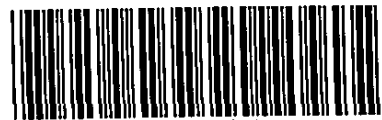


Company Registration No. 2077853 (England and Wales)

SANDERS POLYFILMS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

WEDNESDAY



A46 *AUG77VSL* 275
13/07/2011
COMPANIES HOUSE

SANDERS POLYFILMS LIMITED

DIRECTORS AND ADVISERS

Directors	B G Davies A R Aftalion A G Struthers S Mohan
Secretary	E J Fairclough
Company number	2077853
Registered office	Westfields Trading Estate Hereford Herefordshire United Kingdom HR4 9NS
Registered auditors	Ward Williams Park House 25 - 27 Monument Hill Weybridge Surrey KT13 8RT
Business address	Westfields Trading Estate Hereford Herefordshire United Kingdom HR4 9NS
Bankers	Barclays Bank plc 54 High Street Worcester WR1 2QQ

SANDERS POLYFILMS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Consolidated profit and loss account	5
Statement of recognised gains and losses	6
Balance sheets	7
Consolidated cash flow statement	8
Notes to the consolidated cash flow statement	9
Notes to the financial statements	10 - 26

SANDERS POLYFILMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture of collation shrinkfilm

The group's business is subject to uncertainties arising from polymer price instability, competitor activity and the reaction of customers to the economic climate in the UK and throughout Europe

These risks are balanced through a selection of strategic relationships, delivering moderation to difficult circumstances, which combined with our actions, keep the group on track

The group is financed through a mix of cash, loans and invoice discounting. The main risks arising from this mix of funding are interest rate fluctuations, random events in the banking sector, and the global economic status

It is our policy to review funding requirements of the company periodically, in line with our projected cash flow requirements as determined by our operating strategy, and keeping loan exposure at acceptable levels

Results and dividends

The consolidated profit and loss account for the year is set out on page 5

The directors do not recommend the payment of an equity dividend (2009 nil)

Directors

The following directors have held office since 1 January 2010

B G Davies
A R Aftalion
A G Struthers
S Mohan

Charitable donations	2010 £	2009 £
During the year the group made the following payments		
Charitable donations	2,256	12,192

Auditors

Ward Williams were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

SANDERS POLYFILMS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

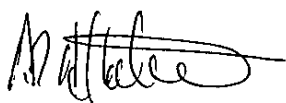
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



A R Aftalion

Director
5/7/11

SANDERS POLYFILMS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SANDERS POLYFILMS LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Sanders Polyfilms Limited for the year ended 31 December 2010 set out on pages 5 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

SANDERS POLYFILMS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SANDERS POLYFILMS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Richard Hayward (Senior Statutory Auditor)
for and on behalf of Ward Williams

11 July 2011

Chartered Accountants
Statutory Auditor

Park House
25 - 27 Monument Hill
Weybridge
Surrey
KT13 8RT

SANDERS POLYFILMS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	27,471,178	17,188,547
Cost of sales		(25,148,155)	(15,644,855)
Gross profit		2,323,023	1,543,692
Administrative expenses		(1,584,676)	(1,190,537)
Other operating income		-	26,000
Operating profit	3	738,347	379,155
Loss on termination of operation	5	(136,917)	-
Profit on ordinary activities before interest		601,430	379,155
Other interest receivable and similar income		6,406	12,390
Interest payable and similar charges	4	(250,284)	(137,918)
Profit on ordinary activities before taxation	3	357,552	253,627
Tax on profit on ordinary activities	6	(163,168)	(107,275)
Profit on ordinary activities after taxation		194,384	146,352

The profit and loss account has been prepared on the basis that all operations are continuing operations

SANDERS POLYFILMS LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES **FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	£	£
Profit for the financial year	194,384	146,352
Currency translation differences on foreign currency net investments	(41,306)	(1,188)
Total recognised gains and losses relating to the year	<u>153,078</u>	<u>145,164</u>

