

Registered number: 3919619

PLASFLOW LIMITED

Annual Report for the period ended

30th June 2001



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PLASFLOW LIMITED

Registered number: 3919619

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PLASFLOW LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 30 JUNE 2001

The directors present their report and the audited financial statements of the Company for the period from incorporation on 4th February 2000 to 30th June 2001.

Principal activities

The company was incorporated as Opticmind Ltd on 4th February 2000. On 13th July 2000 the company changed its name to Plasflow Ltd.

The principal activities of the Company are manufacturing and distributing high quality thermoplastic pipes and fittings for soil, chemical and water systems.

Review of the business and future prospects

The profit and loss account for the year is set out on page 5.

This is the first year of operations for Plasflow Limited. Formerly its trade was carried out under the name of its now parent company, Fullflow Group Limited.

During the year under review Plasflow consolidated its position in the market place and made further capital investments in plant and machinery and site improvements and is planning major expansion of its production capacity in the year ahead to meet the significant growth in demand that is anticipated.

Dividends and transfer to reserves

The Directors recommend that a final ordinary dividend of £130,000 be paid. The retained profit for the period of £90,813 has been transferred to reserves.

Directors and Directors' interests

The following held office as Directors of the Company during the period:-

J. A. Smith (Managing) (Appointed 22nd June 2000)
D. C. Bradley (Appointed 22nd June 2000; Resigned 16th November 2001)
R. B. Walker (Appointed 15th February 2000; Resigned 22nd June 2000)
Hallmark Registrars Limited (Appointed 4th February 2000; Resigned 15th February 2000)

PLASFLOW LIMITED

Directors' Report (Continued)

At the period end no director had any interest in the share capital of the Company.
Mr J.A. Smith was a director of SWP Group PLC at the period end and his interest in the share capital of the ultimate holding company is disclosed in the financial statements of that company.

Mr J. A. Smith's interest in SWP Group PLC share options is set out below:-

22 nd June 2000	Granted in period	30 th June 2001	Exercise Price	Exercisable From	Expiry date
466,666	-	466,666	2.75p	April 2000	March 2007
1,000,000	-	1,000,000	2.00p	Aug 2001	Aug 2008
1,500,000	-	1,500,000	2.00p	Feb 2002	Feb 2009
322,616	-	322,616	1.80p	June 2003	Dec 2003
-	3,500,000	3,500,000	2.00p	Dec 2003	Dec 2010
<u>3,289,282</u>	<u>3,500,000</u>	<u>6,789,282</u>			

Auditors

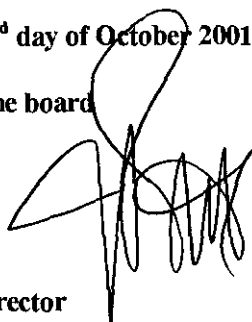
KPMG Audit Plc was appointed as the company's first auditor.

In accordance with section 385 of the Companies Act 1985, a resolution for the appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming annual general meeting.

Dated this 23rd day of October 2001

By order of the board

J. A. Smith
Managing Director



PLASFLOW LIMITED

Statement of Directors' responsibilities

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 of the profit or loss for that period. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

PLASFLOW LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLASFLOW LIMITED

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 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 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 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 the company's affairs as at 30 June 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
KPMG Audit Plc
Chartered Accountants and Registered Auditor
Birmingham

Dated this 23rd day of October 2001

PLASFLOW LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2001

	Note	2001 £
Turnover	1	3,069,112
Cost of sales		(1,959,430)
Gross profit		1,109,682
Administrative expenses		(882,449)
Operating profit	2	227,233
Interest payable	3	(6,420)
Profit on ordinary activities before taxation		220,813
Taxation on profit on ordinary activities	4	-
Profit on ordinary activities after taxation		220,813
Dividends	5	(130,000)
Retained profit for the period	17	90,813

The Company has no recognised gains and losses other than the profits above therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial period as stated above and their historical cost equivalents.

All activities were continuing throughout the period.

PLASFLOW LIMITED

BALANCE SHEET AS AT 30 JUNE 2001

	Note	£	2001 £
Fixed assets			
Intangible assets	8		13,726
Tangible assets	9		565,468
			<hr/> 579,194
Current assets			
Stocks	10	366,071	
Debtors	11	532,694	
		<hr/> 898,765	
Creditors: Amounts falling due within one year	12	(1,341,912)	
		<hr/>	(443,147)
Net current liabilities			
			<hr/> 136,047
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year	13		(45,233)
			<hr/>
Net assets			<u>90,814</u>
Capital and reserves			
Called up share capital	16		1
Profit and loss account	17		90,813
			<hr/>
Equity shareholders' funds	18		<u>90,814</u>

The financial statements were approved by the board on
by:-

.....
J.A.Smith
Managing Director

and signed on its behalf

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2001.

1. Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements.

Basis of Accounts

The financial statements are prepared in accordance with applicable accounting standards and under the historic cost convention.

Turnover

Turnover consists of the value (excluding VAT) of goods and services supplied to third parties net of discounts, wholly within the UK.

Stocks

Stocks are valued at the lower of cost or net realisable value.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Cash flow statement

The Company has not provided a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking which satisfies the requirements of paragraph 5(a) FRS 1 (Revised 1996) Cash Flow Statements.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (Continued)

Intangible Fixed Assets and Goodwill

Patents and trademarks are included at cost and amortised over their useful economic lives as shown in note 8.

Depreciation and amortisation

Patents and trademarks are depreciated over a period of seven years. Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets on a straight line basis over their estimated useful economic lives as follows:-

Improvements to short leasehold buildings	-	Over the life of the lease
Plant, fixtures and fittings	-	15% to 33% of original cost
Motor vehicles	-	25% to 50% of original cost

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction, except where a foreign exchange forward contract has been arranged, in which case the forward rate has been used. Any assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the balance sheet date, or applicable forward rate, differences on exchange are taken to profit and loss account in the year.

