

FOREMOST PACKAGING LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31ST OCTOBER 2001

Company Number : 2422231



FOREMOST PACKAGING LIMITED

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31ST OCTOBER 2001

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FOREMOST PACKAGING LIMITED

DIRECTORS' REPORT

The directors present their annual report with the accounts of the company for the year ended 31st October 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of manufacturing vacuum formed plastic packaging.

DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the share capital of the company were as follows:-

	Number of Shares	
	2001	2000
D. L. Reeves	20000	20000
D. R. Newton	20000	20000

DIRECTORS' RESPONSIBILITIES

Company law required the Directors to prepare accounts 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 of the company for that period. In preparing those accounts, the Directors are required to:-


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY DISCLOSURE

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the Board on 18th January 2002 and signed on its behalf by



.....
D. R. NEWTON (Director)

FOREMOST PACKAGING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 2001

	Notes	2001	2000
TURNOVER	2	£994257	£757339
Cost of Sales		<u>613290</u>	<u>498091</u>
GROSS PROFIT		380967	259248
Distribution Costs		46209	36325
Administrative Expenses		<u>234392</u>	<u>193775</u>
Other Operating Income		100366	29148
		<u>4200</u>	<u>5695</u>
OPERATING PROFIT	3	104566	34843
Interest Receivable		36	66
Interest Payable and Similar Charges		<u>(31622)</u>	<u>(34229)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72980	680
Tax on Profit on Ordinary Activities	5	<u>14695</u>	<u>(11125)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		58285	11805
Dividends Paid	6	<u>18245</u>	<u>--</u>
RETAINED PROFIT FOR THE YEAR		40040	11805
Retained Profit at Beginning of Year		<u>46466</u>	<u>34661</u>
RETAINED PROFIT CARRIED FORWARD		<u>£ 86506</u>	<u>£ 46466</u>

The notes on pages 4 to 7 form part of these accounts.

FOREMOST PACKAGING LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 2001

	Notes	2001	2000
FIXED ASSETS			
Tangible Assets	7	£470316	£494974
CURRENT ASSETS			
Stock		£ 49785	£ 54698
Debtors		202713	211664
Cash at Bank and In Hand		<u>13930</u>	<u>15503</u>
		266428	281865
CREDITORS			
Amounts falling due within one year	9	<u>298280</u>	<u>314775</u>
NET CURRENT LIABILITIES		(31852)	(32910)
TOTAL ASSETS LESS CURRENT LIABILITIES		438464	462064
CREDITORS			
Amounts falling due after more than one year 10		<u>291958</u>	<u>355598</u>
		<u>£146506</u>	<u>£106466</u>
CAPITAL AND RESERVES			
Called Up Share Capital	11	£ 60000	£ 60000
Profit and Loss Account		<u>86506</u>	<u>46466</u>
TOTAL SHAREHOLDERS FUNDS		<u>£146506</u>	<u>£106466</u>

The directors have taken advantage of the exemption conferred by Section 249(A)(1) not to have these accounts audited and confirm that no notice has been deposited under Section 249(B)(2) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that:-

- (i) The company keeps accounting records which comply with Section 221 of the Companies Act 1985;
- (ii) The accounts give a true and fair view of the state of affairs of the company as at 31st October 2001 and of its profit or loss of the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

The accounts were approved by the Board of Directors on 18th January 2002 and signed on its behalf by


.....
D. R. NEWTON (Director)

The notes on pages 4 to 7 form part of these accounts.

FOREMOST PACKAGING LIMITED

NOTES TO THE ACCOUNTS **31ST OCTOBER 2001**

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention. The particular accounting policies adopted are described below.

Turnover

Turnover consists of invoiced sales net of returns, trade discounts and Value Added Tax.

Depreciation of Tangible Fixed Assets

Depreciation has been provided at the following rates in order to write off the cost of tangible fixed assets over their estimated useful lives:-

Freehold Buildings	: 2% on cost
Plant	: 10% on cost
Motor Vehicles	: 25% on cost
Production Tools	: 33.3% on cost
Computer	: 33.3% on cost.

Depreciation has not been provided on Freehold Land.

Stocks and Work-in-Progress

Stock and Work-in-Progress have been valued at the lower of cost and net realisable value.

Deferred Taxation

Provision is made at current rates for taxation deferred on all material timing differences, except to the extent that there is reasonable probability that the liability will not arise in the foreseeable future.

Government Grants

Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of the grants is included in creditors as deferred income.

Operating Leases

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

2. TURNOVER

All turnover was derived from activities within the UK (2000 : 100%).

