

MERIT PLASTICS LIMITED

REGISTERED NUMBER

1478031

DIRECTORS REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 1997



MERIT PLASTICS LIMITEDDIRECTORS REPORT

The Directors present their Report with the Financial Statements of the Company for the year ended 31st December 1997.

The Company did not trade during the year and received no income. The principal activity of the company is that of a holding company. The activity of the active indirect subsidiary was that of plastic injection moulding.

The Directors and their interests during the year to 31.12.1997 in the issued share capital of the Company were as follows,

	<u>£1 Ordinary Shares</u>	
	<u>At 31.12.1997</u>	<u>At 31.12.1996</u>
J I DENNY (resigned 31.12.1997)	72,501	72,501
MRS E A DENNY	<u>72,501</u>	<u>72,501</u>

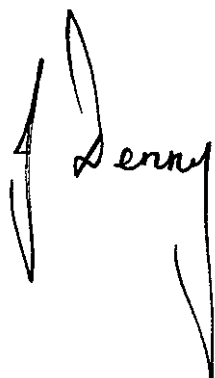
Respective Responsibilities of Directors

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 or loss of the company for that period. 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, 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 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.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies was approved by the Board on 24th March 1998 and signed on its behalf.

J I DENNY
COMPANY SECRETARY

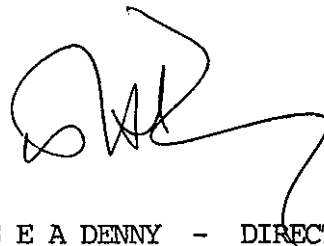


MERIT PLASTICS LIMITEDBALANCE SHEET31st DECEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Investment in Shares in Subsidiary Company	3	307,774	307,774
CREDITORS			
Amounts falling due within one Year			
Indebtedness to Subsidiary Companies	3	165,152	165,152
TOTAL ASSETS LESS LIABILITIES		£ 142,622	£ 142,622
CAPITAL AND RESERVES			
Called up Share Capital	2	145,000	145,000
Profit and Loss Account	4	(2,380)	(2,380)
		£ 142,622	£ 142,622

The Company having been dormant throughout the year ended 31st December 1997 has passed a Special Resolution under S.250 Companies Act exempting it from requiring an audit.

The financial statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on 24th March 1998 and signed on its behalf.



MRS E A DENNY - DIRECTOR

MERIT PLASTICS LIMITEDNOTES TO THE FINANCIAL STATEMENTS31st DECEMBER 1997

1. ACCOUNTING POLICIES

- 1.1 The financial statements have been prepared under the historical cost convention.

2. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
£1 Ordinary Shares Authorised	£ 200,000	£ 200,000
Issued and Fully Paid	£ 145,002	£ 145,002

3. INVESTMENT - SHARES IN SUBSIDIARY COMPANIES

The shares in a subsidiary company are shown at cost. The company beneficially owns all of the issued share capital of,

Merit Plastic Holdings Limited (dormant in the year to 31.12.1997)
Merit Plastic Mouldings Limited (indirect subsidiary)

Both Companies are registered in England. Consolidated accounts are not produced as the group is exempt as a small group. The results and net assets of the direct and indirect subsidiaries are as follows,

	<u>31.12.1997</u>	<u>31.12.1996</u>
Profit Before Taxation		
Merit Plastic Holdings Ltd	£ -	£ -
Merit Plastic Mouldings Ltd	£ 79,902	£ 52,830
	<u>31.12.1997</u>	<u>31.12.1996</u>
Net Assets		
Merit Plastic Holdings Ltd	£ 17,773	£ 17,773
Merit Plastic Mouldings Ltd	£ 402,782	£ 339,251

4. PROFIT AND LOSS ACCOUNT

No Profit and Loss Account is produced as the company did not trade or receive income in the year or the previous year.