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**SYMPHONY PLASTIC  
TECHNOLOGIES PLC**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999

Company number 03676824

**SYMPHONY PLASTIC TECHNOLOGIES PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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Company Registration Number: 03676824

Registered Office: Foster House  
Maxwell Road  
Borehamwood  
Herts  
WD6 1JB

Directors: I Bristow  
K L Frener  
M N Laurier  
M F Stephens  
N Deva

Secretary: I Bristow

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
Ringwood House  
Walton Street  
Aylesbury  
Bucks  
HP21 7QP

**SYMPHONY PLASTIC TECHNOLOGIES PLC**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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## **SYMPHONY PLASTIC TECHNOLOGIES PLC**

### **REPORT OF THE DIRECTORS**

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The directors present their report together with the financial statements for the year to 31 December 1999.

#### **PRINCIPAL ACTIVITIES**

The group is principally engaged in the supply of flexible polythene and related products into the local authority, retail, industrial and construction sectors.

#### **BUSINESS REVIEW AND FUTURE DEVELOPMENTS**

The Company was incorporated on 4 December 1998. On 7 December 1999 the Company acquired by way of a share-for-share exchange, the total issued share capital of Symphony Plastics Limited. The transaction was to enable the Company to be the new non-trading holding company for the Group, primarily for investment purposes. Symphony Plastics Limited is the 100% holding company of Symphony Packaging Limited and Symphony Environmental Limited. Symphony Environmental Limited holds an exclusive UK licence for the supply of a unique 100% degradable polythene marketed as SPI-Tek.

In June 1999, the Group ceased its manufacturing operation at its Great Yarmouth factory, following the completion of a new joint venture agreement. The close down of production resulted in a fall in volume and sales turnover over the period.

During the year the Group raised £240,000 of equity. A further £825,200 has been raised to date in 2000. Funds have been used primarily in the continued development and marketing of the Group's environmentally responsible SPI-Tek degradable products.

The Group employs an active export policy and sales have started to grow in the Caribbean, Italian and Middle East markets. Interest in other markets is rapidly developing.

Three years are left on the existing degradable additive license. Agreement has recently been reached to extend the operating areas. This new license will provide the Group security of products for a further 15 years on an exclusive basis. The agreement reached is subject to contract and contracts are expected to be exchanged in June 2000.

The consolidated loss for the year after taxation amounted to £519,765. The directors do not recommend payment of a dividend.

## SYMPHONY PLASTIC TECHNOLOGIES PLC

### REPORT OF THE DIRECTORS

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#### EVENTS SINCE THE BALANCE SHEET DATE

On 18 January 2000 the company issued an Investment Advertisement under the Public Offer of Securities Act. On the 10 March 2000, 1,498,000 new ordinary shares of 1 pence were allotted at a premium of 39 pence each representing the £599,200 raised under the Investment Advertisement. In addition, 749,000 warrants at an exercise price of 60 pence were issued to the allottees.

On 10 March 2000, and outside the Investment Advertisement, 250,000 new ordinary shares of 1 pence each were allotted at a premium of 39 pence each representing £100,000 received. In addition, 166,667 warrants at an exercise price of 60 pence were issued.

In addition a further 50,000 shares have been issued at 50 pence a share and 85,000 shares at 60 pence a share.

#### DIRECTORS

The directors in office at the end of the period are listed below. The initial director was Bourse Nominees Plc who resigned on 4 December 1998. Mr K L Frener and Mr M F Stephens were appointed to the Board on 12 January 2000. Mr Nirj Deva MEP was appointed as a non executive director on 15 May 2000.

