

Stormking Plastics Limited

Abbreviated accounts

Registered number 1714695

For the year ended 28 February 2004



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2004.

Principal activities

The principal activity of the company during the year was and continues to be that of manufacturing plastic mouldings.

Business review

The results for the year are set out on page 4. The directors are pleased to report continued success throughout the activities of the business.

Dividends

The directors recommend the payment of a final dividend of £625,000 (2003: £112,000)

Charitable donations

The company made donations to registered charities of £403 (2003: £Nil).

Directors and directors' interests

The directors who served during the year and their interests in the company were as follows:

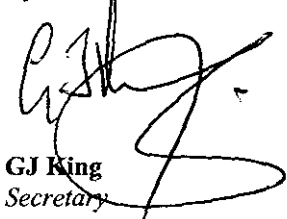
	Ordinary shares of £1	
	2004	2003
GJ King	45	45
B Whitehall	45	45
CD King	-	-
M Whitehall	-	-
	<hr/>	<hr/>

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company, is to be proposed at the forthcoming annual general meeting.

By order of the board


GJ King
Secretary

Amington Point
Sandy Way
Amington Industrial Estate
Tamworth
B77 4ED

18 August 2004

Statement of 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 affairs of the company and of the profit or loss for that year. 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;
- 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Report of the independent auditors to Stormking Plastics Limited Pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 4 to 16, together with the financial statements of Stormking Plastics Limited prepared under Section 226 of the Companies Act 1985 for the year ended 28 February 2004.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with that section and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that section.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

18 August 2004

Profit and loss account
for the year ended 28 February 2004

	<i>Note</i>	2004 £	2003 £
Gross profit		3,603,745	2,780,429
Administrative expenses		(2,557,239)	(1,565,541)
Operating profit		1,046,506	1,214,888
Interest receivable and similar income	5	41,135	19,065
Interest payable and similar charges	6	(207,187)	(345,356)
Profit on ordinary activities before taxation	3	880,454	888,597
Tax on profit on ordinary activities	7	(237,117)	(264,320)
Profit on ordinary activities after taxation for the financial year		627,337	624,277
Dividends	8	(625,000)	(112,000)
Retained profit for the year		2,337	512,277
Retained profit brought forward		919,577	407,300
Retained profit carried forward	16	921,914	919,577

In both the current and preceding years, the company made no material acquisitions and had no discontinued operations.

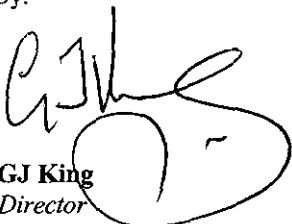
In the current and preceding year, the company has made no gains or losses other than those shown in the profit and loss account.

Balance sheet
at 28 February 2004

	<i>Note</i>	2004		2003	
		£	£	£	£
Fixed assets					
Tangible assets	9		1,847,477		1,855,975
Current assets					
Stocks	10	506,520		482,920	
Debtors	11	1,815,818		1,906,486	
Cash at bank and in hand		1,842,065		958,834	
		<u>4,164,403</u>		<u>3,348,240</u>	
Creditors: Amounts falling due within one year	12	<u>(3,020,756)</u>		<u>(2,040,136)</u>	
Net current assets			<u>1,143,647</u>		<u>1,308,104</u>
Total assets less current liabilities			<u>2,991,124</u>		<u>3,164,079</u>
Creditors: Amounts falling due after more than one year	13		<u>(2,039,103)</u>		<u>(2,216,553)</u>
Provisions for liabilities and charges	14		<u>(30,007)</u>		<u>(27,849)</u>
Net assets			<u>922,014</u>		<u>919,677</u>
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		921,914		919,577
Equity shareholders' funds	17		<u>922,014</u>		<u>919,677</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board of directors on 18 August 2004 and were signed on its behalf by:


