

SYSTEM PLAST LIMITED
(COMPANY REGISTRATION NO 3211982)

ACCOUNTS FOR THE
PERIOD ENDED
31 DECEMBER 1998



SYSTEM PLAST LIMITED

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31 DECEMBER 1998

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SYSTEM PLAST LIMITED**DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1998****Principal Activities**

During the period the company's principal activity was the supply of conveyor components. The company was incorporated on 13 June 1996, changed its name to System Plast Limited from System Plast UK Limited on 11 June 1998 and commenced trading on 1 July 1998.

Directors

The following have served as directors during the period except as indicated below and their interests in the shares of the company are as follows:

		No of Shares Held	
		31 December	30 June
		1998	1997
T O'Connor	(appointed 28 August 1997)	1	1
S Marsetti	(appointed 28 May 1998)	-	-
C O'Connor	(appointed 28 August 1997) (resigned 11 June 1999)	-	1

The directors' interests in the shares of the parent company are disclosed in the accounts of that company.

Year 2000

The directors have assessed the impact of the Year 2000 issues relating to the business and its operations. Plans are in place to ensure that the company's operations will not be materially affected by the Year 2000 issues. The costs of those plans are not considered material to the business.

Small Company Exemption

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

On Behalf of the Board



Director

22-10-99

Date

Unit 1
Plantagenet Estate
Warwick Road
Kineton
Warwickshire
CV35 OHU

SYSTEM PLAST LIMITED

PROFIT AND LOSS ACCOUNT FOR PERIOD ENDED 31 DECEMBER 1998

	Note	Continuing Activities 1998
Turnover	2	16871
Cost of sales		(11628)
Gross Profit		<u>5243</u>
Administrative costs		(53891)
Operating Loss	3	<u>(48648)</u>
Interest payable and similar charges	4	(308)
Loss on ordinary activities before taxation		<u>(48956)</u>
Tax on loss on ordinary activities		-
Retained Losses for the financial period carried forward		<u><u>£(48956)</u></u>

Statement of Total Recognised Gains and Losses

There are no recognised gains or losses other than the loss for the period.

There were no acquisitions and no discontinued operations in the period.

SYSTEM PLAST LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1998

	Notes	31 December 1998		30 June 1997	
		£	£	£	£
Fixed Assets					
Tangible assets	5		37508		-
Current Assets					
Stocks	6	58725		-	
Debtors	7	22900		2	
Cash at bank and in hand		8265		-	
		<u>89890</u>		<u>2</u>	
Creditors					
Amounts falling due within one year	8	(173983)		-	
Net Current (Liabilities)/Assets			(84093)		2
Total Assets Less Current Liabilities			<u>(46585)</u>		<u>2</u>
Creditors					
Amounts falling due after more than one year	9		(2271)		-
Net (Liabilities)/Assets			<u>£(48856)</u>		<u>£ 2</u>
Capital and Reserves					
Called up share capital	10		100		2
Profit and loss account			(48956)		-
Equity Shareholders' Funds	11		<u>£(48856)</u>		<u>£ 2</u>

SYSTEM PLAST LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 1998****(Continued)...**

The directors are satisfied that the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 for the period ended 31 December 1998 and that no notice has been deposited under Section 249B(2) in relation to these accounts.

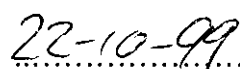
The directors acknowledge their responsibilities for:-

- 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 financial period in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to accounts as far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board,

.....Director

.....Date

SYSTEM PLAST LIMITED**NOTES TO THE ACCOUNTS****PERIOD ENDED 31 DECEMBER 1998****1. Accounting Policies**

The principal accounting policies adopted in the preparation of the accounts are set out below and have been consistently applied within the same accounts.

a) Accounting Convention

The accounts have been prepared under the historical cost convention.

b) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, or lease period if shorter, as follows:-

Office Equipment	25%	Straight line
Motor Vehicles	25%	Straight line
Fixtures and Fittings	25%	Straight line

c) Stocks and Work-in-Progress

Stocks are stated at the lower of cost and net realisable value.

Cost is defined as the cost incurred in bringing each product to its present location and condition as follows:

Finished goods	average cost of direct materials
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Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal.

d) Deferred Taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences, except for those which are not expected to reverse in the future. No provision for deferred tax is considered necessary.

e) Leases and Hire Purchase Agreements

Fixed assets acquired under finance leases or purchased under hire purchase agreements are capitalised and depreciated over their expected useful lives or lease period, if shorter. The finance charges are allocated on a weighted average basis over the primary period of the lease or hire purchase agreement.

The costs of operating leases are charged to profit and loss account as they are incurred.

