

Registered No. 1579960

UKAP Limited

Annual Report and Accounts

31 January 2004



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COMPANIES HOUSE

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22/04/04

Directors

L Welsh

Secretary

L J Larter (appointed 24.03.03)

Registered Office

Stirling House
21 – 25 Station Lane
Hornchurch
Essex
RM12 6JL

Auditors

Bird Luckin
Aquila House
Waterloo Lane
Chelmsford
Essex CM1 1BN

Bankers

National Westminster Bank plc
6 High Street
Chelmsford
Essex CM1 1BL

Solicitors

Palmers
1 / 3 Brickfields Road
South Woodham Ferrers
Chelmsford
CM3 5XB

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Directors' Report

The Director is pleased to submit his report and accounts for the year ended 31 January 2004.

Principal activity

The principal activity of the company during the year under review was the sale, distribution and recycling of plastic materials predominantly for the packaging market.

Results and review of business

The results for the year are as follows.

	2004 £000	2003 £000
Turnover	10,724	11,033
Operating profit before exceptional item	557	735
Exceptional item - Redundancy costs	(10)	-
Operating profit	547	735
Interest Receivable	19	32
Profit on ordinary activities before tax	566	767
Profit on ordinary activities after tax	396	536
Dividends - Interim paid	(400)	(1,000)
Transferred from reserves	(4)	(464)

Adverse movements in the exchange rate during the first half together with strong price competition throughout the year combined to give a reduction in operating profits.

The director does not propose a final dividend for the year (2003 : nil)

Directors and their interests

The director has no interests in the shares of the company.

The director's interests in the shares of the parent undertaking, Maple Holdings Ltd, are disclosed in the accounts of that company.

J G Austin resigned as a director on 21st March 2003.

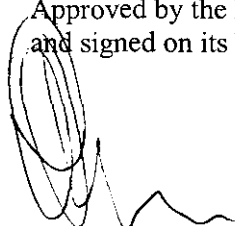
At the forthcoming Annual General Meeting L Welsh retires in accordance with the Articles of Association and, being eligible, offers himself for re-election.

Directors' Report continued

Auditors

During the year KPMG LLP resigned as auditors and Bird Luckin were appointed to fill the vacancy. A resolution to re-appoint Bird Luckin as auditors will be put to the members at the Annual General Meeting.

Approved by the Board on 23 March 2004
and signed on its behalf

A handwritten signature in black ink, appearing to be 'L. Welsh', written over a circular stamp or seal.

L Welsh
Director

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 to 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the shareholders of
UKAP Limited

We have audited the accounts on pages 5 to 12 for the year ended 31st January 2004.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 the 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 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 January 2004, and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



24 March 2004

Bird Luckin
Chartered Accountants
Registered Auditors

Aquila House, Waterloo Lane
Chelmsford
Essex CM1 1BN

Profit and Loss Account – Year to 31 January 2004

	<i>Note</i>	2004 £	2003 £
Turnover	2	10,724,210	11,032,950
Cost of sales		(8,852,763)	(9,024,604)
Gross profit		1,871,447	2,008,346
Distribution costs		(738,473)	(714,769)
Administrative expenses		(576,141)	(558,267)
Operating profit before Exceptional item	3	556,833	735,310
Exceptional - Redundancy costs		(9,801)	-
Operating profit		547,032	735,310
Interest receivable and similar income	6	19,168	32,176
Profit on ordinary activities before taxation		566,200	767,486
Tax on profit on ordinary activities	7	(169,754)	(231,373)
Profit on ordinary activities after taxation	14,15	396,446	536,113
Dividends	8	(400,000)	(1,000,000)
Deficit for the year		(3,554)	(463,887)

In both the current and preceding financial years all the turnover and operating profit of the company related to continuing activities.

In both the current and preceding financial years there is no difference between the profit on ordinary activities before taxation and the deficit for the year shown above, and their historical equivalent.

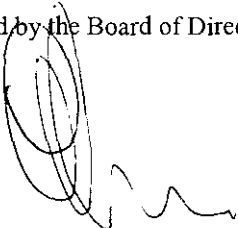
There are no recognised gains or losses other than those stated in the Profit & Loss account.

