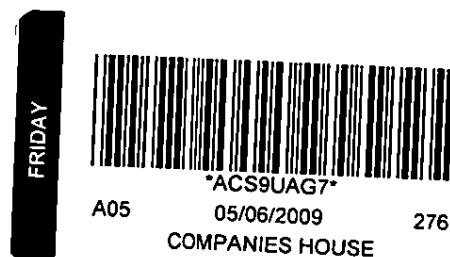


Unaudited financial statements BKF Plastics Limited

For the Year Ended 30 September 2008



Company No. 4448198

Company information

Company registration number	4448198
Registered office	Ashvale Works Fair View Tredegar Newport NP22 3EX
Directors	Mr B Foster Mr K Foster
Secretary	Mr B Foster
Bankers	HSBC Bank plc 127/128 High Street Merthyr Tydfil Mid Glamorgan CF47 8DN
Solicitors	Berry Smith Solicitors Haywood House Dumfries Place Cardiff CF10 3GA
Accountants	Grant Thornton UK LLP Chartered Accountants 11-13 Penhill Road Cardiff CF11 9UP

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Report of the directors

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2008.

Principal activities

The principal activity of the company during the year was the manufacture of plastic products.

Directors

The directors who served the company during the year were as follows:

Mr B Foster
Mr K Foster

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'B Foster', written over a circular stamp or seal.

Mr B Foster
Secretary



Report of the accountants to the directors of BKF Plastics Limited

In accordance with the engagement letter dated 10 November 2006 we have compiled the financial information of BKF Plastics Limited for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 17 from the accounting records and information and explanations you have given to us.

The financial information has been compiled on the accounting basis set out in the Principal Accounting Policies to the financial information. The financial information is not intended to achieve full compliance with the provisions of UK Generally Accepted Accounting Principles.

This report is made to you in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial information that we have been engaged to compile, report to you that we have done so, and state those matters that we have agreed to state to you in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute.

You have approved the financial information and have acknowledged your responsibility for it, for the appropriateness of the accounting basis and for providing all information and explanations necessary for its compilation.

We have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial information.

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
CARDIFF

02 JUL 2009

Basis of accounting

Changes in accounting policies

Financial Reporting Standards for Smaller Entities 2007 (FRSSE 2007)

Turnover

Goodwill

Amortisation

Goodwill - over 5 years

Fixed assets

All fixed assets are initially recorded at cost.

The tooling assets were revalued to their market value at the year end by the directors.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	-	Over 15 years
Plant & Machinery	-	10% Straight Line
Fixtures & Fittings	-	25% Straight Line
Tooling	-	10% Straight Line
Computer Equipment	-	25% Straight Line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax 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 that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax 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

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2008 £	2007 £
Turnover		3,795,436	4,173,744
Cost of sales		2,785,146	2,933,661
Gross profit		1,010,290	1,240,083
Other operating charges	1	1,073,674	1,184,060
Other operating income		(28,500)	(50,000)
Operating (loss)/profit	2	(34,884)	106,023
Interest receivable		85	94
Interest payable and similar charges		(48,900)	(54,575)
(Loss)/profit on ordinary activities before taxation		(83,699)	51,542
Tax on (loss)/profit on ordinary activities	4	(11,888)	11,927
(Loss)/profit for the financial year	17	(71,811)	39,615

Balance sheet

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	6	<u>493,876</u>	<u>431,045</u>
Current assets			
Stocks	7	207,624	337,591
Debtors	8	1,011,802	1,140,873
Cash at bank		33	761
		<u>1,219,459</u>	<u>1,479,225</u>
Creditors: amounts falling due within one year	9	<u>1,468,775</u>	<u>1,646,324</u>
Net current liabilities		<u>(249,316)</u>	<u>(167,099)</u>
Total assets less current liabilities		<u>244,560</u>	<u>263,946</u>
Creditors: amounts falling due after more than one year	10	<u>30,564</u>	<u>54,163</u>
		<u>213,996</u>	<u>209,783</u>
Provisions for liabilities			
Deferred taxation	12	<u>37,600</u>	<u>48,588</u>
		<u>176,396</u>	<u>161,195</u>
Capital and reserves			
Called-up equity share capital	15	100,000	100,000
Revaluation reserve	16	87,012	—
Profit and loss account	17	<u>(10,616)</u>	<u>61,195</u>
Shareholders' funds		<u>176,396</u>	<u>161,195</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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

Balance sheet (continued)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

These financial statements were approved by the directors and authorised for issue on 02 JUN 2009, and are signed on their behalf by:



Mr B Foster
Director

Other primary statements

Statement of total recognised gains and losses

	2008	2007
	£	£
(Loss)/profit for the financial year	(71,811)	39,615
Unrealised profit on revaluation of tangible fixed assets:		
Tooling	87,012	—
Total gains and losses recognised for the year	<u>15,201</u>	<u>39,615</u>

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

Notes to the financial statements

1 Other operating charges

	2008	2007
	£	£
Distribution costs	210,065	251,719
Administrative expenses	863,609	932,341
	<u>1,073,674</u>	<u>1,184,060</u>