Pensions

The company makes defined contributions to a number of employee personal pension schemes. The contributions are charged to the profit and loss account in the year in which they become payable.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. Accounting policies (Continued)

Related party transactions

In accordance with the exemption provided by Financial Reporting Standard 8 'Related Party Disclosure' the Company has not disclosed transactions with fellow group companies.

Leased Assets

Assets leased under finance leases are capitalised on the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the Profit and Loss Account over the period of the lease.

Operating lease payments are charged to the profit and Loss Account on a straight line basis over the lease term.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. Operating profit

Operating profit is stated after charging/(crediting):-

	2001
	£
Depreciation of tangible fixed assets – owned	29,610
Depreciation of tangible fixed assets - leased	14,142
Amortisation of intangible fixed assets	24,225
Auditors' Remuneration – audit services	2,000
Auditors' Remuneration – non-audit services	1,000
Hire of plant and machinery	40,493

2. Interest payable

	2001
	£
Interest payable and similar charges:	
Hire Purchase and Finance Lease interest	<u>6,420</u>

4. Taxation

There is no charge to taxation due to the availability of tax losses in the year from other companies in the group.

5. Dividends

	2001
	£
Final dividend proposed	<u>130,000</u>

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. Employees and pensions

Staff numbers and costs

Number of
Employees
2001

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:-

Production	13
Sales and distribution	2
Administration	7

22

Total employment costs in respect of these employees

£

Were as follows:-

Wages and salaries	473,447
Social security costs	56,340

529,787

7. Remuneration of directors

	2001
	£
Aggregate emoluments	39,681
Company pension contributions to money purchase schemes	1,636

41,317

Retirement benefits are accruing to one director under a money purchase pension scheme. Details of the SWP Group PLC executive share options granted in the year are given in the Report of the Directors.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Intangible fixed assets

Cost	Patents and Trademarks £
Transfers and at 30 June 2001	149,626
Amortisation	<hr/>
Charge for the period	24,225
Transfers	111,675
	<hr/>
At 30 June 2001	135,900
	<hr/>
Net book value at 30 June 2001	<u>13,726</u>

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. Tangible fixed assets

Cost	Short leasehold Land and buildings £	Plant and Machinery etc. £	Total £
Additions	136,180	74,428	210,608
Disposals	-	(20,100)	(20,100)
Transfers	410,301	208,914	619,215
	<hr/>	<hr/>	<hr/>
At 30 June 2001	546,481	263,242	809,723
	<hr/>	<hr/>	<hr/>
Depreciation			
Charge this year	16,165	27,587	43,752
Disposals	-	(14,950)	(14,950)
Transfers	48,193	167,261	215,454
	<hr/>	<hr/>	<hr/>
At 30 June 2001	64,358	179,898	244,256
	<hr/>	<hr/>	<hr/>
Net book value at 30 June 2001	482,123	83,344	565,467
	<hr/>	<hr/>	<hr/>

The net book value of assets purchased under finance leases amounts to £62,280. The depreciation charged on those assets amounted to £14,142.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Stocks

	2001 £
Raw materials	366,071
	<hr/>

11. Debtors

	2001 £
Trade debtors	532,694
	<hr/>

12. Creditors: amounts falling due within one year

	2001 £
Trade creditors	544,254
Obligations under finance leases and HP Contracts	11,036
Amounts due to group companies	774,300
Accruals and deferred income	12,322
	<hr/>
	<u>1,341,912</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the Company.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Creditors: amounts falling due after more than one year

	2001 £
Obligations under finance leases and hire purchase contracts	45,233

14. Finance leases and hire purchase

Repayments due under finance lease agreements and hire purchase contracts are as follows:-

	At 30 June 2001 £
Within one year	11,036
Between one and five years	45,233
	<u>56,269</u>

15. Provisions for liabilities and charges

No provision for deferred taxation has been made during the year as the tax written down value of assets exceeds their net book value.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Called up share capital

	2001 £
Authorised ordinary shares of £1 each	1,000
Allotted, called up and fully paid ordinary shares of £1 each	<u>1</u>

The company was incorporated on 4th February 2000 with authorised share capital of 1,000 ordinary shares of £1 each and issued share capital of 1 ordinary share of £1.

17. Reserves

	Profit & loss Account £
Retained profit for the period and at 30 June 2001	<u>90,813</u>

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. Shareholders' funds

	2001
Reconciliation of movements in shareholders' funds:-	£
Profit for the financial period	220,813
Dividends	(130,000)
	<hr/>
Retained profit for the period	90,813
New share capital subscribed	1
	<hr/>
Net addition to shareholders' funds	90,814
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	90,814
	<hr/>

19. Financial and capital commitments

Annual commitments under operating leases are	2001
As follows :	£
Other assets :	
Expiring within one year	-
Expiring in the second to fifth year inclusive	-
Expiring after five years	-

There was no capital expenditure authorised and contracted for as at 30th June 2001.

20. Contingent liabilities

- a. The Company has given guarantees in respect of borrowings of certain of its Group undertakings.

PLASFLOW LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. Ultimate holding company

The company is the wholly owned subsidiary undertaking of Fullflow Group Limited. The ultimate parent company is SWP Group PLC.

The financial statements of the company are included within the consolidated financial statements of SWP Group PLC. Copies of the consolidated financial statements may be obtained from The Secretary, SWP Group PLC, 4th Floor, Bedford House, 3 Bedford Street, London, WC2E 9HD.