Grant Thornton

Financial Statements
General All Purpose Plastics Group Limited

For the year ended 31 May 2008

Company No. 5635001

Company information

Company registration number :	5635001
Registered office :	Partnership Way Shadsworth Industrial Estate Blackburn Lancashire BB1 2PT
Directors :	A D Greensmith S D Bird
Secretary :	A D Greensmith
Bankers :	Yorkshire Bank Plc 40 Church Street Blackburn Lancashire BB1 5AW
Solicitors :	Zatman & Co 1 The Cottages Deva Centre Trinity Way Manchester M3 7BE
Auditors :	Grant Thornton UK LLP Registered Auditors Chartered Accountants 4 Hardman Square Spinningfileds Manchester M3 3EB

Index to the financial statements

Report of the directors

The directors present their report together with the audited financial statements for the year ended 31 May 2008.

Principal activity

The company operates as the groups holding company and does not trade.

Results and dividends

The loss for the year after taxation amounted to £329,385 (18 months ended 31 May 2007 as restated : £132,728). The directors do not recommend the payment of a dividend leaving the amount of £329,385 (18 months ended 31 May 2007 as restated : £132,728) to be transferred to reserves.

Business review and future developments

The Directors are satisfied with the results for the year and consider that both market share and profitability can be increased over the long term resulting in greater shareholder value. The group will continue to invest further resources into its customer service and support programmes to ensure that the growth strategy adopted by the Directors can be delivered.

On 29 January 2009, the company acquired certain assets and goodwill from Everwhite Limited, which was in liquidation.

The principle Key Performance Indicators ("KPI's") which are monitored by the directors include rate of growth, profitability and cashflow derived from operating activities.

Directors

The directors of the company are listed below. All served on the Board throughout the year unless otherwise stated.

A D Greensmith
S D Bird

Financial risk management objectives and policies

The group uses various financial instruments which include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main risks arising from the group's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. The group's policies for managing fair value interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency risk

The group has minimal exposure to translation and transaction foreign exchange risk as all of the company's sales are to customers based in the United Kingdom and only a relatively small percentage of purchases are from outside of the United Kingdom. Consequently, no formal hedging policy is in place.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short–term flexibility is achieved by the availability of director's loan accounts.

The group finances its investment in tangible fixed assets primarily through finance lease and hire purchase contracts.

Interest rate risk

The group finances its operations through a combination of retained profits, finance lease contracts, directors' loan accounts and trust loans. The group manages its exposure to interest rate fluctuations on its finance leases by entering into fixed rate agreements. The interest rate exposure of the financial assets and liabilities of the group as at 31 May 2008 is shown below. The table includes trade debtors and creditors as these do not attract interest and are therefore subject to fair value interest rate risk.

	Interest rate			
	Fixed	**Floating**	**Zero**	**Total**
	£	**£**	**£**	**£**
Financial assets				
Cash	–	145,024	–	**145,024**
Trade debtors	–	–	7,121,316	**7,121,316**
	–	145,024	7,121,316	**7,266,340**
Financial liabilities				
Bank overdraft	–	844,476	–	**844,476**
Directors' loan accounts	–	1,630,952	–	**1,630,952**
Finance leases and hire purchase contracts	281,121	–	–	**281,121**
Trust loans	–	3,324,708	–	**3,324,708**
Other loan	813,434	–	–	**813,434**
Trade creditors	–	–	6,949,045	**6,949,045**
	1,094,555	5,800,136	6,949,045	**13,843,736**

Credit risk

The group's principal financial assets are cash and trade debtors. The principal credit risk therefore arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

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 of the profit or loss of the company for that year. 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 maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware :

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A D Greensmith
Secretary

27 March 2009

Grant Thornton

Report of the independent auditors to the members of General All Purpose Plastics Group Limited

We have audited the financial statements of General All Purpose Plastics Group Limited for the year ended 31 May 2008 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and notes 1 to 26. These financial statements have been prepared in accordance with 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 the directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 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 of the group and company, consistently applied and adequately disclosed.

Grant Thornton

Report of the independent auditors to the members of General All Purpose Plastics Group Limited

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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and company's affairs as at 31 May 2008 and of the loss of the group for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements for the year ended 31 May 2008.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER

27 March 2009

Principal accounting policies

Basis of preparation
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 have remained unchanged from the previous year and are set out below. The directors have reviewed the accounting policies in accordance with FRS 18 and consider them to be the most appropriate to the group's circumstances.

