

COMPANIES HOUSE
114 AUG 1992

SHIBD PACKAGING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 11 JANUARY 1992

Registered Number 1861388

KPMG PEAT MARWICK
7 Tib Lane, Manchester M2 6DS

03-09-99

SHIELD PACKAGING LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements for the year to 11 January 1992.

Trading operations

The principal activity of the company during the year was the manufacture of packaging materials, printing, binding, and similar operations.

Review of trade

Details of trading are shown in the attached profit and loss account, resulting in a turnover of £7,244,000 and a loss on ordinary activities before taxation of £547,000.

Fixed assets

Details with regard to changes in fixed assets are set out in note 7 to the financial statements.

Dividend

The Directors do not recommend payment of a dividend.

Directors

The Directors of the company during the year were:

T J Howarth

R T Dixon

No directors received any emoluments during the year.

None of the directors had any beneficial interest in the company.

Subsequent events

No significant events have occurred since the conclusion of the financial year.

Future prospects

The company is expected to continue trading in the manner which it does at present.

SHIELD PACKAGING LIMITEDDIRECTORS' REPORT
(continued)Auditors

The auditors of the company are KPMG Peat Marwick.

Elective Regime

During the year ended 12 January 1991, the company passed Elective Resolutions in accordance with the Companies Act 1985 (as amended by the 1989 Act). These have the effect of dispensing with; the holding of Annual General Meetings; the laying of accounts at such meetings; and the annual re-appointment of auditors.

On behalf of the Board

M A Lees

M A LEES
Secretary

Registered office:
PO Box 53
New Century House
Manchester
M60 4ES

7 August 1992

REPORT OF THE AUDITORS, KPMG PEAT MARWICK,

TO THE MEMBERS OF SHIELD PACKAGING LIMITED

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 11 January 1992 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Registered Auditors
Chartered Accountants

MANCHESTER

[7 August] 1992

SHIELD PACKAGING LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 11 JANUARY 1992

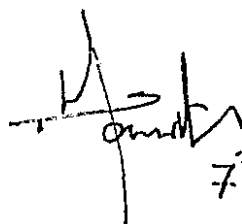
	<u>Notes</u>	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Turnover	3	7,244	7,093
Cost of sales		5,271	5,117
Gross profit		1,973	1,976
Distribution costs		215	205
Administrative expenses		2,305	2,121
		(2,520)	(2,326)
Loss on ordinary activities before taxation	3 - 4	(547)	(350)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation and for the financial year		(547)	(350)
Retained deficit brought forward		(2,259)	(1,909)
Retained deficit carried forward		(2,806)	(2,259)

The notes on pages 7 to 12 form part of these financial statements.

SHIELD PACKAGING LIMITEDBALANCE SHEETAS AT 11 JANUARY 1992

	<u>Notes</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
FIXED ASSETS			
Tangible assets	7	4,599	5,119
CURRENT ASSETS			
Stocks	9	1,138	1,534
Debtors	10	1,440	1,337
Cash at bank and in hand		8	118
		2,586	2,989
CREDITORS: Amounts falling due within one year	11	(9,958)	(10,336)
NET CURRENT LIABILITIES		<u>(7,372)</u>	<u>(7,347)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(2,773)	(2,228)
CREDITORS: Amounts falling due after more than one year	11	(33)	(31)
		<u>(2,806)</u>	<u>(2,259)</u>
CAPITAL AND RESERVES			
Called up Share Capital	13	-	-
Profit and loss account		(2,806)	(2,259)
		<u>(2,806)</u>	<u>(2,259)</u>

T J HOWARTH - DIRECTOR



7th Aug 92

Approved by the Board on

The notes on pages 7 to 12 form part of these financial statements.