2 Operating (loss)/profit

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

	2008	2007
	£	£
Amortisation	-	14,095
Depreciation of owned fixed assets	80,783	75,606
Depreciation of assets held under hire purchase agreements	-	2,491
Net (profit)/loss on foreign currency translation	<u>(9,564)</u>	<u>283</u>

3 Directors

Remuneration in respect of directors was as follows:

	2008	2007
	£	£
Emoluments	156,239	148,582
Value of company pension contributions to money purchase schemes	38,400	24,800
	<u>194,639</u>	<u>173,382</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2008	2007
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

4 Taxation on ordinary activities

Analysis of charge in the year

	2008 £	2007 £
Current tax:		
UK Corporation tax based on the results for the year at 20.5% (2007 - 19%)	-	900
Over provision in prior year	(900)	(10,673)
Total current tax	(900)	(9,773)
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	(2,531)	867
Losses	(8,553)	20,593
Other	96	240
Total deferred tax (note 12)	(10,988)	21,700
Tax on (loss)/profit on ordinary activities	(11,888)	11,927

5 Dividends

Dividends on shares classed as equity

	2008 £	2007 £
Proposed at the year-end (recognised as a liability):		
Dividends on ordinary shares	-	40,000

6 Tangible fixed assets

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Tooling £	Equipment £	Total £
Cost or valuation						
At 1 Oct 2007	13,226	618,810	3,659	60,509	53,892	750,096
Additions	-	3,767	-	46,360	6,475	56,602
Revaluation	-	-	-	87,012	-	87,012
At 30 Sep 2008	13,226	622,577	3,659	193,881	60,367	893,710
Depreciation						
At 1 Oct 2007	1,045	263,163	2,452	7,947	44,444	319,051
Charge for the year	882	62,008	752	9,385	7,756	80,783
At 30 Sep 2008	1,927	325,171	3,204	17,332	52,200	399,834
Net book value						
At 30 Sep 2008	11,299	297,406	455	176,549	8,167	493,876
At 30 Sep 2007	12,181	355,647	1,207	52,562	9,448	431,045

6 Tangible fixed assets (continued)

The tooling assets were revalued to their market value at the year end by the directors.

If certain fixed assets had not been revalued, they would have been included on the historical cost basis at the following amounts:

	NBV of revalued tangible fixed assets £
Cost	106,869
Accumulated depreciation	7,197
Net book amount at 30 Sep 2008	<u>99,672</u>
Net book amount at 30 Sep 2007	<u>106,869</u>

7 Stocks

	2008 £	2007 £
Raw materials	138,058	237,102
Finished goods	69,566	100,489
	<u>207,624</u>	<u>337,591</u>

8 Debtors

	2008 £	2007 £
Trade debtors	926,636	1,124,209
Corporation tax repayable	2,664	—
Other debtors	82,502	16,664
	<u>1,011,802</u>	<u>1,140,873</u>

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	820,412	777,651
Trade creditors	540,261	696,499
Corporation tax	—	900
Other taxation and social security	95,442	104,942
Other creditors	12,660	66,332
	<u>1,468,775</u>	<u>1,646,324</u>

10 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Bank loans	<u>30,564</u>	<u>54,163</u>

The bank loan is secured on a fixed and floating charge over all assets of the company.

11 Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account. Contributions paid in the year amounted to £38,400 and there was an amount prepaid at the year end of £1,600 (2007: £1,200).

12 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	48,588	26,888
Profit and loss account movement arising during the year	(10,988)	21,700
Provision carried forward	<u>37,600</u>	<u>48,588</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	45,817	48,348
Tax losses available	(8,553)	-
Other timing differences	336	240
	<u>37,600</u>	<u>48,588</u>

13 Leasing commitments

At 30 September 2008 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2008	2007
	£	£
Operating leases which expire:		
Within 1 year	674	7,430
Within 2 to 5 years	13,413	12,311
After more than 5 years	40,000	40,000
	<u>54,087</u>	<u>59,741</u>

14 Related party transactions

The company employs the wife of Mr B Foster and paid £24,000 (2007 : £24,000) in wages during the year. There was no amount due on the balance sheet date.

During the year the directors bought another company Hille Educational Products Limited, which is also a customer of BKF Plastics Limited. During the year sales of £97,853 were made to Hille Educational Products Limited, and costs of £206,300 and management charges of £28,500 were recharged. There was an amount owed to BKF Plastics Limited at the year end of £82,599.

There is a cross-guarantee on facilities between BKF Plastics Limited and Hille Educational Products Limited, a company owned by the directors of BKF Plastics Limited.

The company rents the Land and Buildings from the BKF Retirement Benefit Scheme at a rate of £40,000 per annum.

15 Share capital

Authorised share capital:

	2008	2007
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

16 Revaluation reserve

	2008	2007
	£	£
Revaluation of fixed assets	<u>87,012</u>	<u>—</u>
Balance carried forward	<u>87,012</u>	<u>—</u>

17 Profit and loss account

	2008	2007
	£	£
Balance brought forward	61,195	61,580
(Loss)/profit for the financial year	(71,811)	39,615
Equity dividends	—	(40,000)
Balance carried forward	<u>(10,616)</u>	<u>61,195</u>