Prior year adjustment
The prior year adjustment has arisen due to the legal obligation which exists in respect of warranty terms which are offered on certain of the company's products. The estimated cost of providing these warranties was not included in the prior year which has been restated accordingly. The policy in respect of warranties is detailed in the provisions for liabilities policy below and the impact of the prior year adjustment is disclosed in note 5 to the financial statements.

Basis of consolidation
The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31 May 2008. Profits or losses on intra–group transactions are eliminated in full.

Goodwill
Purchased goodwill is capitalised and is amortised on a straight line basis over its estimated useful economic life.

As a matter of accounting policy, purchased goodwill first accounted for in accounting years ended before 23 December 1998, the implementation date of FRS 10, was eliminated from the financial statements by immediate write off on acquisition against reserves. Such goodwill will be charged or credited to the profit and loss account on the subsequent disposal of the business to which it relates.

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

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

Depreciation
Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Short leasehold improvements	4% per annum, straight line
Fixtures and fittings	4%–15% per annum, straight line
Computers	33% per annum, straight line
Plant and machinery	15% per annum, straight line
Motor vehicles	25% per annum, straight line

Stocks

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

Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Contributions to pension schemes

Defined contribution schemes

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

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.

Financial instruments

Classification

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavorable conditions. Shares containing such obligations are classified as financial liabilities.

Compound instruments

Compound instruments comprise both a liability and an equity component. The elements of a compound instrument are classified in accordance with their contractual provisions. The liability component is recorded at fair value, which is estimated using the prevailing market interest rate for a similar debt instrument without the equity feature. At each year end, the value of the liability continues to be presented on a net present value basis, with any changes arising from the remeasurement of the instrument being recognised in finance costs in the profit and loss account.

Provisions for liabilities

Provisions (other than provisions for post retirement benefits and deferred taxation) are recognised when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

Provisions for the estimated costs of repairing or replacing products which may be returned under warranty are based upon historical warranty data and are recognised when the underlying products are sold.

Consolidated profit and loss account

	Note	Year 31 May 2008 £	Restated 18 month period ended 31 May 2007 £
Turnover – continuing activities	1	**44,862,064**	58,736,296
Cost of sales		**(32,567,609)**	(40,131,591)
Gross profit		**12,294,455**	18,604,705
Distribution costs		**(6,758,049)**	(8,651,714)
Administrative expenses		**(5,585,689)**	(9,350,680)
Operating (loss)/profit – continuing activities		**(49,283)**	602,311
Interest receivable and similar income		**4,588**	30,116
Interest payable and similar charges	3	**(462,987)**	(725,720)
Loss on ordinary activities before taxation	1	**(507,682)**	(93,293)
Tax on loss on ordinary activities	4	**147,109**	(167,086)
Loss on ordinary activities after taxation		**(360,573)**	(260,379)
Minority interest	18	**31,188**	127,651
Retained loss transferred to reserves	19	**(329,385)**	(132,728)

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

Consolidated balance sheet

	Note	2008 £	Restated 2007 £
Fixed assets			
Intangible assets	7	**776,577**	833,925
Investments	9	**1,000,000**	–
Tangible assets	8	**3,238,470**	3,032,270
		5,015,047	3,866,195
Current assets			
Stocks	10	**4,173,734**	4,043,468
Debtors	11	**8,309,561**	8,275,139
Cash at bank and in hand		**145,024**	1,034,131
		12,628,319	13,352,738
Creditors: amounts falling due within one year	12	**(12,208,106)**	(11,988,275)
Net current assets		**420,213**	1,364,463
Total assets less current liabilities		**5,435,260**	5,230,658
Creditors : amounts falling due after more than one year	13	**(4,313,557)**	(3,673,918)
Provisions for liabilities	14	**(127,294)**	(201,758)
Net assets		**994,409**	1,354,982
Capital and reserves			
Called up share capital	16	**400**	400
Profit and loss account	17	**1,088,582**	1,417,967
Shareholders' funds	19	**1,088,982**	1,418,367
Minority interest	18	**(94,573)**	(63,385)
		994,409	1,354,982

The financial statements were approved by the Board of Directors on 27 March 2009 and signed on their behalf by :