SHIELD PACKAGING LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE YEAR ENDED 11 JANUARY 1992

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
SOURCE OF FUNDS		
(Loss) for the year before taxation	(547)	(350)
Adjustments for items not involving the movements of funds:		
Depreciation of fixed assets	595	606
(Profit) on sale of fixed assets	(2)	(3)
	<u>46</u>	<u>253</u>
Proceeds of sale of tangible fixed assets	<u>2</u>	<u>6</u>
Total generated by operations	48	259
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	(75)	(1,407)
	<u>(27)</u>	<u>(1,148)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	(396)	336
Debtors	103	13
Cash at bank and in hand	(110)	35
Creditors	207	(201)
	<u>(196)</u>	<u>183</u>
INCREASE/(DECREASE) IN AMOUNT DUE TO PARENT ORGANISATION		
	<u>169</u>	<u>(1,331)</u>

SHIELD PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention

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

Deferred Taxation

No provision for deferred taxation has been made as the parent organisation has indicated that any liability to deferred taxation will be met by the parent organisation.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Fixed Assets

Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives as follows:

Plant and machinery	- 5 to 10 years
Leasehold improvements	- 20 years
Freehold buildings	- 40 years.

Finance Leases

Plant acquired under finance leases is capitalised based on the purchase price of the assets. Depreciation is provided on the same basis as for owned assets. The interest element of the lease payment is charged to profit and loss account over the primary lease period.

The capital value of the leases is included in the balance sheet as a liability, reduced by the capital element of the lease payments.

Operating Leases

Rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

Pension costs

The company participates in the Co-operative Wholesale Society Limited Pension Scheme which is a defined benefit pension scheme. In accordance with actuarial advice, pension costs are charged to the profit and loss account so as to spread the costs over the expected service lives of employees. Contributions are determined by a qualified actuary with the most recent valuation as at April 1989. Further information relating to the scheme is disclosed in the accounts of the parent organisation.

SHIELD PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (continued)

2. ACCOUNTING DATE

Since the financial year is virtually co-terminous with the calendar year 1991, the financial year's figures are headed 1991 and the corresponding figures for the previous period are headed 1990.

3. ANALYSIS OF TURNOVER AND LOSS BEFORE TAXATION

The whole of the company's turnover and loss before taxation arises from its trading operations within the United Kingdom.

4. TRADING LOSS

The trading loss is stated after charging:

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Directors' remuneration	-	-
Depreciation of tangible fixed assets	595	606
Auditor's remuneration	12	12
Finance charge in respect of finance leases	2	2
Operating lease rentals:		
Land and building	5	3
Plant and vehicles	37	24
	<hr/>	<hr/>

5. EMPLOYEES

	<u>1991</u>	<u>1990</u>
Average number of employees	138	136
	<hr/>	<hr/>
	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Employee costs:		
Wages and salaries	1,870	1,849
Social security costs	148	148
Other pension costs	119	111
	<hr/>	<hr/>
	2,137	2,108
	<hr/>	<hr/>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

No liability to UK Corporation Tax arose during the year.

All current losses have been surrendered by way of group relief to other group companies for which no payment will be made.

There is no potential deferred tax payable as the company has losses brought forward of £2.5m (1990: £2.5m) available to offset against future trading profits.

SHIELD PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(continued)

7. TANGIBLE FIXED ASSETS

	<u>Freehold land and buildings</u> <u>£000</u>	<u>Plant and machinery</u> <u>£000</u>	<u>Payments on account</u> <u>£000</u>	<u>Total</u>
<u>Cost</u>				
At 13 January 1991	1,291	5,543	30	6,864
Additions during year	-	102	(27)	75
Disposals	-	(12)	-	(12)
At 11 January 1992	<u>1,291</u>	<u>5,633</u>	<u>3</u>	<u>6,927</u>
<u>Depreciation</u>				
At 13 January 1991	44	1,701	-	1,745
Charge for year	34	561	-	595
Disposals	-	(12)	-	(12)
At 11 January 1992	<u>78</u>	<u>2,250</u>	<u>-</u>	<u>2,328</u>
<u>Net book value</u>				
11 January 1992	<u>1,213</u>	<u>3,383</u>	<u>3</u>	<u>4,599</u>
12 January 1991	<u>1,247</u>	<u>3,842</u>	<u>30</u>	<u>5,119</u>

Plant and machinery includes assets held under finance leases as follows:

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Costs	146	132
Accumulated depreciation	(105)	(93)
	<u>41</u>	<u>39</u>

SHIELD PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
 (continued)

8. FIXED ASSET INVESTMENT

During the year the company acquired a 50% share in a joint venture company - Scanplast Shield Limited. The joint venture partner is Scanplast Limited.