SANDERS POLYFILMS LIMITED

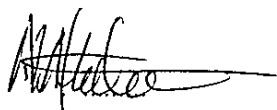
BALANCE SHEETS

AS AT 31 DECEMBER 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Intangible assets	8	(286,277)	(356,114)	-	-
Tangible assets	9	4,382,367	4,397,007	3,172,980	3,145,193
Investments	10	-	-	340,000	340,000
		<u>4,096,090</u>	<u>4,040,893</u>	<u>3,512,980</u>	<u>3,485,193</u>
Current assets					
Stocks	11	1,414,719	1,300,901	1,100,991	1,088,274
Debtors	12	6,116,182	3,690,669	5,878,263	3,701,427
Cash at bank and in hand		<u>116,402</u>	<u>442,610</u>	<u>102,125</u>	<u>398,814</u>
		7,647,303	5,434,180	7,081,379	5,188,515
Creditors amounts falling due within one year	13	<u>(7,091,842)</u>	<u>(5,352,992)</u>	<u>(6,116,443)</u>	<u>(4,550,439)</u>
Net current assets		<u>555,461</u>	<u>81,188</u>	<u>964,936</u>	<u>638,076</u>
Total assets less current liabilities		<u>4,651,551</u>	<u>4,122,081</u>	<u>4,477,916</u>	<u>4,123,269</u>
Creditors amounts falling due after more than one year	14	<u>(2,496,204)</u>	<u>(2,234,339)</u>	<u>(2,496,204)</u>	<u>(2,234,339)</u>
Provisions for liabilities	15	<u>(253,698)</u>	<u>(202,778)</u>	<u>(253,698)</u>	<u>(202,778)</u>
		<u>1,901,649</u>	<u>1,684,964</u>	<u>1,728,014</u>	<u>1,686,152</u>
Capital and reserves					
Called up share capital	17	125,000	125,000	125,000	125,000
Share premium account	18	335,000	335,000	335,000	335,000
Revaluation reserve	18	63,607	-	-	-
Profit and loss account	18	<u>1,378,042</u>	<u>1,224,964</u>	<u>1,268,014</u>	<u>1,226,152</u>
Shareholders' funds	19	<u>1,901,649</u>	<u>1,684,964</u>	<u>1,728,014</u>	<u>1,686,152</u>

Approved by the Board and authorised for issue on

5/1/11



A R Aftalion
Director

Company Registration No 2077853

SANDERS POLYFILMS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	£	2010 £	£	2009 £
Net cash inflow from operating activities		174,651		902,701
Returns on investments and servicing of finance				
Interest received	6,406		12,390	
Interest paid	(250,284)		(137,918)	
Net cash outflow for returns on investments and servicing of finance		(243,878)		(125,528)
Taxation		(158,003)		(285,415)
Capital expenditure				
Payments to acquire tangible assets	(453,972)		(432,942)	
Receipts from sales of tangible assets	-		7,750	
Net cash outflow for capital expenditure		(453,972)		(425,192)
Purchase of subsidiary undertakings (net of cash acquired)	-		(317,830)	
Net cash outflow for acquisitions and disposals		-		(317,830)
Net cash (outflow)/inflow before management of liquid resources and financing		(681,202)		(251,264)
Financing				
New long term loans	500,000		660,541	
Repayment of long term loans	(145,006)		-	
Net cash inflow from financing		354,994		606,451
(Decrease)/increase in cash in the year		(326,208)		355,187

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2010	2009
		£	£
	Operating profit	738,347	379,155
	Depreciation of tangible assets	490,932	355,931
	Amortisation of intangible assets	(71,569)	15,556
	Profit on disposal of tangible assets	-	(7,750)
	Increase in stocks	(113,818)	(481,116)
	Increase in debtors	(2,425,513)	1,335,691
	Increase in creditors within one year	1,738,840	(694,766)
	Net effect of foreign exchange differences	(45,651)	-
	Loss on termination of operation	(136,917)	-
	Net cash inflow from operating activities	174,651	902,701

