account will be carried forward.

Changes in fixed assets are shown in the notes to the financial statements.

DIRECTORS

The directors who served during the year and their beneficial holdings of shares are shown in the notes to the financial statements.

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 the affairs of the company as at the end of the accounting period and of the profit of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and 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 a 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

A resolution reappointing Ashdown Hurrey & Co as auditors to the company will be put to the Annual General Meeting.

Approved by the board of directors and signed on their behalf:

J L Neave
Secretary



Dated: 20/8/97

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
MARCH PACKAGING (HOLDINGS) LIMITED**

YEAR ENDED 31 MARCH 1997

We have prepared the financial statements on pages 3 to 19 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

Respective Responsibilities of Directors and Auditors

As described in the directors' report, the directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

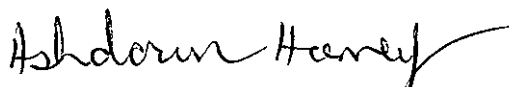
Basis of Opinion

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 are 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 from 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 at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



ASHDOWN HURREY & CO
Chartered Accountants
Registered Auditors
20 Havelock Road
Hastings
East Sussex
TN34 1BP

Dated: 1/9/97

MARCH PACKAGING (HOLDINGS) LIMITED

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 1997**

	Note	1997 £	1996 £
TURNOVER		2,072,454	1,147,819
Cost of sales		(1,730,341)	(1,044,342)
GROSS PROFIT		342,113	103,477
Other operating income		774,314	693,273
		1,116,427	796,750
Administrative expenses		(791,490)	(562,519)
OPERATING PROFIT	2	324,937	234,231
Income from shares in group undertakings		135,785	91,835
Interest receivable	5	14,453	10,504
Interest payable	6	(4,800)	(26,214)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		470,375	310,356
Tax on profit on ordinary activities	7	(94,931)	(76,141)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		375,444	234,215
DIVIDENDS		(175,069)	(204,500)
RETAINED PROFIT FOR THE YEAR		200,375	29,715

The profit for the period shown above wholly comprises continuing operations and represents the only recognised gains or losses for the period.

The notes numbered 1 to 22 form an integral part of these financial statements.

MARCH PACKAGING (HOLDINGS) LIMITED

BALANCE SHEET 31 MARCH 1997

	Note	1997	1996
		£	£
FIXED ASSETS			
Tangible assets	9	2,038,928	2,029,403
Investments	11	3,844	4,034
		<u>2,042,772</u>	<u>2,033,437</u>
CURRENT ASSETS			
Debtors	12	276,366	359,576
Cash at bank and in hand		249,878	68
		<u>526,244</u>	<u>359,644</u>
CREDITORS			
Amounts falling due within one year	13	952,567	865,955
NET CURRENT LIABILITIES		<u>(426,323)</u>	<u>(506,311)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,616,449</u>	<u>1,527,126</u>
CREDITORS			
Amounts falling due after more than one year	14	(50,546)	(121,598)
		<u>1,565,903</u>	<u>1,405,528</u>
CAPITAL AND RESERVES			
Called up share capital	17	5,000	5,034
Share premium account	18	79,463	79,463
Revaluation reserve	18	451,503	451,503
Capital redemption reserve	18	534	500
Profit and loss account	18	1,029,403	869,028
SHAREHOLDERS' FUNDS	21	<u>1,565,903</u>	<u>1,405,528</u>

Approved by the board of directors and signed on their behalf:

A N Dove
Director

Dated: 20-8-97

The notes numbered 1 to 22 form an integral part of these financial statements.

