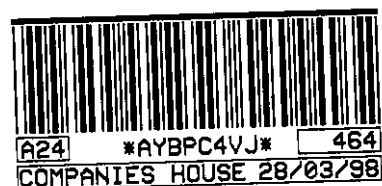


**Soliflo Limited trading as
John Quinn (Packaging)**
Report and Accounts

31 May 1997



Soliflo Limited trading as John Quinn (Packaging)

Registered No: 2886219

DIRECTORS

D McCauley
L K McCauley

SECRETARY

Mrs A J McCauley

AUDITORS

Ernst & Young
Broadwalk House
Southernhay West
Exeter

BANKERS

Barclays Bank plc
22 High Street
Exeter

REGISTERED OFFICE

Bampton Industrial Estate
Bampton
Nr Tiverton
Devon

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 May 1997.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company continued to remain dormant throughout the year until the acquisition of the business of John Quinn (Packaging) on 29 May 1997.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £715 (1996 £Nil).

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

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

D McCauley
L K McCauley

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

The interests of the directors in other group companies are disclosed in the directors' report of the parent company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

AUDITORS

On 25 July 1997 KPMG resigned as auditors and Ernst & Young were appointed. A resolution to reappoint Ernst & Young as auditors of the company will be put to the members at the Annual General Meeting.

On behalf of the board



D McCauley
Director

27.3.98

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

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 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; and
- 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.

REPORT OF THE AUDITORS

to the members of Soliflo Limited trading as John Quinn (Packaging)

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

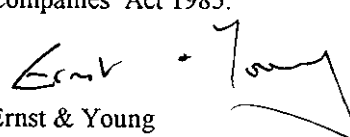
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 May 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Exeter

27 March 1998

Soliflo Limited trading as John Quinn (Packaging)

PROFIT AND LOSS ACCOUNT for the year ended 31 May 1997

| | <i>Notes</i> | <i>1997</i> £ | <i>1996</i> £ |
|--|--------------|------------------|------------------|
| TURNOVER | 2 | 3,480 | - |
| Cost of sales | | 3,356 | - |
| GROSS PROFIT | | 124 | - |
| Administrative expenses | | 839 | - |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (715) | - |
| Tax on profit on ordinary activities | | - | - |
| RETAINED LOSS FOR THE YEAR | | (715) | - |

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 May 1997

The company had no recognised gains or losses other than the loss of £715 in the year ended 31 May 1997.

Soliflo Limited trading as John Quinn (Packaging)

BALANCE SHEET at 31 May 1997

| | Notes | 1997 £ | 1996 £ |
|---|-------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 56,000 | - |
| CURRENT ASSETS | | | |
| Stocks | 5 | 152,621 | - |
| Debtors | 6 | 4,278 | 2 |
| Cash at bank and in hand | | 250 | - |
| | | 157,149 | 2 |
| CREDITORS: amounts falling due within one year | 7 | (213,862) | - |
| NET CURRENT (LIABILITIES)/ASSETS | | (56,717) | 2 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (713) | 2 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 2 | 2 |
| Profit and loss account | 9 | (715) | - |
| EQUITY SHAREHOLDERS' FUNDS | 9 | (713) | 2 |


D McCauley
Director

27.3.98

Soliflo Limited trading as John Quinn (Packaging)

NOTES TO THE ACCOUNTS

at 31 May 1997

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

| | | |
|---------------------|---|----------------------|
| Plant and machinery | - | 25% reducing balance |
| Motor vehicles | - | 25% reducing balance |

Stocks

Stocks are stated at the lower of cost and net realisable value for work in progress and finished goods manufactured by the company, cost is taken at production cost, which includes an appropriate proportion of attributable overheads.

2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts derived from the provision of goods and services to customers in the year.

3 STAFF COSTS

| | 1997 £ | 1996 £ |
|-----------------------|--------------|-----------|
| Wages and salaries | 2,548 | - |
| Social security costs | 255 | - |
| | <u>2,803</u> | <u>-</u> |

The average weekly number of employees during the year was as follows:

| | 1997 No. | 1996 No. |
|-------------------------------|-------------|-------------|
| Administration and production | <u>2</u> | <u>2</u> |

None of the directors of the company receive any emoluments for their services to the company.

The emoluments of the Chairman who is also a director of the ultimate parent undertaking at 31 May 1997 are dealt with in the accounts of that company.

Soliflo Limited trading as John Quinn (Packaging)

NOTES TO THE ACCOUNTS at 31 May 1997

4 TANGIBLE FIXED ASSETS

| | <i>Plant & Machinery</i> £ | <i>Motor Vehicles</i> £ | <i>Total</i> £ |
|--------------------------------|---------------------------------------|--------------------------------|-------------------|
| Cost: | | | |
| At 1 June 1996 | - | - | - |
| Additions | 50,000 | 6,000 | 56,000 |
| At 31 May 1997 | 50,000 | 6,000 | 56,000 |
| Depreciation: | | | |
| At 1 June 1996 and 31 May 1997 | - | - | - |
| Net book value: | | | |
| At 31 May 1997 | 50,000 | 6,000 | 56,000 |
| At 1 June 1996 | - | - | - |

The fixed assets were acquired at the end of the accounting period and no provision for depreciation has been made.

5 STOCKS

| | <i>1997</i> £ | <i>1996</i> £ |
|------------------------------------|------------------|------------------|
| Raw materials and work in progress | 152,621 | - |

The directors do not consider that the replacement cost of stock is materially different from the cost noted above.

6 DEBTORS

| | <i>1997</i> £ | <i>1996</i> £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 4,278 | - |
| Amounts owed by parent undertaking | - | 2 |
| | 4,278 | 2 |

Soliflo Limited trading as John Quinn (Packaging)

NOTES TO THE ACCOUNTS at 31 May 1997

7 CREDITORS: amounts falling due within one year

| | 1997 £ | 1996 £ |
|---------------------------------------|----------------|-----------|
| Trade creditors | 17 | - |
| Bank overdraft | 439 | - |
| Other taxes and social security costs | 1,499 | - |
| Amounts owed to parent undertaking | 209,996 | - |
| Accruals | 1,911 | - |
| | <u>213,862</u> | <u>-</u> |

8 SHARE CAPITAL

| | <i>Authorised</i> | | <i>Allotted, called up and fully paid</i> | |
|----------------------------|--------------------|--------------------|---|-----------|
| | 1997 <i>No.</i> | 1996 <i>No.</i> | 1997 £ | 1996 £ |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>2</u> | <u>2</u> |

9 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

| | <i>Share Capital</i> £ | <i>Profit and Loss Account</i> £ | <i>Total</i> £ |
|---------------------|-------------------------------|---|-------------------|
| At 1 June 1995 | 2 | - | 2 |
| Result for the year | - | - | - |
| At 1 June 1996 | <u>2</u> | <u>-</u> | <u>2</u> |
| Loss for the year | - | (715) | (715) |
| At 31 May 1997 | <u>2</u> | <u>(715)</u> | <u>(713)</u> |

10 RELATED PARTIES

The company has taken advantage of the exemption in paragraph 3(c) of Financial Reporting Standard No 8 "Related Party Disclosures" from disclosing transactions with companies that are included in the Rotolok group.

11 PARENT UNDERTAKING

The company's ultimate parent undertaking is Rotolok (Holdings) Limited, a company incorporated in Great Britain registered in England and Wales. The consolidated accounts of this company are available from the public and may be obtained from Companies House, Maindy, Cardiff.