The interests of the directors and their families in the shares of the company at 4 December 1998 and at 31 December 1999 were as follows:

	31 December 1999	4 December 1998
M N Laurier (appointed 4 December 1998)	85,968	-
I Bristow (appointed 4 December 1998)	6,933	-

#### DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- i select suitable accounting policies and then apply them consistently;
- ii make judgements and estimates that are reasonable and prudent;
- iii state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- iv 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 proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **SYMPHONY PLASTIC TECHNOLOGIES PLC**

### **REPORT OF THE DIRECTORS**

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#### **YEAR 2000**

The group reviewed its computer systems for the impact of the Year 2000 date change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the Year 2000 date change and through any roll-over procedures that occurred at a later date.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. As all businesses are dependent on the compliance of their major customers, suppliers and other trading partners, any impact that has occurred on their systems will affect the group's business to a greater or lesser extent.

#### **AUDITORS**

Grant Thornton were appointed during the period and offer themselves for reappointment.

ON BEHALF OF THE BOARD



Director

13 June 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**SYMPHONY PLASTIC TECHNOLOGIES PLC**

We have audited the financial statements on pages 5 to 20 which have been prepared under the accounting policies set out on pages 5 and 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 financial statements 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 financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1999 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton*

GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

Aylesbury

*13 June 2000*

## **SYMPHONY PLASTIC TECHNOLOGIES PLC**

### **PRINCIPAL ACCOUNTING POLICIES**

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The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies of the group are set out below.

#### **BASIS OF CONSOLIDATION**

The group financial statements consolidate those of the company and of its subsidiary undertakings (see note 8) drawn up to 31 December 1999. Profits or losses on intra-group transactions are eliminated in full.

The company is entitled to the merger relief offered by Section 131 of the Companies Act 1985 in respect of the consideration received in excess of the nominal value of the equity shares issued in connection with the acquisition of Symphony Plastics Limited, on 9 December 1999. This has been accounted for under merger accounting.

The accounts have been prepared under the merger accounting rules and the results are for the year ended 31 December 1999 and the corresponding amounts are for the previous year.

#### **TURNOVER**

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

#### **DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Fixtures and fittings	-	20%	reducing balance
Plant and machinery	-	20%	reducing balance
Motor vehicles	-	25%	reducing balance
Office equipment	-	25%	straight line

#### **INTANGIBLE FIXED ASSETS**

Trademarks purchased separately from a business are included at cost and amortised over their useful economic life of 10 years.

#### **INVESTMENTS**

Investments are included at cost less amounts written off.

#### **STOCKS**

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

#### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet. All exchange differences are dealt with through the profit and loss account.



## **SYMPHONY PLASTIC TECHNOLOGIES PLC**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **CONTRIBUTIONS TO PENSION FUNDS**

##### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

#### **RESEARCH AND DEVELOPMENT**

Research and development expenditure is charged to the profits in the period in which it is incurred. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

#### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**SYMPHONY PLASTIC TECHNOLOGIES PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**

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	<b>Note</b>	<b>1999 £</b>	<b>1998 £</b>
<b>Turnover</b>	1	3,866,889	4,559,640
<b>Cost of sales</b>		<u>(2,857,618)</u>	<u>(3,479,765)</u>
<b>Gross profit</b>		1,009,271	1,079,875
<b>Distribution costs</b>		(134,235)	(176,569)
<b>Administrative expenses</b>		<u>(1,396,363)</u>	<u>(1,096,459)</u>
<b>Operating loss</b>		(521,327)	(193,153)
<b>Exceptional item: profit on sale of fixed assets</b>		116,355	-
<b>Net interest</b>	2	<u>(118,121)</u>	<u>(108,390)</u>
<b>Loss on ordinary activities before taxation</b>	1	(523,093)	(301,543)
<b>Tax on loss on ordinary activities</b>	4	<u>3,328</u>	<u>18,415</u>
<b>Loss for the financial year transferred from reserves</b>	16	<u>(519,765)</u>	<u>(283,128)</u>