2	Analysis of net debt	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	473,588	(357,186)	-	116,402
	Bank overdrafts	(30,978)	30,978	-	-
		<u>442,610</u>	<u>(326,208)</u>	<u>-</u>	<u>116,402</u>
	Finance leases	(60,667)	37,498	-	(23,169)
	Debts falling due within one year	(433,328)	(109,224)	-	(542,552)
	Debts falling due after one year	(2,207,221)	(283,268)	-	(2,490,489)
		<u>(2,701,216)</u>	<u>(354,994)</u>	<u>-</u>	<u>(3,056,210)</u>
	Net debt	(2,258,606)	(681,202)	-	(2,939,808)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	(Decrease)/increase in cash in the year	(326,208)	355,187
	Cash inflow from increase in debt and lease financing	(354,994)	(1,007,900)
	Movement in net debt in the year	(681,202)	(652,713)
	Opening net debt	(2,258,606)	(1,605,893)
	Closing net debt	(2,939,808)	(2,258,606)

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	50 years
Land and buildings Leasehold	5-20 years
Plant and machinery	3-15 years
Fixtures, fittings & equipment	3-20 years
Motor vehicles	3-4 years

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies (continued)

1 9 Stock

Stock is valued at the lower of cost and net realisable value. Cost of finished goods comprises the average purchase price of the raw material plus the directly attributable overheads. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

1 10 Pensions

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

1 11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1 12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below.

	2010 £	2009 £
Geographical segment		
United Kingdom	21,617,291	15,651,183
European Union	5,426,166	1,537,364
Rest of world	427,721	-
	<u>27,471,178</u>	<u>17,188,547</u>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

3	Operating profit	2010	2009
		£	£
	Operating profit is stated after charging		
	Amortisation of intangible assets	(71,569)	15,556
	Depreciation of tangible assets	490,932	355,931
	Operating lease rentals	101,007	105,167
	and after crediting		
	Profit on disposal of tangible assets	-	(7,750)
	Profit on foreign exchange transactions	(82,521)	(33,617)
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Fees payable to the group's auditor for the audit of the group's annual accounts (company £14,500, 2009 £18,000)	14,500	18,000
	Tax compliance	3,000	7,000
		<u> </u>	<u> </u>
		17,500	25,000
		<u> </u>	<u> </u>
4	Interest payable	2010	2009
		£	£
	On bank loans and overdrafts	46,039	27,209
	Hire purchase interest	12,278	3,673
	On amounts payable to factors	24,703	2,036
	Other interest	167,264	105,000
		<u> </u>	<u> </u>
		250,284	137,918
		<u> </u>	<u> </u>

5 Exceptional item

During the year the group incurred costs on development of a particular project amounting to £136,917. This project was discontinued due to expected increased ongoing costs. As this is an exceptional item it is shown separately on the face of the profit and loss account.

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

6	Taxation	2010 £	2009 £
	Domestic current year tax		
	U K corporation tax	98,974	126,650
	Adjustment for prior years	(3,496)	(8,494)
		<u>95,478</u>	<u>118,156</u>
	Foreign corporation tax		
	Foreign corporation tax	7,557	65
	Other foreign tax	9,213	-
		<u>16,770</u>	<u>65</u>
	Total current tax	<u>112,248</u>	<u>118,221</u>
	Deferred tax		
	Deferred tax charge/credit current year	50,920	(10,946)
		<u>163,168</u>	<u>107,275</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>357,552</u>	<u>253,627</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.27% (2009 - 28.57%)	<u>93,929</u>	<u>72,461</u>
	Effects of		
	Non deductible expenses	31,960	53,781
	Depreciation add back	100,413	101,673
	Capital allowances	(76,952)	(95,023)
	Foreign tax adjustments	(16,770)	65
	Adjustments to previous periods	(3,496)	(8,494)
	Other tax adjustments	(16,836)	(6,242)
		<u>18,319</u>	<u>45,760</u>
	Current tax charge for the year	<u>112,248</u>	<u>118,221</u>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2010 £	2009 £
Holding company's profit for the financial year	41,862	146,352

