

23-11-93



Shield Packaging Limited

Directors' report and financial statements

9 January 1993

Registered number 1861388

Shield Packaging Limited

Directors' report and financial statements

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Shield Packaging Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 9 January 1993.

Principle activities

The principal activity of the company during the year was the manufacture and sale of packaging materials.

Business review

Details of trading are shown in the attached profit and loss account, resulting in a turnover of £7,463,000 (1991: £7,244,000) and a loss on ordinary activities before taxation of £65,000 (1991: loss £547,000).

Future prospects

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

Fixed assets

Details with regard to changes in fixed assets are set out in note 6 to the financial statements.

Dividend

The Directors do not recommend payment of a dividend.

Directors

The Directors who held office during the year were as follows:

TJ Howarth	
RT Dixon	(resigned 5 March 1993)
DH Wellens	(appointed 5 March 1993)

No directors received any emoluments during the year.

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

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.

Subsequent events

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

Shield Packaging Limited

Directors' 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

14 June 1993



St James' Square
Manchester M2 6DS

Report of the auditors to the members of Shield Packaging Limited

We have audited the financial statements on pages 4 to 13 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 9 January 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants
Registered Auditors

14 June 1993

Shield Packaging Limited

Profit and loss account
for the year ended 9 January 1993

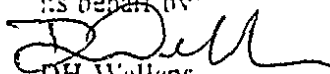
	Note	1992 £000	1991 £000
Turnover	2	7,463	7,244
Cost of sales		(5,194)	(5,271)
		<hr/>	<hr/>
Gross profit		2,269	1,973
Distribution costs		(222)	(215)
Administrative expenses		(2,110)	(2,305)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2-4	(63)	(547)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(63)	(547)
Accumulated losses brought forward		(2,806)	(2,259)
		<hr/>	<hr/>
Accumulated losses carried forward		(2,869)	(2,806)
		<hr/>	<hr/>

Shield Packaging Limited

Balance sheet
at 9 January 1993

	Note	1992 £000	1991 £000
Fixed assets			
Tangible assets	6	4,175	4,599
Current assets			
Stocks	8	1,201	1,138
Debtors	9	1,501	1,440
Cash at bank and in hand		113	8
		<u>2,815</u>	<u>2,586</u>
Creditors: amounts falling due within one year	10	<u>(9,838)</u>	<u>(9,958)</u>
Net current liabilities		<u>(7,023)</u>	<u>(7,372)</u>
Total assets less current liabilities		<u>(2,848)</u>	<u>(2,773)</u>
Creditors: amounts falling due after more than one year	11	<u>(21)</u>	<u>(33)</u>
		<u>(2,869)</u>	<u>(2,806)</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account		<u>(2,869)</u>	<u>(2,806)</u>
		<u>(2,869)</u>	<u>(2,806)</u>

These financial statements were approved by the board of directors on its behalf by


DH Wellens
Director

14 June 1993 and were signed on

Shield Packaging Limited

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.

Accounting convention

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

Cash flow statements

The company is exempt from the requirements to include a cashflow statement within its accounts since it is a wholly owned subsidiary of the Cooperative Wholesale Society Limited, whose accounts include a consolidated cash flow statement dealing with the cash flows of the group.

Going concern

The accounts have been prepared on a going concern basis, notwithstanding the deficiency of net assets as an assurance has been received from the holding company that support will continue to be made available.

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.

Shield Packaging Limited

Notes (continued)

1 Accounting policies (continued)

Deferred Taxation

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

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 1992. Further information relating to the scheme is disclosed in the accounts of the parent undertaking.

Government grants

Capital based government grants are set off directly against the cost of the related asset in the balance sheet and depreciation is charged on the net figure.

Accounting date

Since the accounting period is virtually co-terminous with the calendar year 1992, the accounting years' figures are headed 1992 and the corresponding figures for the preceding year are headed 1991.

2 Analysis of turnover and loss on ordinary activities before taxation

Turnover and losses are derived from the manufacture and sale of packaging material mainly within the U.K.

3 Loss on ordinary activities before taxation

	1992 £000	1991 £000
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditors' remuneration: Audit	16	12
Depreciation	539	595
Hire of plant and machinery - rentals payable under operating leases	29	37
Hire of other assets - operating leases	5	5
Finance charge in respect of finance leases	5	2
	<hr/>	<hr/>

Shield Packaging Limited

Notes (continued)

4 Staff numbers and costs

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

	Number of employees	
	1992	1991
Average number of employees	<u>133</u>	<u>138</u>

The aggregate payroll costs of these persons were as follows:

	1992 £000	1991 £000
Wages and salaries	1,969	1,870
Social security costs	157	148
Other pension costs	<u>101</u>	<u>119</u>
	<u>2,227</u>	<u>2,137</u>

No directors received any emoluments during the year.