MARCH PACKAGING (HOLDINGS) LIMITED

**CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 1997**

	1997	1996
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	516,851	303,832
RETURNS ON INVESTMENTS AND SERVICING FINANCE		
Interest paid	(4,800)	(26,214)
Interest received	14,453	10,504
Dividends paid	(175,069)	(204,500)
Dividends received	135,785	91,835
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(29,631)	(128,375)
TAXATION		
Corporation tax paid	(98,472)	(61,576)
Corporation tax refund	-	13,342
NET CASH OUTFLOW FROM TAXATION	(98,472)	(48,234)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(50,238)	(18,372)
Receipts from sale of tangible fixed assets	1,000	55,000
Disposal of investments	190	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(49,048)	36,628
NET CASH INFLOW BEFORE FINANCING	339,700	163,851
FINANCING		
Issue of share capital	-	24,430
Repurchase of own shares	(40,000)	-
Capital repaid on hire purchase and finance lease agreements	(22,094)	(25,404)
Repayment of loans	(91,428)	(286,480)
NET CASH OUTFLOW FROM FINANCING	(153,522)	(287,454)
INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	186,178	(123,603)

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE CASHFLOW STATEMENT YEAR ENDED 31 MARCH 1997

1. Reconciliation of operating profit to net cash inflow from operating activities.

	1997 £	1996 £
Operating profit	324,937	234,231
Depreciation	39,713	70,209
Decrease in debtors	78,451	(106,331)
Increase/(decrease) in creditors	73,750	105,723
	<u>516,851</u>	<u>303,832</u>

2. Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	1997 £	1996 £	Change in Year 1997 £	1996 £
Bank accounts	249,878	68	249,810	(96,595)
Cash	-	-	-	(20)
Bank overdraft	(110,137)	(46,505)	(63,632)	(26,988)
	<u>139,741</u>	<u>(46,437)</u>	<u>186,178</u>	<u>(123,603)</u>

3. Analysis of changes in financing during the year.

	1997 Share Capital £	HP and Finance Leases £	1996 Share Capital £	HP and Finance Leases £
Balance at 1 April 1996	84,497	50,233	60,067	15,049
Advanced for purchase of assets	-	-	-	60,588
Cash flows from financing	(34)	(22,094)	24,430	(25,404)
	<u>84,463</u>	<u>28,139</u>	<u>84,497</u>	<u>50,233</u>

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

Convention

The financial statements are prepared under the historical cost convention except for freehold and long leasehold properties some of which are stated at revalued amounts (see note 9), and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on the following tangible fixed assets, at rates calculated to write off the cost of each asset over its anticipated useful life using the reducing balance method, unless otherwise stated:

Plant and machinery (except forklifts)	15% per annum
Fixtures and fittings	15% per annum
Motor vehicles	25% per annum
Office equipment (except computers)	15% per annum
Forklift trucks (straight line)	Over 4 years
Computers (straight line)	Over 3 years

Short leasehold premises and assets acquired under finance leases are depreciated on a straight line basis over the term of the lease.

No depreciation is provided on freehold or long leasehold properties. It is the company's practise to maintain these assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the directors consider that the lives of these assets are so long and residual values are so high, (based on prices prevailing at the time of acquisition or subsequent valuation), that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the profit and loss account as appropriate.

Taxation

The charge for taxation is based on profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. However, no provision is made for taxation deferred by reliefs where, in the opinion of the directors, no liability will arise in the foreseeable future. Deferred taxation is calculated under the liability method using the rate applicable at the balance sheet date.

Leasing and Hire Purchase Commitments

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over the primary term of the lease. Interest charged on finance leases and hire purchase contracts is charged to the profit and loss account over the period of the lease or contract.

Rentals paid under operating leases are charged to the profit and loss account as they are incurred.

Rentals received under operating leases are based on commercial rates and are credited to the profit and loss account on a receivable basis.

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

Foreign Currencies

Transactions in foreign currencies are recorded at the actual rate of exchange throughout the year. Assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the balance sheet date. All exchange profits and losses are dealt with through the profit and loss account.