FOREMOST PACKAGING LIMITED

NOTES TO THE ACCOUNTS

31ST OCTOBER 2001

3. OPERATING PROFIT 2001 2000

The operating profit is stated after charging:

Depreciation (after Profit on Sale of Asset £Nil (2000 : £2671))	£47158	£31468
Auditors' Remuneration	--	1800
Directors' Remuneration	<u>67292</u>	<u>59113</u>

4. DIRECTORS

Directors' emoluments: Aggregate emoluments	<u>£78880</u>	<u>£68297</u>
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5. UK CORPORATION TAXATION

Corporation Tax has been charged at 20% (2000 : 20.4%).

Corporation Tax Payable/(Repayable)	£14443	£(9190)
Overprovision in previous year	<u>252</u>	<u>(2035)</u>
	<u>£14695</u>	<u>£(11125)</u>

No provision has been made for a potential deferred tax liability of £14620 (2000 : £13300) arising from timing differences, as the directors do not believe that such a liability will arise in the foreseeable future.

6. DIVIDENDS

Dividends on Ordinary Shares	<u>£18425</u>	<u>£ --</u>
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7. TANGIBLE FIXED ASSETS

	Land & Buildings	Plant & Machinery etc.	Total
Cost or Valuation			
At 1st November 2000	£347703	£303904	£651607
Additions	--	<u>22500</u>	<u>22500</u>
At 31st October 2001	<u>£347703</u>	<u>£326404</u>	<u>£674107</u>
Accumulated Depreciation			
At 1st November 2000	£ 50301	£106332	£156633
Charge for year	<u>6960</u>	<u>40198</u>	<u>47158</u>
At 31st October 2001	<u>£ 57261</u>	<u>£146530</u>	<u>£203791</u>
Net Book Value			
At 31st October 2001	<u>£290442</u>	<u>£179874</u>	<u>£470316</u>
At 31st October 2000	<u>£297402</u>	<u>£197572</u>	<u>£494974</u>

The net book value of plant and machinery includes £118060 (2000 : £137231) in respect of assets held under finance leases. The amount of depreciation in respect of such assets amount to £29607 (2000 : £10436).

FOREMOST PACKAGING LIMITED

NOTES TO THE ACCOUNTS
31ST OCTOBER 2001

8. DEBTORS	2001	2000
Trade Debtors	£199669	£193288
Others [Includes Taxation £Nil (2000 : £9090)]	<u>3044</u>	<u>18376</u>
	<u>£202713</u>	<u>£211654</u>

The trade debtors includes £196224 (2000 : £191347) in respect of debtors which have been factored through the Factoring Agent Alex Lawrie Limited. No amounts fall due after more than one year.

9. CREDITORS: Amounts falling due within one year

Bank Loans and Overdrafts (Secured)	£ 10160	£ 23000
Bank Mortgage (Secured)	5632	4800
Trade Creditors [Includes an amount due to Alex Lawrie Ltd of £81394 (2000 : £110531) which is secured by first charge on debtors]	188954	226273
Hire Purchase Balance	25394	25393
Other Creditors, [including Taxation & Social Security cost of £39366 (2000:£22678)]	64210	31109
Deferred Income	<u>4200</u>	<u>4200</u>
	<u>£298280</u>	<u>£314775</u>

Bank loans, overdrafts and mortgages are secured on 2nd Mortgage Debenture (excluding debtors).

10. CREDITORS: Amounts falling due after more than one year

Bank Loan (Secured)	£ 91575	£102142
Bank Mortgage (Secured)	71356	77280
Hire Purchase Balance	51027	76422
Deferred Income	16400	20600
Shareholders' Loans	<u>61600</u>	<u>79154</u>
	<u>£291958</u>	<u>£355598</u>

Of the bank loan £39614 is repayable after more than five years (2000 : £44779). Of the bank mortgage £49907 is repayable after more than five years (2000 : £58080). The deferred income figure includes £5400 falling due after more than five years (2000 : £7200). The shareholders loans bear no fixed date for repayment. The shareholders have given assurances as to their continued financial support for the company for the foreseeable future.

Bank loan and mortgage are secured on a 2nd Mortgage Debenture.

FOREMOST PACKAGING LIMITED

NOTES TO THE ACCOUNTS
31ST OCTOBER 2001

11. CALLED UP SHARE CAPITAL

2001 2000

Authorised

Ordinary Shares of £1.00 each

£250000 £250000

Allotted, called up and fully paid

Ordinary Shares of £1.00 each

£ 60000 £ 60000