5 Taxation

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 trade losses for taxation purposes brought forward of £3.4m (1991: £3.4m) available to offset against future trading profits.

Shield Packaging Limited

Notes (continued)

6 Tangible fixed assets

	Freehold Land and buildings £000	Plant and machinery £000	Payments on account £000	Total £000
<i>Cost</i>				
At 11 January 1992	1,291	5,633	3	6,927
Additions	-	118	(3)	115
Disposals	-	(73)	-	(73)
	<hr/>	<hr/>	<hr/>	<hr/>
At 9 January 1993	1,291	5,678	-	6,969
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 11 January 1992	78	2,250	-	2,328
Charge for year	28	511	-	539
On disposals	-	(73)	-	(73)
	<hr/>	<hr/>	<hr/>	<hr/>
At 9 January 1993	106	2,688	-	2,794
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 9 January 1993	1,185	2,990	-	4,175
	<hr/>	<hr/>	<hr/>	<hr/>
At 11 January 1992	1,213	3,383	3	4,599
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the total net book value of Plant and Machinery is £30,000 (1991: £41,000) in respect of assets held under finance leases. Accumulated depreciation on these assets is £116,000 (1991: £105,000).

Shield Packaging Limited

Notes (continued)

7 Fixed asset investments

	1992 £	1991 £
Investment in Scanplast Shield Limited	<u>50</u>	<u>50</u>

The company owns 50% of the issued ordinary share capital of a joint venture company - Scanplast Shield Limited. The joint venture partner is Scanplast Limited.

Scanplast Shield Limited is registered in England and its principal activity is the sale of packaging materials.

8 Stocks

	1992 £000	1991 £000
Raw materials and packaging	566	530
Work in progress	149	192
Finished goods and goods for resale	486	416
	<u>1,201</u>	<u>1,138</u>

9 Debtors

	1992 £000	1991 £000
Trade debtors	1,461	1,415
Amounts owed by group undertakings	21	5
Prepayments and accrued income	19	20
	<u>1,501</u>	<u>1,440</u>
<i>The amounts owed by group undertakings comprise:</i>		
Parent and fellow subsidiary undertakings	<u>21</u>	<u>5</u>

Shield Packaging Limited

Notes (continued)

10 Creditors: amounts falling due within one year

	1992	1991
	£000	£000
Obligations under finance leases (see note 12)	11	12
Trade creditors	612	515
Amounts owed to group undertakings	8,987	9,168
Other creditors including taxation and Social Security		
Social Security	40	83
Other creditors	29	46
	<u> </u>	<u> </u>
	69	129
Accruals and deferred income	159	134
	<u> </u>	<u> </u>
	9,838	9,558
	<u> </u>	<u> </u>

*The amounts owed to group
undertakings comprise:*

Parent and fellow subsidiary undertakings	<u>8,987</u>	<u>9,168</u>
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11 Creditors: amounts falling due after more than one year

	1992	1991
	£000	£000
Obligations under Finance leases (see note 12)	<u>21</u>	<u>33</u>

Shield Packaging Limited

Notes (continued)

12 Finance leases

	1992 £000	1991 £000
Gross lease payments outstanding	38	52
Less: future finance charges	(6)	(7)
	<hr/>	<hr/>
Capital value at end of year	32	45
Less: amounts falling due within one year	(11)	(12)
	<hr/>	<hr/>
Amounts falling due after more than one year	21	33
	<hr/>	<hr/>
Amounts falling due within 2 to 5 years	21	32
Amounts falling due in more than 5 years	-	1
	<hr/>	<hr/>
	21	33
	<hr/>	<hr/>

13 Called up share capital

	1992 £	1991 £
<i>Authorised</i>		
Ordinary shares of £1 each	<hr/> 100	<hr/> 100
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<hr/> 100	<hr/> 100

14 Commitments

Capital commitments at the end of the financial year for which no provision has been made, are as follows:-

	1992 £000	1991 £000
Contracted	37	7
Authorised but not contracted	2	10
	<hr/>	<hr/>

Shield Packaging Limited

Notes (continued)

15 Operating leases

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

	1992			1991		
	Land and Buildings £000	Other £000	Total £000	Land and Buildings £000	Other £000	Total £000
Operating leases which expire:						
Within one year	-	2	2	-	2	2
Over five years	5	-	5	5	-	5
	<u>5</u>	<u>2</u>	<u>7</u>	<u>5</u>	<u>2</u>	<u>7</u>

16 Contingent liabilities

A contingent liability of £60,000 exists which relates to the possible repayment of part of a government grant. The grant was conditional on creating one job for each £10,000 received. Six jobs had not been created at the balance sheet date.

17 Parent undertaking

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

The largest group in which the results of the company are consolidated is that headed by the Co-operative Wholesale Society Limited.