8 Intangible fixed assets Group

	Goodwill £
Cost	
At 1 January 2010 & at 31 December 2010	(342,290)
Amortisation	
At 1 January 2010	15,556
Charge for the year	(71,569)
At 31 December 2010	(56,013)
Net book value	
At 31 December 2010	(286,277)
At 31 December 2009	(356,114)

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

9 Tangible fixed assets

Group

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2010	2,406,247	144,961	6,029,647	817,922	207,504	9,606,281
Exchange differences	(26,139)	-	(18,897)	(5,755)	-	(50,791)
Additions	-	-	414,846	39,126	-	453,972
Revaluation	63,607	-	-	-	-	63,607
Disposals	-	-	(8,388)	(2,442)	-	(10,830)
At 31 December 2010	2,443,715	144,961	6,417,208	848,851	207,504	10,062,239
Depreciation						
At 1 January 2010	151,590	133,347	4,106,511	680,129	137,697	5,209,274
Exchange differences	(1,368)	-	(14,117)	2,912	-	(12,573)
On disposals	-	-	(7,761)	-	-	(7,761)
Charge for the year	30,665	7,802	406,267	31,741	14,457	490,932
At 31 December 2010	180,887	141,149	4,490,900	714,782	152,154	5,679,872
Net book value						
At 31 December 2010	2,262,828	3,812	1,926,308	134,069	55,350	4,382,367
At 31 December 2009	2,254,657	11,614	1,923,136	137,793	69,807	4,397,007

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values				
At 31 December 2010	-	4,383	26,316	30,699
At 31 December 2009	-	10,958	40,950	51,908
Depreciation charge for the year				
31 December 2010	-	6,575	12,885	19,460
31 December 2009	16,546	8,767	12,874	38,187

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

Tangible fixed assets

Company

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2010	1,458,166	144,961	5,135,698	812,167	123,312	7,674,304
Additions	-	-	373,859	36,208	-	410,067
At 31 December 2010	1,458,166	144,961	5,509,557	848,375	123,312	8,084,371
Depreciation						
At 1 January 2010	121,331	133,347	3,508,853	683,041	82,539	4,529,111
Charge for the year	18,328	7,802	309,952	31,741	14,457	382,280
At 31 December 2010	139,659	141,149	3,818,805	714,782	96,996	4,911,391
Net book value						
At 31 December 2010	1,318,507	3,812	1,690,752	133,593	26,316	3,172,980
At 31 December 2009	1,336,835	11,614	1,626,845	129,126	40,773	3,145,193

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Net book values				
At 31 December 2010	-	4,383	26,316	30,699
At 31 December 2009	-	10,958	40,950	51,908
Depreciation charge for the year				
31 December 2010	-	6,575	12,885	19,460
31 December 2009	16,546	8,767	12,874	38,187

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2010 & at 31 December 2010	1,065,000
Provisions for diminution in value	
At 1 January 2010 & at 31 December 2010	725,000
Net book value	
At 31 December 2010	340,000
At 31 December 2009	340,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Coflex Films Limited	Great Britain		100
Romfilms Limited	Great Britain		100
Romfilms SRL (indirect holding)	Romania		100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Coflex Films Limited	Dormant
Romfilms Limited	Dormant
Romfilms SRL (indirect holding)	Manufacture of collation shrinkfilm

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

11 Stocks

	Group 2010 £	2009 £	Company 2010 £	2009 £
Raw materials and consumables	1,026,224	739,029	807,017	609,697
Finished goods and goods for resale	388,495	561,872	293,974	478,577
	<u>1,414,719</u>	<u>1,300,901</u>	<u>1,100,991</u>	<u>1,088,274</u>

