

Polymer Logistics (UK) Limited

Report and Accounts

31 December 2002

Registered Number: 4015336



Polymer Logistics (UK) Limited

REGISTERED NUMBER: 4015336

DIRECTORS

M Mizrahy
G Feiner
J C Hodgkinson
Z Yemini

SECRETARY

D Gerner-Aharon

AUDITORS


Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

BANKERS

Bank Leumi (UK) plc
20 Stratford Place
London
W1N 9AF

REGISTERED OFFICE

80a Birmingham Street
Oldbury
West Midlands
B69 4EB

 **ERNST & YOUNG**

Polymer Logistics (UK) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended to 31 December 2002.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £90,127 (2001: £12,604). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the renting and trading of plastic packaging and transportation equipment.

The directors are satisfied with the results for the year and are confident of future prospects.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 2002 and their interests in the share capital of the company were as follows:

M Mizrahy
G Feiner
J C Hodgkinson
Z Yemini

No director has any interest in the share capital of the company. The interests of the directors in the share capital of the ultimate parent company are shown in the financial statements of that company.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board

D Gerner-Aharon
Secretary

Dated 15.9.03

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;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLYMER LOGISTICS (UK) LIMITED

We have audited the company's financial statements for the period ended 31 December 2002 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

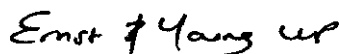
Basis of audit opinion

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 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 affairs of the company as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Birmingham

Dated *20 October 2003*

Polymer Logistics (UK) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2002

	Notes	2002 £	2001 £
TURNOVER	2	3,322,598	1,401,868
Cost of sales		2,146,330	835,830
GROSS PROFIT		<u>1,176,268</u>	<u>566,038</u>
Distribution costs		330,039	149,535
Administrative expenses		524,296	383,801
OPERATING PROFIT	3	<u>321,933</u>	<u>32,702</u>
Interest payable	6	216,201	19,897
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>105,732</u>	<u>12,805</u>
Taxation on profit on ordinary activities	7	15,605	201
PROFIT FOR THE YEAR AFTER TAXATION	15	<u><u>90,127</u></u>	<u><u>12,604</u></u>

There are no recognised gains or losses other than the profit for the year

Polymer Logistics (UK) Limited

BALANCE SHEET

at 31 December 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	6,253,892	3,898,049
CURRENT ASSETS			
Debtors	9	1,297,362	590,990
CREDITORS: amounts falling due within one year	10	4,954,776	1,008,394
NET CURRENT LIABILITIES		(3,657,414)	(417,404)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,596,478	3,480,645
CREDITORS: amounts falling due after one year	11	2,557,239	3,547,138
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	15,806	201
		<u>23,433</u>	<u>(66,694)</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account	15	23,431	(66,696)
EQUITY SHAREHOLDERS' FUNDS		<u>23,433</u>	<u>(66,694)</u>

ERNST & YOUNG

J C Hodkinson

J C Hodkinson
Director

Dated

15/9/03

Polymer Logistics (UK) Limited

NOTES TO THE ACCOUNTS at 31 December 2002

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

These accounts have been prepared under the going concern concept as the directors believe that continuing finance will be made available from the parent undertaking for the company to meet its liabilities as they fall due and to continue operations without immediate realisation of its assets. The sister company Polymer Logistics (Israel) Limited has also given unlimited guarantee for the liabilities of the company.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Rental equipment	-	Over 5 years
Fixtures and fittings	-	Over 7½ years
Computer equipment	-	Over 3 years
Motor vehicles	-	Over 4 years

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or right to pay less or to receive more tax. The exception to this is that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

2. TURNOVER

Turnover represents amounts invoiced to third parties stated net of value added tax and is wholly attributable to the principal activities of the company and arises solely in the United Kingdom.

3. OPERATING PROFIT

This is stated after charging:

	2002	2001
	£	£
Auditors' remuneration		
- audit services	10,000	9,500
- non audit services	4,000	3,500
Depreciation of owned fixed assets	1,111,831	557,763
Loss on disposal of fixed assets	20,794	-

Polymer Logistics (UK) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

4. DIRECTORS' EMOLUMENTS

	2002	2001
	£	£
Fees	29,989	29,000

5. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	245,528	134,426
Social security costs	16,268	13,668
	261,796	148,094

The average monthly number of employees (including directors) employed by the company during the year was:

	2002	2001
	£	£
Warehouse and sales	5	2
Administration	5	3
	10	5

6. INTEREST PAYABLE

	2002	2001
	£	£
Bank overdraft	3,894	16,887
Bank loan	212,307	-
On loans from group undertakings	-	3,010
	216,201	19,897