The notes on pages 7 to 12 form part of these Accounts

Balance Sheet as at 31 January 2004

	<i>Note</i>	2004 £	2003 £
Fixed assets			
Tangible assets	9	130,724	217,185
Current assets			
Stocks	10	303,977	412,309
Debtors due within one year	11	1,758,308	2,243,884
Debtors due after more than one year	11	1,025,851	706,185
Total debtors	11	2,784,159	2,950,069
Cash at bank and in hand		136,745	108,392
		3,224,881	3,470,770
Current liabilities			
Creditors : amounts falling due within one year	12	(1,086,102)	(1,414,898)
Net current assets		2,138,779	2,055,872
Net assets		2,269,503	2,273,057
Capital and reserves			
Called up share capital	13	50,000	50,000
Profit and loss account	14	2,219,503	2,223,057
Equity shareholders' funds	15	2,269,503	2,273,057

The Accounts on pages 5 to 12 were approved by the Board of Directors on 23 March 2004 and were signed on its behalf by:



L Welsh – Director

The notes on pages 7 to 12 form part of these Accounts

Notes to the Accounts

1. Accounting policies

(a) Basis of Accounting

The accounts have been prepared on a going concern basis, in accordance with applicable accounting standards and under the historical cost convention. The accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(b) Tangible Fixed Assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life. Plant, Machinery and Equipment is written off over 3 to 10 years, and Vehicles over 3.

(c) Stocks

Stocks are valued at the lower of cost and net realisable value. Goods held by customers on a "sale or return" basis are included in stock until notification of sale has been received.

(d) Deferred Taxation

Full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. In determining whether they are recoverable, the requirements of FRS 19 are followed.

(e) Lease and Hire Purchase Contracts

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits so as to spread the cost over the life of the lease.

Income from operating leases is accounted for so as to spread the income over the life of the lease.

(f) Foreign Currencies

Balances denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Differences arising on settlement or translation are charged or credited to the profit and loss account as incurred.

(g) Pension Costs

The company contributes to employees' personal pension plans, which are money purchase schemes. Contributions are charged to the profit and loss account as incurred.

(h) Turnover

Turnover represents the invoiced value of goods sold and commissions receivable in the ordinary course of business, stated net of value added tax.

(i) Cash Flow Statement

The company is exempt from the requirement of FRS 1 (Revised 1996) to prepare a cash flow statement, as 100% of the voting rights of the company's shares are controlled by Maple Holdings Limited. The consolidated accounts of Maple Holdings Limited, which include the company, are publicly available from Companies House.

Notes to the Accounts**2. Segmental information****2004**
£**2003**
£

The directors are of the opinion that there is one activity.
The geographical analysis of turnover is as follows.

United Kingdom	10,595,591	10,777,048
Other	128,619	255,902
	<u>10,724,210</u>	<u>11,032,950</u>

3. Operating profit

The operating profit is stated after charging the following:

Auditors' audit remuneration	4,200	6,100
Auditors' non-audit remuneration	-	500
Depreciation of fixed assets	96,069	82,114
Operating Leases – premises	88,768	87,242
Foreign exchange losses	4,297	5,358
	<u>193,334</u>	<u>191,314</u>

4. Directors' emoluments

Emoluments including benefits in kind	144,656	158,558
Money purchase pension contributions	20,000	20,000
	<u>164,656</u>	<u>178,558</u>

The aggregate emoluments of the highest paid director were £164,656 (2003: £178,558). The company made pension contributions of £20,000 (2003: £20,000) to a money purchase scheme on his behalf. Retirement benefits are accruing to one (2003: one) director under the money purchase scheme.

5. Staff costs

Wages and salaries	660,795	628,155
Social security costs	78,795	61,939
Pension costs	28,467	28,046
	<u>768,057</u>	<u>718,140</u>

Pension costs represent the total pension contributions paid by the company during the year.

Notes to the Accounts**5. Staff cost (continued)**

	2004	2003
	No.	No.
The average number of employees including directors during the year was:		
Sales, administration and management	15	17
Production	7	7
	<u>22</u>	<u>24</u>

6. Interest receivable and similar income

	£	£
On amounts owed by parent undertaking	17,809	31,082
Other interest receivable	1,359	1,094
	<u>19,168</u>	<u>32,176</u>

7. Tax on profit on ordinary activities

<i>Current tax</i>		
Corporation tax at 30% (2003: 30%)	95,798	198,677
Group relief	86,452	28,400
	<u>182,250</u>	<u>227,077</u>
Total current tax	182,250	227,077
Previous year over provision	(1,830)	(9)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(10,666)	4,305
	<u>169,754</u>	<u>231,373</u>
Tax on profit on ordinary activities		

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of Corporation Tax in the UK. The differences are explained below.