A D Geensmith Director

S D Bird Director

Company balance sheet

	Note	2008 £	2007 £
Fixed assets			
Investments	9	**275**	275
			275
Current assets			
Debtors	11	**200**	200
		200	200
Creditors : amounts falling due within one year	12	**(75)**	(75)
Net current assets		**125**	125
Net assets		**400**	400
Capital and reserves			
Called up share capital	16	**400**	400

The financial statements were approved by the Board of Directors on 27 March 2009 and signed on their behalf by :

A D Geensmith Director

S D Bird Director

Consolidated cash flow statement

	Note	Year 31 May 2008 £	18 month period ended 31 May 2007 £
Net cash inflow from operating activities	20	**1,514,093**	698,487
Returns on investments and servicing of finance			
Interest received		**4,588**	30,116
Bank interest paid		**(108,453)**	(114,694)
Other interest paid		**(315,439)**	(583,740)
Finance lease interest paid		**(2,161)**	(27,286)
Net cash outflow from returns on investments and servicing of finance		**(421,465)**	(695,604)
Taxation		**(188,970)**	(42,237)
Capital expenditure and financial investment			
Purchase of investment		**(1,000,000)**	–
Purchase of tangible fixed assets		**(727,905)**	(541,917)
Sale of tangible fixed assets		**46,743**	88,437
Net cash outflow from capital expenditure and financial investment		**(1,681,162)**	(453,480)
Acquisitions and disposals			
Purchase of subsidiary undertaking		**–**	(487,345)
Net cash outflow from acquisitions		**–**	(487,345)
Net cash outflow before financing		**(777,504)**	(980,179)
Financing			
Capital element of finance lease rentals	22	**(346,883)**	(579,320)
New long term loan		**770,000**	1,490,000
Repayment of debt	22	**(168,732)**	–
Net cash inflow from financing		**254,385**	910,680
Decrease in cash	21	**(523,119)**	(69,499)

The accompanying notes form part of these financial statements.

Statement of total recognised gains and losses

	Year ended 31 May 2008 £	18 month period ended 31 May 2007 £
Loss for the year	**(329,385)**	(132,728)
Total recognised gains and losses in the year	**(329,385)**	
Prior year adjustment (note 5)	**(113,975)**	
Total recognised gains and losses since the last financial statements	**(443,360)**	

Notes to the financial statements

1 Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities before taxation is attributable to the principal activity of the group.

The loss on ordinary activities before taxation is stated after :	**Year ended 31 May 2008 £**	18 month period ended 31 May 2007 £
Depreciation	**806,119**	1,150,469
Amortisation of goodwill	**127,348**	177,049
Auditors' remuneration payable for the audit of the group accounts	**6,250**	8,500
Auditors' remuneration payable for other services :		
– audit of the company's subsidiaries	**28,300**	30,500
– taxation services	**57,200**	96,600
Operating leases		
– land and buildings	**840,176**	1,170,148
Loss/(profit) on disposal of tangible fixed assets	**14,715**	(17,149)

2 Directors and employees

Staff costs during the year were as follows :	**Year ended 31 May 2008 £**	18 month period ended 31 May 2007 £
Wages and salaries	**7,275,226**	9,836,858
Social security costs	**705,539**	968,487
Pension costs	**137,558**	167,451
	8,118,323	10,972,796

The average number of employees during the year was :	**Year ended 31 May 2008 Number**	18 month period ended 31 May 2007 Number
Administration	**58**	62
Production, selling and distribution	**286**	254
	344	316

Directors and employees (continued)

The total amounts of directors' remuneration and other benefits was as follows :

	Year ended 31 May 2008	18 month period ended 31 May 2007
	£	£
Emoluments	**100,000**	350,000

Directors' remuneration shown above included the following amounts payable in respect of the highest paid director :

	Year ended 31 May 2008	18 month period ended 31 May 2007
	£	£
Emoluments	**50,000**	175,000

3 Interest payable and similar charges

	Year ended 31 May 2008	18 month period ended 31 May 2007
	£	£
On bank loans and overdrafts	**108,453**	114,694
Hire purchase interest	**2,161**	27,286
Other interest	**358,873**	583,740
	469,487	725,720
Dividends on shares classed as financial liabilities	**237**	–
Net credit on remeasurement of financial instruments	**(6,737)**	–
	462,987	725,720

4 Tax on loss on ordinary activities

The taxation (credit)/charge is based on the loss for the year and represents :