Pension Costs

Pensions are funded by way of monthly contributions to a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account in the year in which they are paid.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Auditors remuneration	13,735	12,522
Hire of plant and machinery	6,000	6,000
Other operating leases	102,117	91,904
Loss on disposal of investments	190	-
Depreciation	39,713	70,209
Directors' emoluments	233,892	167,100

And after crediting:

Management charges	289,361	243,642
Rent received	364,951	351,749
Operating lease rentals	66,601	40,350

MARCH PACKAGING (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1997**

3. EMPLOYEES

Staff costs comprise:

	1997 £	1996 £
Directors' emoluments	233,892	167,100
Wages and salaries	44,275	42,500
Social security costs	29,802	21,626
Pension contributions	163,800	61,800
	<u>471,769</u>	<u>293,026</u>

The average number of employees during the year including Directors was:

	1997	1996
Administration	<u>7</u>	<u>7</u>

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

4. DIRECTORS

Directors' emoluments comprise:

	1997 £	1996 £
Remuneration for services as a director	233,892	167,100
Benefits in kind (excluded from Note 2)	23,933	13,399
	<hr/>	<hr/>
Pension contributions	257,825	180,499
	150,000	57,450
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	407,825	237,949
	<hr/>	<hr/>
Highest paid director:		
Emoluments	134,826	100,953
Pension contributions	15,000	10,150
	<hr/>	<hr/>

The directors who served during the period and their beneficial holdings of shares, including interests of the directors' immediate families, were as follows:

	'A' Ordinary Shares of 1p each		'B' Ordinary Shares of 10p each	
	31.03.1997	01.04.1996	31.03.1997	01.04.1996
A N Dove	198,600	198,600	100	100
J L Neave	195,172	198,600	100	100

Directors of subsidiary undertakings have beneficial holdings of shares, including interests of the directors' immediate families, in the company as follows:

	'A' Ordinary Shares of 1p each		'B' Ordinary Shares of 10p each	
	31.03.1997	01.04.1996	31.03.1997	01.04.1996
R P Compagnone	31,080	31,080	-	-
P F Neave	31,920	31,920	100	100
D J Raffill	18,750	18,750	100	100
J M Rigby	13,120	13,120	100	100
S C Page	1,330	1,330	-	-
C M Dove	500	500	100	100
N P Lawes	500	500	100	100

MARCH PACKAGING (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1997**

5. INTEREST RECEIVABLE

	1997 £	1996 £
Loans to group undertakings	11,643	9,350
Bank deposit account	2,810	1,154
	<u>14,453</u>	<u>10,504</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1997 £	1996 £
Interest on bank loans and overdrafts:		
Wholly repayable within five years	1,795	20,911
Repayable partly in more than five years	-	-
Interest on finance leases and HP contracts	3,005	5,303
Other interest	-	-
	<u>4,800</u>	<u>26,214</u>

7. TAXATION

Tax on Profit on Ordinary Activities

	1997 £	1996 £
UK corporation tax on profits for the year at 33% (1996 32.8%)	110,241	76,141
Adjustments in respect of prior years	(15,310)	-
	<u>94,931</u>	<u>76,141</u>

Deferred Taxation

No provision has been made for deferred taxation as it is not expected that an asset or liability will crystallise. Unprovided deferred taxation relating to accelerated capital allowances is as follows:

Accelerated Capital Allowances

	1997 £	1996 £
Balance at 1 April 1996	187,298	184,777
Movement for the year	9,293	2,521
Balance at 31 March 1997	<u>196,591</u>	<u>187,298</u>

MARCH PACKAGING (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1997**

8. DIVIDEND

	1997	1996
	£	£
'A' Ordinary Shares	65,534	82,000
'B' Ordinary Shares	109,535	122,500
	<u>175,069</u>	<u>204,500</u>

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

9. TANGIBLE FIXED ASSETS

	Freehold Premises	Long Leasehold Premises	Short Leasehold Premises	Plant and Machinery	Motor Vehicles	Office Equipment	Fixtures and Fittings	Total
Cost								
Brought forward	1,317,575	530,290	8,504	258,950	95,527	14,248	7,736	2,232,830
Additions	12,193	-	-	30,610	-	5,785	1,650	50,238
Disposals	-	-	-	-	-	(4,193)	-	(4,193)
	<u>1,329,768</u>	<u>530,290</u>	<u>8,504</u>	<u>289,560</u>	<u>95,527</u>	<u>15,840</u>	<u>9,386</u>	<u>2,278,875</u>