12 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	5,623,817	3,280,135	4,960,440	2,945,790
Amounts owed by group undertakings	-	-	523,657	468,876
Other debtors	332,077	211,744	236,203	87,971
Prepayments and accrued income	160,288	198,790	157,963	198,790
	<u>6,116,182</u>	<u>3,690,669</u>	<u>5,878,263</u>	<u>3,701,427</u>

Amounts falling due after more than one year and included in the debtors above are

	2010 £	2009 £	2010 £	2009 £
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>488,634</u>	<u>468,876</u>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

13 Creditors amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	430,151	433,328	87,719	84,272
Net obligations under finance lease and hire purchase contracts	17,454	33,549	17,454	31,158
Trade creditors	4,051,863	3,196,057	3,554,667	2,748,191
Amounts owed to group undertakings	-	-	15,556	53,886
Corporation tax	99,046	144,801	99,046	144,801
Taxes and social security costs	346,273	199,358	272,012	199,358
Directors current accounts	390,103	548,101	390,103	548,101
Other creditors	1,457,650	577,865	1,380,584	520,739
Accruals and deferred income	299,302	219,933	299,302	219,933
	<u>7,091,842</u>	<u>5,352,992</u>	<u>6,116,443</u>	<u>4,550,439</u>

Other creditors of £1,215,006 (2009 £346,313) are secured against the trade debtors of the company

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

14 Creditors amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	620,705	707,221	620,705	707,221
Other loans	369,784	-	369,784	-
Net obligations under finance leases and hire purchase agreements	5,715	27,118	5,715	27,118
Preference shares classed as a financial liability	1,500,000	1,500,000	1,500,000	1,500,000
	<u>2,496,204</u>	<u>2,234,339</u>	<u>2,496,204</u>	<u>2,234,339</u>
Analysis of loans				
Not wholly repayable within five years by instalments				
Bank loans	708,424	791,493	708,424	791,493
Wholly repayable within five years	824,617	349,056	482,185	-
	<u>1,533,041</u>	<u>1,140,549</u>	<u>1,190,609</u>	<u>791,493</u>
Included in current liabilities	(542,552)	(433,328)	(200,120)	(84,272)
	<u>990,489</u>	<u>707,221</u>	<u>990,489</u>	<u>707,221</u>
Instalments not due within five years	<u>277,916</u>	<u>350,419</u>	<u>277,916</u>	<u>350,419</u>
Loan maturity analysis				
In more than one year but not more than two years	209,570	84,272	209,570	84,272
In more than two years but not more than five years	503,003	356,802	503,003	356,802
In more than five years	<u>277,916</u>	<u>350,419</u>	<u>277,916</u>	<u>350,419</u>
Preference shares classified as financial liabilities				
In more than five years	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	17,454	33,549	17,454	31,158
Repayable between one and five years	<u>5,715</u>	<u>27,118</u>	<u>5,715</u>	<u>27,118</u>
	<u>23,169</u>	<u>60,667</u>	<u>23,169</u>	<u>58,276</u>
Included in liabilities falling due within one year	(17,454)	(33,549)	(17,454)	(31,158)
	<u>5,715</u>	<u>27,118</u>	<u>5,715</u>	<u>27,118</u>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2010**

14 Creditors amounts falling due after more than one year

(continued)

The bank loans bear interest at rates fixed between 6.810% and 7.284% per annum

The 7% redeemable cumulative preference shares carry the following rights and rank *pari passu* in all aspects with the Ordinary shares except

With certain specific exceptions, the holders of the 7% redeemable cumulative preference shares shall not be entitled to receive notice of, or attend, or vote at any general meetings of the company unless the dividend on the redeemable cumulative preference shares is 12 months in arrears, or the business of the meeting includes the consideration of a resolution for winding up of the company or for the reduction in the capital or any resolution directly or adversely modifying or abrogating any of the special rights and privileges attached to the 7% redeemable cumulative preference shares

The holders of the redeemable cumulative preference shares shall be entitled in priority to any payment of dividend on any other class of shares to a cumulative preferential dividend of 7% per annum of the capital on those shares payable on 31 March of each year