	Year ended 31 May 2008	Restated 18 month period ended 31 May 2007
	£	£
Current tax:		
UK corporation tax on losses for the year	–	168,555
Adjustment in respect of previous periods	(28,411)	(6,313)
Total current tax	(28,411)	162,242
Deferred tax:		
Origination and reversal of timing differences	(118,698)	4,844
	(147,109)	167,086

Factors affecting the tax (credit)/charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 30% (2007 : 30%). The differences are explained as follows :

	Year ended 31 May 2008	18 month period ended 31 May 2007
	£	£
Loss on ordinary activities before taxation	(507,682)	(93,293)
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 30% (2007 : 30%)	(150,629)	(27,988)
Effect of:		
Expenses not deductible for tax purposes	26,894	177,478
Income not taxable for tax purposes	(130,363)	–
Capital allowances for the year in excess of depreciation	116,237	(1,432)
Other short term timing differences	67,011	6,045
Adjustment to tax charge in respect of previous periods	(28,411)	(6,313)
Marginal relief	–	14,452
Unrelieved tax losses	70,850	–
	(28,411)	162,242

5 Prior year adjustment

The prior year adjustment has arisen due to the legal obligation which exists in respect of warranty terms which are offered on certain of the company's products. The estimated cost of providing these warranties was not included in the prior year which has been restated accordingly.

The effect of this adjustment is as follows:

Consolidated profit and loss account	2007 As previously stated	Prior year adjustment £	**2007 As restated £**
Turnover	58,736,296	–	**58,736,296**
Cost of sales	(39,993,217)	(138,374)	**(40,131,591)**
Gross profit	18,743,079	(138,374)	**18,604,705**
Distribution costs	(8,651,714)	–	**(8,651,714)**
Administrative expenses	(9,350,680)	–	**(9,350,680)**
Operating profit	740,685	(138,374)	**602,311**
Net interest	(695,604	–	**(695,604)**
Profit/(loss) before tax	45,081	(138,374)	**(93,293)**
Taxation	(191,485)	24,399	**(167,086)**
Loss for the financial year	(146,404)	(113,975)	**(260,379)**

Prior year adjustment (continued)

Balance Sheet	2007 As previously stated £	Prior year adjustment £	**2007 As restated £**
Intangible assets	833,925	–	**833,925**
Tangible assets	3,032,270	–	**3,032,270**
Stocks	4,043,468	–	**4,043,468**
Debtors	8,275,139	–	**8,275,139**
Cash at bank and in hand	1,034,131	–	**1,034,131**
Creditors: amounts falling due within one year	(12,012,674)	24,399	**(11,988,275)**
Creditors: amounts falling due after more than one year	(3,673,918)	–	**(3,673,918)**
Provisions for liabilities	(63,384)	(138,374)	**(201,758)**
Net assets	1,468,957	(113,975)	**1,354,982**
Share capital	400	–	**400**
Profit and loss account	1,531,942	(113,975)	**1,417,967**
Shareholders funds	1,532,342	(113,975)	**1,418,367**
Minority interest	(63,385)	–	**(63,385)**
Shareholders funds	1,468,957	(113,975)	**1,354,982**

6 Profit for the financial year

The company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements. The parent company's profit for the year was £Nil.

7 Intangible fixed assets

Group

	Goodwill £
Cost	
At 31 May 2007	1,660,974
Addition	70,000
At 31 May 2008	1,730,974
Amortisation	
At 31 May 2007	827,049
Provided in the year	127,348
At 31 May 2008	954,397
Net book amount	
At 31 May 2008	776,577
At 31 May 2007	833,925

The addition to goodwill during the year represents a fair value adjustment of £70,000 in relation to obsolete stock which has been made during the hindsight period since the acquisition of the trade and assets of SSF International Limited.

8 Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost						
At 31 May 2007	217,908	2,097,051	1,251,203	1,942,022	497,114	6,005,298
Additions	10,079	360,544	295,123	372,196	35,835	1,073,777
Disposals	(14,968)	(19,600)	(45,276)	(228,270)	(50,333)	(358,447)
At 31 May 2008	213,019	2,437,995	1,501,050	2,085,948	482,616	6,720,628
Depreciation						
At 31 May 2007	26,607	907,084	358,022	1,301,840	379,475	2,973,028
Charge for year	8,422	302,477	118,335	301,879	75,006	806,119
Disposals	(4,770)	(9,698)	(43,635)	(190,149)	(48,737)	(296,989)
At 31 May 2008	30,259	1,199,863	432,722	1,413,570	405,744	3,482,158
Net book value						
At 31 May 2008	**182,760**	**1,238,132**	**1,068,328**	**672,378**	**76,872**	**3,238,470**
At 31 May 2007	191,301	1,189,967	893,181	640,182	117,639	3,032,270

The net book value of fixed assets includes an amount of £534,677 (2007 : £461,047) in respect of assets held under finance leases and hire purchase contracts. The depreciation charged to the accounts in the year in respect of such assets amounted to £179,956 (2007 : £170,588).