	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Investment in Scanplast Shield Limited	50	-

9. STOCKS

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Raw materials and packaging	530	627
Work in progress	192	299
Finished goods and goods for resale	416	608
	<u>1,138</u>	<u>1,534</u>

10. DEBTORS

All due within one year:

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Trade debtors	1,415	1,302
Amounts owed by group undertakings		
Holding company and fellow subsidiaries	5	18
Prepayments and accrued income	20	17
	<u>1,440</u>	<u>1,337</u>

SHIELD PACKAGING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(continued)

11. CREDITORS

	<u>1991</u>		<u>1990</u>	
	<u>Due within</u> <u>one year</u> <u>£000</u>	<u>Due after</u> <u>one year</u> <u>£000</u>	<u>Due within</u> <u>one year</u> <u>£000</u>	<u>Due after</u> <u>one year</u> <u>£000</u>
Trade creditors	515	-	747	-
Amounts owed to group undertakings: Holding company and fellow subsidiaries	9,168	-	9,337	-
Tax and social security creditors	83	-	49	-
Other creditors	46	-	1	-
Accruals and deferred income	134	-	194	-
Finance leases	12	33	8	31
	<u>9,958</u>	<u>33</u>	<u>10,336</u>	<u>31</u>

12. FINANCE LEASES

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Gross lease payments outstanding	52	47
Less: future finance charges	(7)	(8)
Capital value at 11 January 1992	45	39
Less: amounts falling due within one year	(12)	(8)
Amounts falling due after more than one year	33	31
Amounts falling due within 2 to 5 years	32	30
Amounts falling due in more than 5 years	1	1
	<u>33</u>	<u>31</u>

13. CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, called up</u> <u>and fully paid</u>	
	<u>£</u>	<u>1991</u> <u>£</u>	<u>1990</u> <u>£</u>
Ordinary shares of 11 each	100	100	100

SHIELD PACKAGING LIMITEDNOTES TO THE FINANCIAL STATEMENTS
(continued)14. CAPITAL COMMITMENTS

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Expenditure committed, but not yet provided for	<u>7</u>	<u>101</u>
Expenditure authorised by the directors but not contracted for	<u>10</u>	<u>33</u>

15. OPERATING LEASES

The company has commitments for payments in the next year under operating leases as follows:

	<u>1991</u>			<u>1990</u>		
	<u>Land and</u> <u>Buildings</u> <u>£000</u>	<u>Other</u> <u>£000</u>	<u>Total</u> <u>£000</u>	<u>Land and</u> <u>Buildings</u> <u>£000</u>	<u>Other</u> <u>£000</u>	<u>Total</u> <u>£000</u>
Operating leases which expire:						
Within one year	-	2	2	-	2	2
Over five years	<u>5</u>	<u>-</u>	<u>5</u>	<u>3</u>	<u>-</u>	<u>3</u>
	<u>5</u>	<u>2</u>	<u>7</u>	<u>3</u>	<u>2</u>	<u>5</u>

16. CONTINGENT LIABILITIES

A contingent liability of £50,000 exists which relates to the possible repayment of part of a government grant received during the year. Five extra jobs have to be created by Shield Packaging Limited before 30 June 1992, otherwise this part of the grant becomes repayable.

17. FINANCIAL SUPPORT

The parent organisation has indicated its intention to provide sufficient finance to the company to enable it to meet its liabilities for a period of at least one year or until leaving the Co-operative Wholesale Society group if earlier.

18. PARENT ORGANISATION

The company is a wholly owned subsidiary of Co-operative Wholesale Society Limited, an Industrial and Provident Society incorporated and registered in England.