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1999**

	Note	1999 £	1999 £	1998 £	1998 £
<b>Fixed assets</b>					
Intangible assets	6		313,639		391,835
Tangible assets	7		<u>43,723</u>		<u>44,690</u>
			357,362		436,525
<b>Current assets</b>					
Stocks	9	319,794		953,445	
Debtors	10	1,858,140		1,460,404	
Cash at bank and in hand		<u>38,231</u>		<u>9,529</u>	
		2,216,165		2,423,378	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,390,257)</u>		<u>(2,358,250)</u>	
<b>Net current (liabilities)/assets</b>			<u>(174,092)</u>		<u>65,128</u>
<b>Total assets less current liabilities</b>			183,270		501,653
<b>Creditors: amounts falling due after more than one year</b>	12		(49,096)		(102,227)
<b>Provisions for liabilities and charges</b>	14		-		<u>(3,328)</u>
			<u>134,174</u>		<u>396,098</u>
<b>Capital and reserves</b>					
Called up share capital	15		150,000		2
Merger reserve	16		822,539		714,696
Profit and loss account	16		<u>(838,365)</u>		<u>(318,600)</u>
<b>Shareholders' funds</b>	17		<u>134,174</u>		<u>396,098</u>

The financial statements were approved by the Board of Directors on 13 June 2000



Director

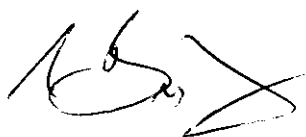
The accompanying accounting policies and notes form an integral part of these financial statements.

# SYMPHONY PLASTIC TECHNOLOGIES PLC

## COMPANY BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 £	1999 £	1998 £	1998 £
<b>Fixed assets</b>					
Investments	8		149,998		-
<b>Current assets</b>					
Cash at bank and in hand		25,202		2	
<b>Creditors: amounts falling due within one year</b>	11	<u>(25,200)</u>		<u>-</u>	
<b>Net current assets</b>			<u>2</u>		<u>2</u>
			<u>150,000</u>		<u>2</u>
<b>Capital and reserves</b>					
Called up share capital	15		150,000		2
Profit and loss account			<u>-</u>		<u>-</u>
<b>Shareholders' funds</b>			<u>150,000</u>		<u>2</u>

The financial statements were approved by the Board of Directors on 13 June 2000



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**SYMPHONY PLASTIC TECHNOLOGIES PLC**

**CONSOLIDATED CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

	Note	1999 £	1999 £	1998 £	1998 £
<b>Net cash inflow/(outflow) from operating activities</b>	18		40,457		(544,590)
<b>Returns on investments and service of finance</b>					
Interest received		677		236	
Interest paid		(115,058)		(100,853)	
Finance lease interest paid		<u>(3,740)</u>		<u>(7,773)</u>	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(118,121)		(108,390)
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(18,625)		(92,957)	
Purchase of intangible fixed assets		(10,842)		(317,274)	
Sale of tangible fixed assets		<u>9,312</u>		<u>7,325</u>	
<b>Net cash outflow from capital expenditure and financial investment</b>			(20,155)		(402,906)
<b>Financing</b>					
Issue of shares		259,000		582,500	
(Repayment) / receipt of borrowings		(49,289)		34,718	
Capital element of finance lease rentals		(88,008)		(44,695)	
Expenses paid in connection with share issues		<u>(1,159)</u>		<u>(47,804)</u>	
<b>Net cash inflow from financing</b>			<u>120,544</u>		<u>524,719</u>
<b>Increase / (decrease) in cash</b>	19		<u>22,725</u>		<u>(531,167)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**SYMPHONY PLASTIC TECHNOLOGIES PLC****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1999**

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**1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The loss on ordinary activities is stated after:

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration:		
Audit services	11,000	15,516
Non audit services	7,200	3,334
Depreciation and amortisation:		
Intangible fixed assets	89,038	80,908
Tangible fixed assets, owned	11,568	126,315
Tangible fixed assets, held under finance leases and hire purchase contracts	1,282	55,558
Other operating lease rentals	<u>47,292</u>	<u>64,950</u>