Depreciation

Brought forward	-	-	3,544	167,945	16,116	9,566	6,256	203,427
Provided in year	-	-	708	16,331	19,852	2,414	408	39,713
Eliminated on disposals	-	-	-	-	-	(3,193)	-	(3,193)
	<u>-</u>	<u>-</u>	<u>4,252</u>	<u>184,276</u>	<u>35,968</u>	<u>8,787</u>	<u>6,664</u>	<u>239,947</u>

Net Book Value

31 March 1996	<u>1,317,575</u>	<u>530,290</u>	<u>4,960</u>	<u>91,005</u>	<u>79,411</u>	<u>4,682</u>	<u>1,480</u>	<u>2,029,403</u>
31 March 1997	<u>1,329,768</u>	<u>530,290</u>	<u>4,252</u>	<u>105,284</u>	<u>59,559</u>	<u>7,053</u>	<u>2,722</u>	<u>2,038,928</u>

Freehold and long leasehold properties were valued on 28 February 1994 by a member of the Royal Institute of Chartered Surveyors on the basis of market value for existing use.

Freehold Leasehold Premises Premises

Valuation	<u>1,225,000</u>	<u>530,290</u>
Cost at 31 March 1997	<u>921,350</u>	<u>447,206</u>
Cost at 31 March 1996	<u>909,157</u>	<u>447,206</u>

MARCH PACKAGING (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1997****10. ASSETS SUBJECT TO HIRE PURCHASE CONTRACTS AND FINANCE LEASES**

Included in the above are the following amounts in respect of assets held under hire purchase and finance lease agreements:

	Plant and Machinery £	Motor Vehicles £	Total £
Cost			
31 March 1997	186,439	95,527	281,966
Depreciation			
For year	10,223	19,852	30,075
At 31 March 1997	128,509	35,968	164,477
Net Book Value			
31 March 1996	68,153	79,411	147,564
31 March 1997	57,930	59,559	117,489

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

11. INVESTMENTS

Investments are comprised of the following investments in subsidiary undertakings:

	Date Acquired	Percentage Owned	Cost 1997 £	1996 £
Y S F Machinery Company (UK) Limited 90 Ordinary £1 shares	16.3.87	90%	-	90
March Packaging (Hastings) Limited 1,000 Ordinary £1 shares	6.2.87	100%	1,000	1,000
March Packaging (Andover) Limited 100 Ordinary £1 shares	1.4.88	100%	1,164	1,164
March Packaging (Thames) Limited 100 Ordinary £1 shares	1.4.88	100%	580	580
Marcor Board Limited 1,000 Ordinary £1 shares	1.4.90	100%	1,000	1,000
Prime Packaging (Maidstone) Limited 100 Ordinary £1 shares	28.9.92	100%	-	100
March Packaging (Midlands) Limited 100 Ordinary £1 shares	5.3.93	100%	100	100
			<u>3,844</u>	<u>4,034</u>

The subsidiary undertakings are all registered in England.

The principal trading activities of the subsidiary undertakings are as follows:

March Packaging (Hastings) Limited)	
March Packaging (Andover) Limited)	Manufacture of packing cartons
March Packaging (Thames) Limited)	
March Packaging (Midlands) Limited)	

Marcor Board Limited	Manufacture of corrugated board
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Y S F Machinery Company (UK) Limited and Prime Packaging (Maidstone) Limited were dissolved during the year ended 31 March 1997.

