

Company Number.
01658454

A. O. N. CONVERTERS LIMITED

REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED
31ST MARCH 1997

J. C. BARTON & CO.
CHARTERED ACCOUNTANTS



A. O. N. CONVERTERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

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A. O. N. CONVERTERS LIMITED

DIRECTORS' REPORT

The Directors submit their report and financial statements for the year ended 31st March 1997.

RESULTS AND DIVIDENDS

The trading profit of the Company for the year after taxation amounted to £30,217 (1996 - £12,461).

The Directors recommend that a dividend of £35,000 be paid and that the balance of retained profits £57,029 be carried forward.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the manufacture of foam packaging. No exports were made in the year.

FIXED ASSETS

The changes in the fixed assets during the year are summarised in the notes to the financial statements.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors at 31st March 1997 and their interests in the Share Capital of the Company, all beneficially held, were as follows:-

	<u>£1 Ordinary Shares</u>	
	1997	1996
A O'Neill	1	1
P O'Neill	1	1

CLOSE COMPANY PROVISIONS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

REPORTING ACCOUNTANT

A resolution to re-appoint J C Barton & Company as Reporting Accountants for the ensuing year will be proposed at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

In preparing the Directors' Report the Directors have taken advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985 on the basis that, in their opinion, the Company qualifies as a small company.

Signed on behalf of the Board of Directors



P. O'Neill
Company Secretary

22nd September 1997

**ACCOUNTANT'S REPORT TO THE SHAREHOLDERS AND
THE UNAUDITED ACCOUNTS OF A. O. N. CONVERTERS LIMITED**

We report on the accounts for the year ended 31st March 1997 set out on pages 3 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4 the Company's Directors are responsible for the preparation of the accounts and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion,

- a) The accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985 for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- b) Having regard only to, and on the basis of, the information contained in these accounting records:
 - i) The accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249c(6) of the Act; and
 - ii) The Company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249a(4) of the Act and did not, at any time within that year, fall within any of the categories of the Companies not entitled to the exemption specified in Section 249b(1)

J C Barton & Co.
Chartered Accountants
Martland Buildings
Mart Lane
Burscough
Ormskirk
Lancs.
L40 0SD



22nd September 1997

A O N CONVERTERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1997

	<u>Note</u>	1997		1996	
		£	£	£	£
TURNOVER	2		144,930		113,731
COST OF SALES			<u>60,679</u>		<u>49,524</u>
<u>GROSS PROFIT</u>			84,251		64,207
Manufacturing Costs		24,353		23,528	
Selling and distribution		8,151		9,855	
Administrative		<u>21,090</u>		<u>17,316</u>	
			<u>53,594</u>		<u>50,699</u>
<u>OPERATING PROFIT</u>	3		30,657		13,508
TAXATION	5		<u>(440)</u>		<u>(1,047)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			30,217		12,461
Dividend			<u>35,000</u>		<u>12,000</u>
RETAINED PROFIT FOR THE YEAR			(4,783)		461
RETAINED PROFIT BROUGHT FORWARD			<u>61,812</u>		<u>61,351</u>
RETAINED PROFIT CARRIED FORWARD			57,029		61,812
			<u><u> </u></u>		<u><u> </u></u>

The notes on pages 5 to 7 form part of these financial statements

A O N CONVERTERS LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 1997

	<u>Note</u>	1997	1996
		£	£
FIXED ASSETS	6	5,788	7,718
CURRENT ASSETS			
Stocks and Work in Progress	1c	3,050	4,800
Debtors	7	22,459	30,247
Balance at bank		49,692	46,948
Cash in Hand		<u>272</u>	<u>270</u>
		75,473	82,265
CREDITORS - due within one year	8	<u>24,230</u>	<u>28,169</u>
		<u>51,243</u>	<u>54,096</u>
		<u>57,031</u>	<u>61,814</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	2	2
Profit and Loss Account		<u>57,029</u>	<u>61,812</u>
		<u>57,031</u>	<u>61,814</u>

The Directors are of the opinion that the Company is entitled to take advantage of the exemptions conferred by Subsection (2) of Section 249A of the Companies Act 1985 and the financial statements have been prepared on that basis.

The Director confirms that no notice has been deposited under sub-section (2) of Section 249B of the Companies Act 1985 in relation to its accounts for the financial year.

The Directors acknowledge their responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985 and for preparing financial statements that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of the Companies Act 1985 relating to the financial statements, as far as applicable to the Company.

In preparing these financial statements, the Directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that in the Director's opinion, the Company qualifies as a small Company.

Approved by the Board of Directors

Director.....

22nd September 1997

The notes on pages 5 to 7 form part of these financial statements.

A O N CONVERTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

a) Accounting Convention

These financial statements are prepared under the historical cost convention.

b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a reducing basis over its expected useful life as follows:

Plant	25% per annum
Motor Vehicles	25% per annum
Office Equipment	25% per annum

c) Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and realisable value.

The Directors consider the replacement cost of stock to be not materially different from Book Value.

2. TURNOVER

Turnover represents the invoiced value of goods sold and services provided. (Stated net of value added tax), during the year.

The turnover and pre-tax profit are attributable to the principal activity of the Company within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

	<u>1997</u>	<u>1996</u>
a) <u>This is stated after charging:-</u>		
Directors' remuneration [See b]	14,062	12,098
Depreciation	1,930	2,572
b) <u>Directors' Remuneration</u>		
Management remuneration	14,062	12,098

4. STAFF COSTS - Directors and Employees

	<u>1997</u>	<u>1996</u>
	£	£
Wages and Salaries (inc. Social Security Costs)	<u>20,388</u>	<u>18,383</u>

The average weekly number of employees during the year (including Directors) was five.

A O N CONVERTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

5. TAXATION

	<u>1997</u>	<u>1996</u>
	£	£
Based on the results for the year:-		
Corporation tax at 24% (25%)	<u>440</u>	<u>1,047</u>

6. FIXED ASSETS

	<u>Plant</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£
<u>Cost</u>				
At 31st March 1996	5,819	9,750	360	15,929
Disposals in year	----	----	----	----
Additions in the year	----	----	----	----
At 31st March 1997	<u>5,819</u>	<u>9,750</u>	<u>360</u>	<u>15,929</u>
<u>Depreciation</u>				
At 31st March 1996	4,662	3,196	353	8,211
Charge for year	<u>270</u>	<u>1,658</u>	<u>2</u>	<u>1,930</u>
At 31st March 1997	<u>4,932</u>	<u>4,854</u>	<u>355</u>	<u>10,141</u>
<u>Net Book Value</u>				
At 31st March 1997	<u>887</u>	<u>4,896</u>	<u>5</u>	<u>5,788</u>
At 31st March 1996	<u>1,157</u>	<u>6,554</u>	<u>7</u>	<u>7,718</u>

7. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade Debtors	22,459	27,847
ACT Repayable	-----	<u>2,400</u>
	<u>22,459</u>	<u>30,247</u>

8. CREDITORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade Creditors and accruals	5,383	5,117
Current Corporation Tax	7,440	3,447
Other Taxes and Social Security Costs	9,472	17,670
Directors' Loan Account	<u>1,935</u>	<u>1,935</u>
	<u>24,230</u>	<u>28,169</u>

9. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	No.	No.
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	£	£
Allotted, called up and fully paid	<u>2</u>	<u>2</u>

A O N CONVERTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

10. CAPITAL COMMITMENTS

	1997	1996
	£	£
Contracted for but not provided in the financial statements	<u>Nil</u>	<u>Nil</u>
Authorised by the Directors but not contracted for	<u>Nil</u>	<u>Nil</u>