GJ King
Director

Cash flow statement
for the year ended 28 February 2004

	<i>Note</i>	2004 £	2003 £
Net cash inflow from operating activities	20	1,795,559	1,096,619
Returns on investments and servicing of finance	21	(101,420)	(129,203)
Taxation	21	(236,433)	(19,031)
Capital expenditure	21	(85,749)	(136,877)
		<hr/> 1,371,957	<hr/> 811,508
Equity dividends paid		(112,000)	-
		<hr/> 1,259,957	<hr/> 811,508
Financing	21	(376,726)	(286,929)
		<hr/>	<hr/>
Increase in cash in the year	22	883,231	524,579
		<hr/> <hr/>	<hr/> <hr/>

Reconciliation of net cash flow to movement in net debt
for the year ended 28 February 2004

	<i>Note</i>	2004 £	2003 £
Increase in cash in the year		883,231	524,579
Change in net debt resulting from cash flows		154,010	129,601
		<hr/>	<hr/>
Movement in net debt		1,037,241	654,180
Net debt at 1 March 2003		(410,720)	(1,064,900)
		<hr/>	<hr/>
Net funds/(debt) at 28 February 2004	22	626,521	(410,720)
		<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

Tangible fixed assets and depreciation

Depreciation is calculated at rates to write off the cost less the estimated residual value of tangible fixed assets over their useful economic life as follows:

Land and buildings	-	2% straight line
Plant and machinery	-	25% reducing balance
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Stock and work in progress

Stock is valued at the lower of cost and net realisable value.

Raw materials and consumables are valued at invoice costs plus any costs in bringing them to their present location and condition. Finished goods and work in progress are valued at their selling price less a margin and any attributable costs to complete.

Pensions

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension costs charged in the financial statements represent the contributions payable in respect of the accounting period.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Notes (continued)

2 Profit on ordinary activities before taxation

	2004 £	2003 £
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging/(crediting)</i>		
Auditors' remuneration:		
Audit	9,850	9,400
Operating leases:		
Land and buildings	190,116	126,000
Plant and machinery	37,476	33,318
Loss/(profit) on disposal of tangible fixed assets	4,743	(86,886)
Depreciation of tangible fixed assets	89,504	89,303
Research and development	53,960	-
	<u> </u>	<u> </u>

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:

	Number of employees 2004	2003
Office and management	23	22
Production and sales	137	120
	<u> </u>	<u> </u>
	160	142
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	3,648,358	2,875,073
Social security costs	358,375	253,755
Other pension costs	40,804	46,156
	<u> </u>	<u> </u>
	4,047,897	3,174,984
	<u> </u>	<u> </u>

Notes (continued)

4 Directors' remuneration

	2004 £	2003 £
Remuneration and other emoluments	808,179	261,026
Contributions to money purchase pension scheme	6,315	23,344
	<u>814,497</u>	<u>284,370</u>
	Number	
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>4</u>	<u>4</u>

The emoluments of the highest paid director were £396,999 (2003: £110,594) and company pension contributions of £2,475 (2003: £5,270) were made to a money purchase scheme on his behalf.

5 Interest receivable and similar income

	2004 £	2003 £
Bank interest	37,024	18,741
Other interest	4,111	324
	<u>41,135</u>	<u>19,065</u>

6 Interest payable and similar charges

	2004 £	2003 £
On bank loans and overdrafts	92,736	96,261
Other loans	114,451	249,095
	<u>207,187</u>	<u>345,356</u>

Notes (continued)

7 Tax on profit on ordinary activities

(i) Analysis of charge for the year

	2004	2003
	£	£
Current tax		
UK corporation tax at 30% (2003: 30%)	250,959	241,099
Adjustment in respect of prior year	-	(4,628)
	<hr/>	<hr/>
Total current taxation	250,959	236,471
Deferred tax (see note 14)		
Origination and reversal of timing differences	2,158	(4,422)
Adjustment in respect of prior year	-	32,271
	<hr/>	<hr/>
Total deferred taxation	2,158	27,849
	<hr/>	<hr/>
Tax on profit on ordinary activities	253,117	264,320
	<hr/>	<hr/>