SYSTEM PLAST LIMITED
NOTES TO THE ACCOUNTS
PERIOD ENDED 31 DECEMBER 1998
(Continued)....

1. Accounting Policies (Continued)

f) Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

All exchange differences are dealt with through the profit and loss account.

2. Turnover

The company's turnover represents the value, excluding value added tax, of goods and services supplied during the period.

3. Operating Loss	1998	1997
	£	£
Operating loss is stated after charging:		
Directors' emoluments	16202	-
Depreciation and amortisation of owned assets	3044	-
Depreciation of assets held under finance leases and hire purchase Contracts	2667	-
	<u> </u>	<u> </u>
4. Interest Payable and Similar Charges	1998	1997
	£	£
Included in this category are:		
Finance charges payable - finance leases and hire purchase contracts	308	-
	<u> </u>	<u> </u>

SYSTEM PLAST LIMITED
NOTES TO THE ACCOUNTS
PERIOD ENDED 31 DECEMBER 1998
(Continued)...

5.	Tangible Fixed Assets	Motor	Fixtures	Office	Total
		Vehicles	& Fittings	Equipment	
		£	£	£	£
	Cost				
	At 1 July 1997	-	-	-	-
	Additions	35785	6621	813	43219
	At 31 December 1998	<u>35785</u>	<u>6621</u>	<u>813</u>	<u>43219</u>
	Depreciation				
	At 1 July 1997	-	-	-	-
	Charge for the period	5219	444	48	5711
	At 31 December 1998	<u>5219</u>	<u>444</u>	<u>48</u>	<u>5711</u>
	Net book value				
	At 31 December 1998	£30566	6177	765	37508
		<u><u>£</u></u>	<u><u>£</u></u>	<u><u>£</u></u>	<u><u>£</u></u>
	At 30 June 1997	£ -	-	-	-
		<u><u>£</u></u>	<u><u>£</u></u>	<u><u>£</u></u>	<u><u>£</u></u>
6.	Stocks			1998	1997
				£	£
	Stocks			58725	-
				<u><u>£</u></u>	<u><u>£</u></u>
7.	Debtors			1998	1997
				£	£
	Trade debtors			19066	-
	Called up share capital not paid			100	2
	Other debtors and prepayments			3734	-
				<u><u>£</u></u>	<u><u>£</u></u>
				22900	2
				<u><u>£</u></u>	<u><u>£</u></u>

SYSTEM PLAST LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 DECEMBER 1998

(Continued)...

8.	Creditors - Amounts Falling Due Within One Year	1998 £	1997 £
	Trade creditors	67016	-
	Amounts owed to group undertakings	81201	-
	Other creditors and accruals	3600	-
	Director's current account	14913	-
	Other taxes and social security costs	3360	-
	Obligations under finance leases and hire purchase contracts	3893	-
		<u>£173983</u>	<u>£ -</u>
9.	Creditors-Amounts Falling Due After More Than One Year	1998 £	1997 £
	Obligations under finance leases and hire purchase contracts	£2271	£ -
10.	Share Capital		
	The authorised share capital of the company consisted of 1000 ordinary shares of £1 each amounting to £1000. The allotted share capital consisted of 100 ordinary shares of £1 each amounting to £100. The share capital has not been paid up.		
	98 ordinary shares of £1 each were allotted on 28 May 1998.		
11.	Reconciliation of Movements in Shareholders' Funds	1998 £	1997 £
	Loss for the financial year	(48956)	-
	New share capital subscribed	98	2
	Net addition to shareholders' funds	(48858)	2
	Opening shareholders' funds	2	-
	Closing shareholders' funds	<u>£(48856)</u>	<u>£ 2</u>

SYSTEM PLAST LIMITED**NOTES TO THE ACCOUNTS****PERIOD ENDED 31 DECEMBER 1998****(Continued)...****12. Related Party Transactions**

During the period, the company received loans from a director, T O'Connor, totalling £14913 and this was due to him at the period end. The company also received loans from their parent company System Plast SNC totalling £81201 and this amount was due to them at the period end. System Plast SNC also supplied goods for resale to the company totalling £49922 during the period and this amount was due to them at 31 December 1998.

13. Financial Commitments

At 31 December 1998 the company had annual commitments under non-cancellable operating leases as detailed below:

	1998 Land and buildings £	1997 Land and buildings £
Operating leases which expire:		
Within two to five years	5950	-
	<u>5950</u>	<u>-</u>
	<u><u>5950</u></u>	<u><u>-</u></u>

21. Ultimate Holding Company

The company's ultimate holding company is System Plast SNC, a company incorporated in Italy.