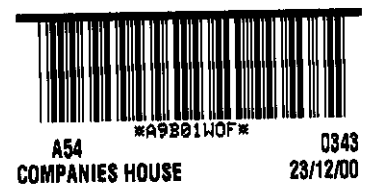


"REGISTRAR"

COMPANY NUMBER : 2488919

CAPLUGS LIMITED
REPORT AND ACCOUNTS
YEAR TO 29TH FEBRUARY 2000



CAPPLUGS LIMITED

DIRECTORS' REPORT - YEAR TO 29TH FEBRUARY 2000

DIRECTORS Philip Mutton
Kenneth Hanley
Mark Nelson
Gary Long

SECRETARY Andrew Trotter

REGISTERED OFFICE 42 - 46 Frederick Place, Brighton, East Sussex. BN1 1AR.

The Directors present their report together with the accounts for the year to 29th February 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity during the year was the distribution of Protective Caps and Plugs for Industrial use.

The Directors consider the Company's financial position at the end of the year to be unsatisfactory and efforts have been made to establish a greater market for the Company's goods to improve the long term stability of the Company.

The company has ascertained accreditation of ISO9002 for its quality control over procedures. It uses this award to help give customer satisfaction in the future.

DIVIDENDS AND APPROPRIATIONS

The Directors cannot recommend a dividend payment on the ordinary share capital of the Company based on the results for the year.

DIRECTORS AND INTEREST IN SHARES

At the end of the year, the Company was owned equally by Dayco Europe Limited and Promould Limited. The Directors' interests in those respective companies are reflected in their accounts.

TAX STATUS

The Company is a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

CAPPLUGS LIMITED

DIRECTORS' REPORT - YEAR TO 29TH FEBRUARY 2000 (CONTINUED)

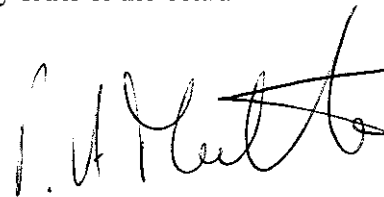
DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- take account of expenses and income relating to the period being reported on, whether or not they have been paid or received in that period;
- 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 maintaining 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. 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.

By order of the board

A handwritten signature in black ink, appearing to read 'P. Mutton', written over a horizontal line.


30 November 2000

P Mutton (Director)

**ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE
DIRECTORS OF CAPPLUGS LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year to 29th February 2000 set out on pages 4 to 10, and you consider that the company is exempt from an audit in accordance with Section 249A of the Companies Act 1985. In accordance with your instructions we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

30 November 2000.

A handwritten signature in black ink, appearing to read 'Moffat Gilbert', is written over a faint, circular stamp or seal.

Moffat Gilbert.
Chartered Accountants.
Leamington Spa.

CAPPLUGS LIMITED**PROFIT AND LOSS ACCOUNT - YEAR TO 29TH FEBRUARY 2000**

	<i>Note</i>	£	2000 £	£	1999 £
TURNOVER	1		298834		211536
COST OF SALES			208829		146522
			<hr/>		<hr/>
GROSS PROFIT			90005		65014
NET OPERATING EXPENSES :					
DISTRIBUTION COSTS		10222		2400	
ADMINISTRATIVE EXPENSES		79720	89942	70220	72620
		<hr/>	<hr/>	<hr/>	<hr/>
OPERATING PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2		63		(7606)
TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	3		-		1064
			<hr/>		<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT/(LOSS) FOR THE FINANCIAL YEAR TRANSFERRED TO/(FROM) RESERVES	4		63		(8670)
			<hr/>		<hr/>

Note : All of the Company's operations are classed as continuing.

There has been no recognised gains or losses in the year other than the above Profit and Loss Account.

CAPPLUGS LIMITED**BALANCE SHEET AS AT 29TH FEBRUARY 2000**

	<i>Note</i>	2000 £	1999 £
FIXED ASSETS			
Tangible assets	5	736	992
CURRENT ASSETS			
Stocks	6	88988	78166
Debtors	7	80879	48820
Cash at bank and in hand		8032	9091
		177899	136077
CREDITORS amounts falling due within one year	8	284025	242522
NET CURRENT LIABILITIES		(106126)	(106445)
TOTAL ASSETS LESS CURRENT LIABILITIES		(105390)	(105453)
EQUITY CAPITAL AND RESERVES			
Called up share capital	12	20000	20000
Profit and loss account	4	(125390)	(125453)
Shareholders' funds - all equity	13	(105390)	(105453)

In approving these accounts as Directors of the Company we hereby confirm :

- a) that for the year in question the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the Registered Office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year to 29th February 2000; and
- c) that we acknowledge our responsibilities for :
 - i) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985; and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the Company.

Approved for and on behalf of the Board of Directors on 30 November 2000.



P Mutton (Director).

CAPPLUGS LIMITED**STATEMENT OF ACCOUNTING POLICIES-YEAR TO 29TH FEBRUARY 2000**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts :

BASIS OF ACCOUNTING. The accounts have been prepared under the historical cost convention as permitted by Schedule 4 to the Companies Act 1985, and in accordance with applicable Accounting Standards.

TURNOVER represents the total amount receivable by the Company from the sale of goods and provision of services exclusive of Value Added Tax.

STOCKS are stated at the lower of cost or net realisable value. Cost represents all direct costs and attributable overheads incurred in bringing the stocks to their present state and location.