Profit on ordinary activities before tax	<u>566,200</u>	<u>767,486</u>
Profit on ordinary activities before tax multiplied by the standard rate of Corporation Tax in the UK of 30% (2003: 30%)	169,860	230,246
Effects of:		
- Expenses not deductible for tax purposes	1,047	1,401
- Marginal Relief	(1,402)	-
- Capital allowances less / (greater) than depreciation	10,666	(4,305)
- Adjustment to tax charge in respect of prior years and other minor differences	2,079	(265)
	<u>182,250</u>	<u>227,077</u>
Current tax charge for the year		

Notes to the Accounts

8. Dividends	2004	2003
	£	£
Interim paid	400,000	1,000,000
Proposed final	-	-
	<u>400,000</u>	<u>1,000,000</u>

9. Tangible fixed assets

	Plant & Machinery	Vehicles & Equipment	Total
	£	£	£
<i>Cost</i>			
At 1 February 2003	236,978	303,158	540,136
Additions	2,407	7,343	9,750
Disposals	(14,940)	(2,791)	(17,731)
At 31 January 2004	<u>224,445</u>	<u>307,710</u>	<u>532,155</u>
<i>Depreciation</i>			
At 1 February 2003	195,789	127,159	322,948
Provided during the year	15,283	80,786	96,069
Disposals	(14,795)	(2,791)	(17,586)
At 31 January 2004	<u>196,277</u>	<u>205,154</u>	<u>401,431</u>
<i>Net Book Value at 31 January 2004</i>	<u>28,168</u>	<u>102,556</u>	<u>130,724</u>
<i>Net Book Value at 31 January 2003</i>	<u>41,185</u>	<u>176,000</u>	<u>217,185</u>

10. Stocks	2004	2003
	£	£
Raw materials and consumables	5,213	5,199
Finished goods and goods for resale	298,764	407,110
	<u>303,977</u>	<u>412,309</u>

The directors are of the opinion that there is no material difference between the purchased cost of stocks shown above and their replacement cost.

Stocks of finished goods include £94,782 (2003:£108,530) held by customers on a sale or return basis.

Notes to the Accounts

	2004	2003
	£	£
<u>11. Debtors</u>		
<i>Debtors due within one year</i>		
Trade debtors	1,672,949	2,023,135
Amounts owed from group undertakings	52,146	62,012
Prepayments and accrued income	33,213	158,737
	<hr/> 1,758,308	<hr/> 2,243,884
<i>Debtors due after more than one year</i>		
Amounts owed by parent undertaking	1,009,000	700,000
Deferred tax asset (delayed capital allowances)	16,851	6,185
	<hr/> 1,025,851	<hr/> 706,185
	<hr/> <hr/> 2,784,159	<hr/> <hr/> 2,950,069
<u>12. Creditors: amounts falling due within one year</u>		
Trade creditors	590,439	908,459
Amounts owed to group undertakings	1,339	3,411
Group Relief	86,452	28,400
Corporation tax	25,798	88,677
Other taxes and social security costs	335,537	325,256
Accruals and deferred income	46,537	60,695
	<hr/> 1,086,102	<hr/> 1,414,898
<u>13. Share capital</u>		
<i>Authorised:</i>		
250,000 Ordinary Shares of £1 each	250,000	250,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
50,000 Ordinary Shares of £1 each	50,000	50,000
	<hr/>	<hr/>
<u>14. Profit and loss account</u>		
Brought forward	2,223,057	2,686,944
Profit for the financial year	396,446	536,113
Dividends	(400,000)	(1,000,000)
	<hr/> 2,219,503	<hr/> 2,223,057
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

<u>15. Reconciliation of movement in equity shareholders' funds</u>	2004	2003
	£	£
Brought forward	2,273,057	2,736,944
Profit for the financial year	396,446	536,113
Dividends	(400,000)	(1,000,000)
	<hr/>	<hr/>
Carried Forward	2,669,503	2,273,057
	<hr/>	<hr/>

16. Operating lease commitments

The company had the following annual commitments under non cancellable operating leases:

Land and Buildings

Leases expiring within 1 year	-	-
Leases expiring within 2 to 5 years	32,768	32,725
	<hr/>	<hr/>

17. Contingent liability

The company has executed an unlimited guarantee supported by a debenture over its assets in respect of banking facilities made available to its parent company, Maple Holdings Limited, by National Westminster Bank Plc.. The amount outstanding at the balance sheet date was £1,579,305 (2003: £90,574).

18. Related party transactions

As the company is a wholly owned subsidiary of Maple Holdings Limited, it has taken advantage of the exemption contained in FRS 8 and has not disclosed transactions and balances with entities which form part of the group. The consolidated accounts, within which this company is included, are publicly available from Companies House.

19. Parent undertaking

The immediate and ultimate parent undertaking is Maple Holdings Limited, a company incorporated in the United Kingdom.

20. Control

In the opinion of the director, no single party controlled the company or its parent company in either the year under review or the previous year.