**2 NET INTEREST**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Interest payable on bank loans and overdrafts	82,482	100,853
Finance charges in respect of finance leases	3,740	7,773
Other interest payable and similar charges	<u>32,576</u>	<u>-</u>
	118,798	108,626
Interest receivable and similar income	<u>(677)</u>	<u>(236)</u>
	<u>118,121</u>	<u>108,390</u>

# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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### **3 DIRECTORS AND EMPLOYEES**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Wages and salaries	583,190	757,515
Social security costs	71,494	70,895
Other pension costs	<u>11,954</u>	<u>2,687</u>
	<b><u>666,638</u></b>	<b><u>831,091</u></b>

The average number of employees of the group during the year was 27 (1998: 35).

Remuneration in respect of directors was as follows:

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Emoluments	125,390	138,280
Pension contributions to money purchase schemes	<u>2,424</u>	<u>2,681</u>

During the year 1 director (1998: 1) participated in money purchase pension schemes.

### **4 TAX ON LOSS ON ORDINARY ACTIVITIES**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
The tax charge represents overprovision in prior year corporation tax	-	18,415
Deferred tax release	<u>3,328</u>	<u>-</u>
	<b><u>3,328</u></b>	<b><u>18,415</u></b>

The group has unrelieved tax losses of £805,000 (1998: £383,000) available to carry forward against future taxable profits.

### **5 PROFIT FOR THE FINANCIAL YEAR**

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a profit of £ nil (1998: £ nil) which is dealt with in the financial statements of the company.

# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

### **6 INTANGIBLE FIXED ASSETS**

<b>The group</b>	<b>Development costs £</b>	<b>Trademarks £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 1999	480,798	6,642	487,440
Additions	<u>10,842</u>	<u>-</u>	<u>10,842</u>
At 31 December 1999	<u>491,640</u>	<u>6,642</u>	<u>498,282</u>
<b>Amortisation</b>			
At 1 January 1999	93,958	1,647	95,605
Charge for the year	<u>88,374</u>	<u>664</u>	<u>89,038</u>
At 31 December 1999	<u>182,332</u>	<u>2,311</u>	<u>184,643</u>
Net book amount at 31 December 1999	<u>309,308</u>	<u>4,331</u>	<u>313,639</u>
Net book amount at 31 December 1998	<u>386,840</u>	<u>4,995</u>	<u>391,835</u>

### **7 TANGIBLE FIXED ASSETS**

<b>The group</b>	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures &amp; fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 1999	17,164	17,300	10,042	49,737	94,243
Additions	5,894	-	-	12,731	18,625
Disposals	<u>-</u>	<u>(17,300)</u>	<u>-</u>	<u>(2,000)</u>	<u>(19,300)</u>
At 31 December 1999	<u>23,058</u>	<u>-</u>	<u>10,042</u>	<u>60,468</u>	<u>93,568</u>
<b>Depreciation</b>					
At 1 January 1999	4,379	11,058	3,988	30,128	49,553
Charge for the year	3,740	-	1,211	7,899	12,850
Eliminated on disposals	<u>-</u>	<u>(11,058)</u>	<u>-</u>	<u>(1,500)</u>	<u>(12,558)</u>
At 31 December 1999	<u>8,119</u>	<u>-</u>	<u>5,199</u>	<u>36,527</u>	<u>49,845</u>
Net book amount at 31 December 1999	<u>14,939</u>	<u>-</u>	<u>4,843</u>	<u>23,941</u>	<u>43,723</u>
Net book amount at 31 December 1998	<u>12,785</u>	<u>6,242</u>	<u>6,054</u>	<u>19,609</u>	<u>44,690</u>



# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

### **7 TANGIBLE FIXED ASSETS (CONTINUED)**

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	<b>Plant and machinery £</b>
Net book amount at 31 December 1999	<u>5,114</u>
Net book amount at 31 December 1998	<u>6,396</u>
Depreciation provided during the year	<u>1,282</u>