9 Fixed asset investments

Group

	Group undertakings £
Cost	
At 1 June 2007	–
Additions	1,000,000
At 31 May 2008	1,000,000
Impairment	
At 1 June 2007	–
Provided in the year	–
At 31 May 2008	–
Net book amount	
At 31 May 2008	**770,000**
At 31 May 2007	–

On 28 August 2007, the company invested £1,000,000 in Soho Square Productions No. 11 LLP, a limited liability partnership registered in England and Wales.

Company

	Group undertakings £
Cost and net book value	
At 31 May 2007	275

Subsidiary undertakings

The company had the following subsidiary undertakings as at 31 May 2008 :

Name of subsidiary	Class of share capital held	Proportion held by parent company	Proportion held by group	Nature of business
General All Purpose Plastics Holdings Limited	"A" Ordinary	100%	100%	Holding company
	"B" Ordinary	100%	100%	
G.A.P. Scotland Limited	"A" Ordinary	100%	100%	Distribution of PVCu products
	"B" Ordinary	–	–	
	"C" Ordinary	–	–	
General All Purpose Plastics Limited	"A" Ordinary	–	100%	Distribution of PVCu products
	"B" Ordinary	–	100%	
Rockdoor Limited	Ordinary	–	90%	Manufacture of PVCu security doors
Proplas Limited	Ordinary	–	100%	Non trading

The above are holdings of ordinary shares and all undertakings are registered in England and Wales.

10 Stocks

	Group		Company	
	31 May 2008 £	31 May 2007 £	**31 May 2008 £**	31 May 2007 £
Raw materials and consumables	**313,807**	371,184	–	–
Work in progress	**47,737**	41,517	–	–
Finished goods and goods for resale	**3,812,190**	3,630,767	–	–
	4,173,734	4,043,468	–	–

11 Debtors

	Group		Company	
	31 May 2008 £	31 May 2007 £	**31 May 2008 £**	31 May 2007 £
Trade debtors	**7,121,316**	7,233,148	–	–
Amounts owed by related parties	**536,188**	756,370	–	–
Other debtors	**377,735**	44,054	**200**	200
Prepayments and accrued income	**166,215**	241,567	–	–
Corporation tax recoverable	**52,793**	–	–	–
Deferred tax asset (note 15)	**55,314**	–	–	–
	8,309,561	8,275,139	**200**	200

12 Creditors : amounts falling due within one year

	Group		Company	
	31 May 2008 £	31 May 2007 £	**31 May 2008 £**	31 May 2007 £
Bank overdraft	**844,476**	1,210,464	–	–
Trade creditors	**6,949,045**	6,795,205	–	–
Directors' loans	**1,630,952**	1,293,251	–	–
Obligations under finance leases and hire purchase contracts	**225,706**	228,154	–	–
Amounts due to group undertaking	–	–	**75**	75
Amounts due to related parties	**500,000**	152,700	–	–
Corporation tax	–	188,987	–	–
Other taxation and social security	**756,740**	765,238	–	–
Accruals and deferred income	**1,301,187**	1,378,675	–	–
	12,208,106	12,012,674	**75**	75

The bank overdraft is secured by a debenture giving a fixed and floating charge over the groups assets. Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

13 Creditors : amounts falling due after more than one year

	Group		Company	
	31 May 2008 £	31 May 2007 £	31 May 2008 £	31 May 2007 £
Debt-related financial instrument	**120,000**	130,000	**–**	–
Amounts owed to related parties	**3,324,708**	3,489,940	**–**	–
Obligations under finance leases and hire purchase contracts	**55,415**	53,978	**–**	–
Other loan	**813,434**	–	**–**	–
	4,313,557	3,673,918	**–**	–

The other loan carries interest at 5.5% and is repayable in more than five years.