(ii) Factors affecting the tax charge for the year

The tax assessed in the year is lower (2003: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	880,454	888,597
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in UK of 30% (2003: 30%)	264,136	266,579
Effects of:		
Expenses not deductible for tax purposes	8,312	3,316
Capital allowances for the year in excess of eligible depreciation	(2,157)	-
Depreciation in excess of capital allowances	-	2,394
Depreciation on items ineligible for capital allowances	3,566	3,453
Increase in general provisions	-	2,028
Restriction on proceeds of insurance disposals	-	(4,160)
Profit on disposal of ineligibles	-	(15,095)
Adjustment in respect of prior year	-	(4,628)
Additional tax credit for research and development	(6,185)	-
Marginal relief	(16,713)	(17,416)
	<hr/>	<hr/>
	250,959	236,471
	<hr/>	<hr/>

(iii) Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years.

Notes (continued)

8 Dividends

	2004 £	2003 £
Final dividend proposed on equity shares	625,000	112,000

9 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At beginning of year	1,670,347	404,190	196,780	37,389	2,308,706
Additions	1,370	71,015	8,098	8,165	88,648
Disposals	-	-	-	(27,240)	(27,240)
At end of year	1,671,717	475,205	204,878	18,314	2,370,114
Depreciation					
At beginning of year	37,554	261,611	126,228	27,338	452,731
Charge for the year	13,799	53,399	19,663	2,643	89,504
On disposals	-	-	-	(19,598)	(19,598)
At end of year	51,353	315,010	145,891	10,383	522,637
Net book value					
At 28 February 2004	1,620,364	160,195	58,987	7,931	1,847,477
At 28 February 2003	1,632,793	142,579	70,552	10,051	1,855,975

10 Stocks

	2004 £	2003 £
Raw materials and consumables	150,728	121,794
Work in progress	302,551	285,815
Finished goods and goods for resale	53,241	75,311
	506,520	482,920

Notes (continued)

11 Debtors

	2004 £	2003 £
Trade debtors	1,786,625	1,772,677
Other debtors	1,736	2,100
Prepayments and accrued income	27,457	131,709
	<hr/> 1,815,818 <hr/>	<hr/> 1,906,486 <hr/>

12 Creditors: Amounts falling due within one year

	2004 £	2003 £
Bank loan (secured – see note 13)	134,640	134,640
Trade creditors	578,844	716,624
Corporation tax	250,959	236,433
Other taxes and social security costs	388,282	304,686
Other creditors	104,967	101,682
Accruals and deferred income	938,064	434,071
Dividend proposed	625,000	112,000
	<hr/> 3,020,756 <hr/>	<hr/> 2,040,136 <hr/>

13 Creditors: Amounts falling due after more than one year

	2004 £	2003 £
Bank loan (secured)	1,080,904	1,234,914
Directors' accounts (see note 23)	958,199	981,639
	<hr/> 2,039,103 <hr/>	<hr/> 2,216,553 <hr/>

Analysis of debt

Debt can be analysed as falling due:

In one year or less, or on demand	134,640	134,640
Between one and two years	134,640	134,640
Between two and five years	403,920	403,920
In five years or more	542,344	696,354
	<hr/> 1,215,544 <hr/>	<hr/> 1,369,554 <hr/>

The bank hold a first mortgage on the land known as Amington Point, Amington Industrial Estate, dated 12 May 2000.