### **8 FIXED ASSET INVESTMENTS**

<b>The company</b>	<b>Shares in group undertakings £</b>
Cost	
At 1 January 1999	-
Additions	<u>149,998</u>
At 31 December 1999	<u>149,998</u>
Net book amount at 31 December 1999	<u>149,998</u>
Net book amount at 31 December 1998	<u>-</u>

At 31 December 1999 the Group held more than 20% of the allotted share capital of the following:

<b>Subsidiary undertakings</b>	<b>Country of incorporation</b>	<b>Class of share capital held</b>	<b>Proportion held by the company</b>	<b>Proportion held by the group</b>	<b>Nature of business</b>
Symphony Plastics Limited	England	Ordinary	100%	100%	Supply of refuse sacks
Symphony Environmental Limited	England	Ordinary	-	100%	Supply of environmental polythene
Symphony Packaging Limited	England	Ordinary	-	100%	Extruders of polythene film

All of the subsidiary undertakings have been consolidated in the group financial statements.

# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

### **9 STOCKS**

	<b>The group</b>	
	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Stocks	319,794	512,350
Plant and machinery	<u>-</u>	<u>441,095</u>
	<u><b>319,794</b></u>	<u><b>953,445</b></u>

### **10 DEBTORS**

	<b>The group</b>	
	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,698,492	1,056,140
Other debtors	127,178	404,264
Prepayments and accrued income	<u>31,970</u>	<u>-</u>
	<u><b>1,858,140</b></u>	<u><b>1,460,404</b></u>

### **11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>The group</b>		<b>The company</b>	
	<b>1999</b>	<b>1998</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,132,132	1,126,155	-	-
Trade creditors	939,208	797,109	-	-
Social security and other taxes	153,292	164,711	-	-
Other creditors	27,731	44,362	25,200	-
Accruals and deferred income	17,500	21,353	-	-
Amounts due under finance leases	<u>120,394</u>	<u>204,560</u>	<u>-</u>	<u>-</u>
	<u><b>2,390,257</b></u>	<u><b>2,358,250</b></u>	<u><b>25,200</b></u>	<u><b>-</b></u>

The bank loans and overdrafts are secured by fixed and floating charges over all of the group's assets.

**SYMPHONY PLASTIC TECHNOLOGIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

**12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>The group 1999 £</b>	<b>1998 £</b>
Bank loans	49,096	76,385
Other loans	-	22,000
Amounts due under finance leases	-	<u>3,842</u>
	<u>49,096</u>	<u>102,227</u>

**13 BORROWINGS**

Borrowings are repayable as follows:

	<b>The group 1999 £</b>	<b>1998 £</b>
Within one year		
Bank and other borrowings	1,132,132	1,126,155
Finance leases	120,394	204,560
After one and within two years		
Bank and other borrowings	14,267	27,289
Finance leases	-	3,842
After two and within five years		
Bank and other borrowings	<u>34,829</u>	<u>49,096</u>
	<u>1,301,622</u>	<u>1,410,942</u>

**14 PROVISIONS FOR LIABILITIES AND CHARGES**

<b>The group</b>	<b>Deferred taxation £</b>
At 1 January 1999	3,328
Released in the year	<u>(3,328)</u>
At 31 December 1999	<u>-</u>

The deferred taxation is the result of accelerated capital allowances.

# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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### **15 SHARE CAPITAL**

	1999 £	1998 £
Authorised:		
50,000,000 ordinary shares of 1p each (1998: 1,000 £1 shares)	<u>500,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
15,000,000 ordinary shares of 1p each (1998: 2 £1 shares)	<u>150,000</u>	<u>2</u>

On 1 December 1999 the company subdivided its shares into 1p shares and on the same day increased its authorised share capital from £1,000 to £500,000.

On incorporation - two subscriber shares of £1 each were issued. On 9 December 1999, 14,999,800 shares of 1p each were issued in exchange for the whole of the issued share capital of Symphony Plastics Limited.