The redeemable cumulative preference shares shall on a winding up or reduction of capital to repayment of the capital paid up or credited as paid up thereon plus a sum equal to any arrears or accruals of the fixed cumulative preference shares dividend

The bank loans are secured by a legal charge over the freehold land and buildings and the investment property, together with an unscheduled mortgage debenture incorporating a fixed and floating charge over all current assets of the company

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

15 Provisions for liabilities Group

Deferred
taxation
£

Balance at 1 January 2010	202,778
Profit and loss account	50,920
	<hr/>
Balance at 31 December 2010	253,698
	<hr/>

Company

Balance at 1 January 2010	202,778
Profit and loss account	50,920
	<hr/>
Balance at 31 December 2010	253,698
	<hr/>

The deferred tax liability is made up as follows:

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	268,538	217,618	268,538	217,618
Other timing differences	(14,840)	(14,840)	(14,840)	(14,840)
	<hr/>	<hr/>	<hr/>	<hr/>
	253,698	202,778	253,698	202,778
	<hr/>	<hr/>	<hr/>	<hr/>

16 Pension and other post-retirement benefit commitments

Defined contribution

	2010	2009
	£	£
Contributions payable by the group for the year	44,508	43,678
	<hr/>	<hr/>

17 Share capital

	2010	2009
	£	£
Allotted, called up and fully paid		
125,000 Ordinary shares of each	125,000	125,000
	<hr/>	<hr/>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

18 Statement of movements on reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2010	335,000	-	1,224,964
Profit for the year	-	-	194,384
Foreign currency translation differences	-	-	(41,306)
Revaluation during the year	-	63,607	-
Balance at 31 December 2010	<u>335,000</u>	<u>63,607</u>	<u>1,378,042</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 January 2010	335,000	1,226,152
Profit for the year	-	41,862
Balance at 31 December 2010	<u>335,000</u>	<u>1,268,014</u>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

19 Reconciliation of movements in shareholders' funds	2010	2009
Group	£	£
Profit for the financial year	194,384	146,352
Other recognised gains and losses	22,301	(1,188)
Net addition to shareholders' funds	216,685	145,164
Opening shareholders' funds	1,684,964	1,539,800
Closing shareholders' funds	1,901,649	1,684,964

Company	2010	2009
	£	£
Profit for the financial year	41,862	146,352
Opening shareholders' funds	1,686,152	1,539,800
Closing shareholders' funds	1,728,014	1,686,152

20 Financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Between two and five years	70,000	-

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
Between two and five years	70,000	-

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

21 Capital commitments

	Group 2010 £	2009 £	Company 2010 £	2009 £
Contracted for but not provided in the financial statements	-	369,479	-	369,479

22 Directors' remuneration

	2010 £	2009 £
Remuneration for qualifying services	192,489	248,454
Company pension contributions to defined contribution schemes	29,050	28,762
	<u>221,539</u>	<u>277,216</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2009 - 4)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	75,708	80,114
Company pension contributions to defined contribution schemes	<u>8,048</u>	<u>8,220</u>

SANDERS POLYFILMS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Office and mangement	13	11
Manufacturing	81	37
	<u>94</u>	<u>48</u>

Employment costs

	2010 £	2009 £
Wages and salaries	1,943,726	1,462,241
Social securty costs	243,144	145,697
Other pension costs	44,508	43,678
	<u>2,231,378</u>	<u>1,651,616</u>

24 Control

No one party has overall control over the holding company of the Sanders Polyfilms Limited Group

25 Related party relationships and transactions

Group and company

During the year, management charges of £Nil (2009 £18,219) were paid to Philadelphia Holdings Limited, a company of which B Davies is a director. At the year end the balance owed to Philadelphia Holdings Limited was £Nil (2009 £24,580)

At the year end, the directors A G Struthers, A R Aftalion, B G Davies and S Mohan were owed £390,103 (2009 £544,469). Interest of £5,852 (2009 nil) was charged on these loans during the year.