DEPRECIATION is provided in monthly instalments using the basis detailed below in order to write off the cost less the residual value of the asset over the estimated useful life of that asset. The annual rates and bases are :-

Office equipment	50% per annum straight line
------------------	-----------------------------

FOREIGN CURRENCY assets and liabilities are translated at the rate of exchange in effect at the Balance Sheet date. Profit and Loss Account items are translated at the closing rates of exchange ruling at the time the transaction was made unless governed by a contractual pre-determined rate of exchange. In the case of a pre-determined rate of exchange, that rate presides where applicable. The exchange difference is reflected within the results from ordinary activities.

PENSIONS. The company operates a defined contribution pension scheme in respect of selected employees. Pension contributions are charged to the profit and loss account as incurred. These contributions are maintained independently of the company's finances and are administered by independent actuaries.

OPERATING LEASES. Amounts in respect of short-term hire (operating leases) are absorbed into the profit and loss account as incurred. These leases are ones which do not pass the risks and rewards of ownership to the lessee.

CAPPLUGS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 29TH FEBRUARY 2000****1. GEOGRAPHICAL ANALYSIS OF TURNOVER**

The turnover figure within the accounts includes exports to the rest of Europe in the sum of £42200 (1999 £17318).

2. RESULTS FROM ORDINARY ACTIVITIES BEFORE TAXATION

Stated after charging:	2000 £	1999 £
Hire of equipment and vehicles	6997	5254
Depreciation of tangible fixed assets	554	90
	<hr/>	<hr/>

3. TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Consortium relief was available in 1997 and was being claimed by one of the qualifying companies. This resulted in a tax credit to the Company which was provided at the anticipated marginal rate of tax to the claimer.

	2000 £	1999 £
Overprovision of tax credit in prior years	-	1064
	<hr/>	<hr/>

4. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Profit/(Loss) for the financial year	63	(8670)
Accumulated losses brought forward	(125453)	(116783)
	<hr/>	<hr/>
Accumulated losses carried forward	(125390)	(125453)
	<hr/>	<hr/>

CAPPLUGS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 29TH FEBRUARY 2000
(CONTINUED)**

5. TANGIBLE FIXED ASSETS		Total £
Cost		
Cost as at 1 March 1999		1082
Additions in the year		298
		<hr/>
Cost as at 29 February 2000		1380
		<hr/>
Depreciation		
Depreciation as at 1 March 1999		90
Charge for the year		554
		<hr/>
Depreciation as at 29 February 2000		644
		<hr/>
Net book value		
As at 29 February 2000		736
		<hr/>
As at 1 March 1999		992
		<hr/>
6. STOCKS		
Comprises the following :	2000 £	1999 £
Finished goods	88388	77566
Stock of publicity material	600	600
	<hr/>	<hr/>
	88988	78166
	<hr/>	<hr/>
7. DEBTORS		
Comprises the following :	2000 £	1999 £
Trade debtors	71847	39351
Related companies	2270	4837
Other debtors - taxation	4839	4162
Prepayments	1923	470
	<hr/>	<hr/>
	80879	48820
	<hr/>	<hr/>

CAPPLUGS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 29TH FEBRUARY 2000
(CONTINUED)****8. CREDITORS : amounts falling due within one year**

Comprises the following :	2000	1999
	£	£
Trade creditors	8863	4856
Amounts owed to related companies	270907	232046
Accruals	4255	5620
	<hr/>	<hr/>
	284025	242522
	<hr/>	<hr/>

9. CAPITAL AND FINANCIAL COMMITMENTS

At 29th February 2000 there were no material commitments for future capital expenditure (1999 £NIL) either authorised or authorised and contracted for. The company at 29th February 2000 had a liability in respect of operating leases for the twelve months after that date of £1034 where these leases cease between two and five years.

10. CONTINGENT LIABILITIES

At 29th February 2000 the Company had no contingent liabilities (1999 £NIL).

11. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company (excluding Directors, none of whom received remuneration from this Company) during the year was 2 (1999 1). Their duties were administrative and cost of sales.

The aggregate payroll costs of these persons were as follows :

	2000	1999
	£	£
Wages and salaries	43022	26552
Social security costs	4095	2640
Other pension costs - defined contribution schemes	1070	1021
	<hr/>	<hr/>
	48187	30213
	<hr/>	<hr/>

CAPLUGS LIMITED**NOTES ON THE ACCOUNTS - YEAR TO 29TH FEBRUARY 2000
(CONTINUED)**

12. CALLED UP SHARE CAPITAL	2000	1999
	£	£
Authorised : 10000 "A" ordinary shares of £1 each	10000	10000
10000 "B" ordinary shares of £1 each	10000	10000
	<hr/>	<hr/>
	20000	20000
	<hr/>	<hr/>
Issued : 10000 "A" ordinary shares of £1 each	10000	10000
10000 "B" ordinary shares of £1 each	10000	10000
	<hr/>	<hr/>
	20000	20000
	<hr/>	<hr/>

Both classes of shares rank pari passu in all respects.

13. SHAREHOLDERS' FUNDS	2000	1999
	£	£
Transfer to/(from) Profit and Loss Account in the year and net increase/(reduction) in shareholders' funds	63	(8670)
Shareholders' funds at the beginning of the year	(105453)	(96783)
	<hr/>	<hr/>
Shareholders' funds at the end of the year	(105390)	(105453)
	<hr/>	<hr/>

14. ULTIMATE CONTROLLING PARTY

At 29th February 2000, no party individually was considered to have control of the company.

15. RELATED PARTY TRANSACTIONS

During the year, Promould Limited supplied : stores services, administrative services and office utilities to the company in the aggregate amount of £42974 (1999 £32666). Protective Closures Inc supplied goods to the company to the value of £139200 during the year to 29th February 2000 (1999 £102713) and the company supplied goods to Promould Limited to the value of £1823 (1999 £2900). The amounts owed due and from related parties are disclosed within notes 7 and 8 to the accounts.