Notes (continued)

14 Provisions for liabilities and charges

<i>Deferred tax</i>	£
At beginning of year	27,849
Charged in the year	2,158
	<hr/>
At end of year	30,007
	<hr/>

The elements of deferred taxation are as follows:

	2004 £	2003 £
Differences between accumulated depreciation and capital allowances	32,035	29,877
Other timing differences	(2,028)	(2,028)
	<hr/>	<hr/>
	30,007	27,849
	<hr/>	<hr/>

15 Called up share capital

	2004 £	2003 £
<i>Authorised:</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

16 Reserves

	Profit and loss account £
At beginning of year	919,577
Retained profit for the year	2,337
	<hr/>
At end of year	921,914
	<hr/>

Notes (continued)

17 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	627,337	624,277
Dividends	(625,000)	(112,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	2,337	512,277
Opening shareholders' funds	919,677	407,400
	<hr/>	<hr/>
Closing shareholders' funds	922,014	919,677
	<hr/>	<hr/>

18 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2004		2003
	Land and buildings £	Other £	Land and buildings £
Operating leases which expire:			
Within one year	-	1,445	-
In the second to fifth years inclusive	196,000	24,846	126,000
	<hr/>	<hr/>	<hr/>
	196,000	26,291	126,000
	<hr/>	<hr/>	<hr/>

19 Pension costs

The company operates a defined contribution pension scheme in respect of directors and staff. The pension charge represents contributions due from the company and amounted to £40,804 (2003: £46,156). There were no outstanding or prepaid contributions at either the beginning or end of the year.

20 Reconciliation of operating profit to net cash inflow from operating activities

	2004 £	2003 £
Operating profit	1,046,506	1,214,888
Depreciation	89,504	89,303
Loss/(profit) on sale of fixed asset	4,743	(86,886)
(Increase)/decrease in stocks	(23,600)	85,487
Decrease/(increase) in debtors	90,668	(394,007)
Increase in creditors	587,738	187,834
	<hr/>	<hr/>
Net cash inflow from operating activities	1,795,559	1,096,619
	<hr/>	<hr/>

Notes (continued)

21 Analysis of cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	41,135	19,027
Interest paid	(92,736)	(96,261)
CT61 tax paid	(49,819)	(51,969)
	<u>(101,420)</u>	<u>(129,203)</u>
Taxation		
Corporation tax paid	(241,099)	(19,031)
Corporation tax overpayments received	4,666	-
	<u>236,433</u>	<u>(19,031)</u>
Capital expenditure		
Payments to acquire tangible assets	(88,648)	(161,263)
Receipts from sales of tangible assets	2,899	24,386
	<u>(85,749)</u>	<u>(136,877)</u>
Financing		
Repayment of long term bank loan	(154,010)	(129,601)
Repayment of directors' loans	(222,716)	(157,328)
	<u>(376,726)</u>	<u>(286,929)</u>

22 Analysis of changes in net debt

	At beginning of year £	Cash flows £	At end of year £
Cash at bank and in hand	958,834	883,231	1,842,065
Debt due within one year	(134,640)	-	(134,640)
Debt due after one year	(1,234,914)	154,010	(1,080,904)
	<u>(1,369,554)</u>	<u>154,010</u>	<u>(1,215,544)</u>
Total	<u>(410,720)</u>	<u>1,037,241</u>	<u>626,521</u>

Notes (continued)

23 Related party transactions

The following were considered to be related parties who were both directors for the year ended 28 February 2004:

GJ King
B Whitehall

Loan balances owed to related parties and credit interest payable, calculated at an interest rate of 8% per annum (2003: 12%), were as follows:

	Balance at 28 February 2004	Gross interest for year ended 28 February 2004	Balance at 28 February 2003	Gross interest for year ended 28 February 2003
	£	£	£	£
GJ King	608,890	47,489	514,279	123,411
B Whitehall	349,309	38,614	467,360	117,096

Rent payments of £96,000 and £30,000 were paid in the year in relation to two properties owned by a pension fund, the beneficiaries of which are GJ King and B Whitehall. A prepayment of £31,400 exists at the year end (2003: £31,400).

£64,116 is payable to GJ King and B Whitehall for rent of a property owned by the directors. The whole amount is outstanding at year end, and is included in the director's loan account balances.

24 Ultimate controlling party

The ultimate controlling parties are Messrs GJ King and B Whitehall.