Polymer Logistics (UK) Limited

NOTES TO THE ACCOUNTS

at 31 December 2002

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
<i>a) Analysis of the tax charge for the year</i>		
UK Corporation tax:		
Based on the profit for the year (note 7 (b))	-	-
	-	-
UK Deferred tax (note 13)		
Capital allowances in advance of depreciation	114,124	114,708
Origination and reversal of timing differences	(98,519)	(114,507)
	15,605	201

b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:-

	2002 £	2001 £
Profit on ordinary activities before tax	105,732	12,805
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2001: 20%)	21,146	2,561
<i>Effects of:</i>		
Expenses not deductible for tax purposes	5,896	12,955
Capital allowances in excess of depreciation	(114,124)	(111,247)
Short term timing differences	87,082	95,731
	-	-

8. TANGIBLE FIXED ASSETS

	Rental equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At 1 January 2002:	4,476,288	2,166	28,352	19,350	4,526,156
Additions	3,487,823	345	300	-	3,488,468
Disposals	(38,940)	-	-	-	(38,940)
At 31 December 2002	7,925,171	2,511	28,652	19,350	7,975,684
Depreciation:					
At 1 January 2002:	614,427	75	9,970	3,635	628,107
Provided during the year	1,097,221	297	9,473	4,840	1,111,831
Disposals	(18,146)	-	-	-	(18,146)
At 31 December 2002	1,693,502	372	19,443	8,475	1,721,792
Net book value:					
At 31 December 2002	6,231,669	2,139	9,209	10,875	6,253,892
At 31 December 2001	3,861,861	2,091	18,382	15,715	3,898,049

Polymer Logistics (UK) Limited

NOTES TO THE ACCOUNTS at 31 December 2002

9. DEBTORS

	2002 £	2001 £
Trade debtors	1,138,919	307,908
Amounts owed by group undertakings	3,566	210,490
Other debtors	140,607	23,530
Prepayments	14,270	49,062
	<u>1,297,362</u>	<u>590,990</u>

10. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	10,849	108,318
Bank loan (note 12)	989,899	455,272
Trade creditors	219,998	51,853
Amounts owed to group undertaking	3,640,652	369,806
Social security and other taxes	7,146	-
Accruals	86,232	23,145
	<u>4,954,776</u>	<u>1,008,394</u>

11. CREDITORS: amounts falling due after one year

	2002 £	2001 £
Bank loan (note 12)	<u>2,557,239</u>	<u>3,647,138</u>

12. BANK LOAN

The bank loan repayments are analysed as shown below:

	2002 £	2001 £
Wholly repayable within five years		
Bank loan	3,547,138	4,002,410
Less: included in creditors: amounts falling due within one year	989,899	455,272
Bank loan repayable after more than one year	<u>2,557,239</u>	<u>3,547,138</u>
Amounts repayable:		
In one year or less	989,899	455,272
In more than one year but not more than two years	989,899	989,899
In more than two years but not more than five years	1,567,340	2,557,239
	<u>3,547,138</u>	<u>4,002,410</u>

The bank loan is secured by a fixed and floating charge over the assets of the company. Polymer Logistics (Israel) Limited, a sister company incorporated in Israel, has also given unlimited guarantee for the liabilities of the company.

Polymer Logistics (UK) Limited

NOTES TO THE ACCOUNTS at 31 December 2002

13. DEFERRED TAXATION

Deferred taxation provided in the accounts is as follows:

	<i>Provided 2002 £</i>	<i>Provided 2001 £</i>
Capital allowances in advance of depreciation	228,832	114,708
Other timing differences	(213,026)	(114,507)
	<u>15,806</u>	<u>201</u>
	<i>2002 £</i>	<i>2001 £</i>
Provision at 1 January 2002	201	-
Deferred tax charge in the profit and loss account for the year	15,605	201
Provision at 31 December 2002	<u>15,806</u>	<u>201</u>

14. SHARE CAPITAL

	<i>2002 £</i>	<i>2001 £</i>
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Issued, called up and fully paid</i>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
Issue of shares	2	(79,300)	(79,298)
Loss for the period	-	12,604	12,604
At 31 December 2001	<u>2</u>	<u>(66,696)</u>	<u>(66,694)</u>
Profit for the year	-	90,127	90,127
At 31 December 2002	<u>2</u>	<u>23,431</u>	<u>23,433</u>

NOTES TO THE ACCOUNTS

at 31 December 2002

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is a wholly owned subsidiary undertaking of Polymer Logistics BV, a company registered in Holland. This is the largest and smallest group of which the company is a member and for which group accounts are prepared. Copies of these accounts are available from the Registered Office on page 1.

In the director's opinion, the company's ultimate parent undertaking and controlling party is Polymer Logistics Holdings Limited, which is incorporated in Israel.