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

12. DEBTORS

	1997	1996
	£	£
Trade debtors	101,224	275,690
Amounts due from subsidiary undertakings	146,762	38,590
Advance corporation tax recoverable	-	4,759
Other debtors	500	10,652
Prepayments and accrued income	27,880	29,885
	<u>276,366</u>	<u>359,576</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Bank loans and overdraft (secured)	110,137	90,454
Obligations under finance leases (secured)	-	1,898
Obligations under HP contracts (secured)	20,196	20,196
Payments received on account	89,163	199,666
Trade creditors	116,096	113,356
Amounts owed to subsidiary undertakings	271,508	151,523
Corporation Tax	68,697	76,997
Other taxes and social security costs	96,859	16,600
Directors' current accounts	40,000	63,773
Other creditors	126,868	117,868
Accruals	13,043	13,624
	<u>952,567</u>	<u>865,955</u>

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

	1997	1996
	£	£
Bank loans (secured)	-	47,479
Obligations under finance leases (secured)	-	-
Obligations under HP contracts (secured)	7,943	28,139
Amounts due to subsidiary undertakings	42,603	45,980
	<u>50,546</u>	<u>121,598</u>

15. BANK BORROWING

Bank borrowing is secured by a charge over the company's land and buildings at Hastings, Northfleet and Andover and by a debenture dated 26 January 1981.

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

16. OBLIGATIONS UNDER FINANCE LEASES, HIRE PURCHASE CONTRACTS AND OPERATING LEASES

The future minimum lease payments to which the company was committed as at 31 March 1997 under finance leases and hire purchase contracts, was as follows:

	1997 £	1996 £
Amounts falling due:		
Within one year	29,268	19,032
Between one and two years	3,057	29,268
Between two and five years	-	9,124
	<hr/>	<hr/>
	32,325	57,424
Charges allocated to future periods	4,186	7,191
	<hr/>	<hr/>
	28,139	50,233
	<hr/>	<hr/>

The minimum annual lease payments to which the company was committed under non-cancellable operating leases as at 31 March 1997 were as follows:

	Property		Plant and Machinery	
	1997 £	1996 £	1997 £	1996 £
On leases expiring:				
Between one and two years	-	-	6,000	6,000
Over five years	83,125	83,125	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	83,125	83,125	6,000	6,000
	<hr/>	<hr/>	<hr/>	<hr/>

17. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
2,980,000 'A' Ordinary Shares of 1p each	29,800	29,800
2,000 'B' Ordinary Shares of 10p each	200	200
	<hr/>	<hr/>
	30,000	30,000
	<hr/>	<hr/>
Issued		
490,972 'A' Ordinary Shares of 1p each fully paid	4,910	4,944
900 'B' Ordinary Shares of 10p each fully paid	90	90
	<hr/>	<hr/>
	5,000	5,034
	<hr/>	<hr/>

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

18. RESERVES

	Share Premium £	Revaluation Reserve £	Capital Redemption Reserve £	Profit and Loss Account £
At 1 April 1996	79,463	451,503	500	869,028
Purchase of own shares	-	-	34	(40,000)
Share issue	-	-	-	-
Retained profit for the year	-	-	-	200,375
At 31 March 1997	<u>79,463</u>	<u>451,503</u>	<u>534</u>	<u>1,029,403</u>

19. PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charged represents contributions payable by the company to the fund and amounted to £163,800 (1996 £61,800). Contributions totalling £Nil were payable to the fund at the year end and are included in creditors.

20. CONTINGENT LIABILITIES

- a) The company has provided a finance company with an indemnity in respect of all borrowings by the group companies (as listed in note 11.)

The aggregate extent of the borrowings of the other group companies at 31 March 1997 was £473,436 (1996 £752,236).

- b) The company has guaranteed the bank borrowings of all group companies.

The aggregate extent of the bank borrowings of the other group companies at 31 March 1997 was £669,853 (1996 £549,286).

MARCH PACKAGING (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 1997

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the accounting period	375,444	234,215
Dividends	(175,069)	(204,500)
	<hr/>	<hr/>
Issue of share capital	200,375	29,715
Redemption of share capital	-	24,430
	(40,000)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	160,375	54,145
Opening shareholders' funds	1,405,528	1,351,383
	<hr/>	<hr/>
Closing shareholders' funds	1,565,903	1,405,528
	<hr/>	<hr/>

22. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption for related party disclosures in respect of group transactions on the grounds that details of the group companies are included in publicly available consolidated accounts.

During the period under review the company repurchased 3,428 of its own shares from J L Neave, a director of the company, for £40,000. This amount has been credited to the director's current account.