### **16 RESERVES**

	Profit and loss account £	Merger reserve £
<b>The group</b>		
At 1 January 1999	(318,600)	714,696
Retained loss for the year	(519,765)	-
Other movement	<u>-</u>	<u>107,843</u>
At 31 December 1999	<u>(838,365)</u>	<u>822,539</u>

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**17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Loss for the year	(519,765)	(283,128)
Issue of shares	<u>257,841</u>	<u>534,696</u>
Net (decrease)/ increase in shareholders' funds	(261,924)	251,568
Shareholders' funds at 1 January 1999	<u>396,098</u>	<u>144,530</u>
Shareholders' funds at 31 December 1999	<u>134,174</u>	<u>396,098</u>

**18 NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES**

	1999 £	1998 £
Operating loss	(404,972)	(193,153)
Depreciation and amortisation	101,888	195,675
(Profit)/loss on sale of tangible fixed assets	(2,570)	1,225
Decrease/(increase) in stocks	633,651	(152,354)
Increase in debtors	(397,736)	(455,989)
Increase in creditors	<u>110,196</u>	<u>60,006</u>
Net cash inflow / (outflow) from operating activities	<u>40,457</u>	<u>(544,590)</u>

**19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	1999 £	1998 £
(Increase) / decrease in cash in the year	(22,725)	531,167
Cash (outflow) / inflow from financing in the year	(49,289)	34,718
Cash outflow from finance leases in the year	<u>(88,008)</u>	<u>(44,695)</u>
Change in net debt resulting from cashflows	(160,022)	521,190
Inception of finance leases	<u>-</u>	<u>172,754</u>
Movement in net debt in the year	(160,022)	693,944
Net debt at 1 January 1999	<u>1,423,413</u>	<u>729,469</u>
Net debt at 31 December 1999	<u>1,263,391</u>	<u>1,423,413</u>

# **SYMPHONY PLASTIC TECHNOLOGIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

### **20 ANALYSIS OF CHANGE IN NET DEBT**

	At 1 January 1999 £	Cash flow £	At 31 December 1999 £
Cash in hand, at bank	9,529	28,702	38,231
Overdrafts	<u>(1,126,155)</u>	<u>(5,977)</u>	<u>(1,132,132)</u>
	(1,116,626)	22,725	(1,093,901)
Debt	(98,385)	49,289	(49,096)
Finance leases	<u>(208,402)</u>	<u>88,008</u>	<u>(120,394)</u>
	<u>(1,423,413)</u>	<u>160,022</u>	<u>(1,263,391)</u>

### **21 CAPITAL COMMITMENTS**

Neither the group nor the company had any capital commitments at 31 December 1999.

### **22 CONTINGENT LIABILITIES**

Neither the group nor the company had any contingent liabilities at 31 December 1999.

### **23 LEASING COMMITMENTS**

#### **The group**

Operating lease payments amounting to £45,242 are due within one year. The leases to which these amounts relate expire as follows:

	1999 Other £	1998 Other £
In one year or less	13,603	76,040
Between one and five years	<u>31,639</u>	<u>87,685</u>
	<u>45,242</u>	<u>163,725</u>

## **SYMPHONY PLASTIC TECHNOLOGIES PLC**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1999**

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#### **24 TRANSACTIONS WITH RELATED PARTIES**

Janssens Plastics BV which owed the group £52,725 at 31 December 1999 and 1998 is a company in which Mr H Janssens, a director of Symphony Plastics Limited, is a director.

Mr M Laurier is a director of Laurier Investments Limited who lent Symphony Plastics Limited £37,000 in 1998 all of which was repaid in 1999.

During the year Symphony Environmental Limited purchased services to the value of £20,000 (1998: £55,000) from the Policy Research Center. Mr N Deva is a director of both companies.

#### **25 POST BALANCE SHEET EVENTS**

A further £825,200 has been raised through the issue of shares.