On 2 December 2005, G.A.P. Scotland Limited, a subsidiary of the company, issued 13 "B" Ordinary shares of £1 each and 12 "C" Ordinary shares of £1 each. The holders of these shares are entitled to receive a dividends equal, respectively, to 11.25% and 3.75% of such distributable profits of the company for each financial year. The company may also elect to pay a discretionary dividend to these shareholders, subject to the conditions detailed in the company's Articles of Association.

In accordance with FRS 25, the "B" Ordinary shares and "C" Ordinary shares are considered compound instruments and accordingly, have been split into an underlying debt instrument, classified within creditors due after more than one year, and an equity element, classified within equity. At the date of issue the underlying debt instrument is presented on a net present value basis. At subsequent year ends, the value of the debt instrument continues to be presented on a net present value basis, with any changes arising from the remeasurement of the instrument being recognised in finance costs in the profit and loss account.

The fair value of the underlying debt element was calculated by discounting the value of the expected future cash flows under the terms of the instrument using a market interest rate of a similar debt instrument.

The interest expense on the underlying debt element is calculated by applying the effective interest rate to the debt component of the instrument. The difference between any repayments and the interest expense is deducted from the carrying amounts of the liability in the balance sheet.

Future commitments under finance leases and hire purchase contracts are as follows :

	Group		Company	
	31 May 2008 £	31 May 2007 £	31 May 2008 £	31 May 2007 £
Within one year	**225,706**	228,154	**–**	–
Between one and two years	**55,415**	53,978	**–**	–
	281,121	282,132	**–**	–

14 Provisions for liabilities

Group	Warranty £	Deferred taxation £	Total £
At 1 June 2007 as previously stated	–	63,384	63,384
Prior year adjustment	138,374	–	138,374
1 June 2007 as restated	138,374	63,384	201,758
Charged to profit and loss account	(11,080)	(63,384)	(74,464)
At 31 May 2008	**127,294**	–	**127,294**

15 Deferred taxation

The amount of potential deferred taxation, all of which is provided, is as follows :

	Group		Company	
	31 May 2008 £	30 November 2007 £	**31 May 2008 £**	30 November 2007 £
Fixed asset timing differences	**12,098**	(63,384)	–	–
Short term timing differences	**43,216**	–	–	–
	55,314	(63,384)	–	–

16 Share capital

	31 May 2008 £	31 May 2007 £
Authorised		
500 "A" Ordinary shares of £1 each	**500**	500
500 "B" Ordinary shares of £1 each	**500**	500
	1,000	1,000
Allotted, called up and fully paid		
200/100 "A" Ordinary shares of £1 each	**200**	200
200/100 "B" Ordinary shares of £1 each	**200**	200
	400	400

17 Profit and loss account

	Group £
A 1 June 2007 as previously stated	1,531,942
Prior year adjustment	(113,975)
At 1 June 2007 as restated	1,417,967
Loss for the year	(329,385)
At 31 May 2008	**1,088,582**

18 Minority interest

	Year ended 31 May 2008 £	18 month period ended 31 May 2007 £
At 1 May 2007	**(63,385)**	(155,734)
Acquisition	**-**	220,000
Share of loss during the year	**(31,188)**	(127,651)
At 31 May 2008	**(94,573)**	(63,385)

19 Reconciliation of movements in shareholders' funds

		Restated Group	**Company**
	Year ended 31 May 2008 £	Year ended 31 May 2007 £	**Year ended 31 May 2008 £**
Issue of shares	–	200	–
Loss for the financial year	**(329,385)**	(132,728)	–
Opening shareholders' funds (as restated)	**1,418,367**	1,550,895	400
Closing shareholders' funds (as restated)	**1,088,982**	1,418,367	400

20 Net cash inflow from operating activities

	Year ended 31 May 2008 £	18 month period ended 31 May 2007 £
Operating (loss)/profit	**(49,283)**	740,685
Depreciation	**806,119**	1,150,469
Release of warranty provision	**(11,080)**	-
Amortisation of intangible fixed assets	**127,348**	177,049
Loss/ (profit) on sale of tangible fixed assets	**14,715**	(17,149)
Increase in stocks	**(200,266)**	(569,049)
Decrease/(increase) in debtors	**73,685**	(1,100,379)
Increase in creditors	**752,855**	316,861
Net cash inflow from operating activities	**1,514,093**	698,487

21 Reconciliation of net cash flow to movement in net debt

	Year ended 31 May 2008 £	Year ended 31 May 2007 £
Decrease in cash in the year	**(523,119)**	(69,499)
Cash outflow from changes in net debt	**515,615**	579,320
Change in net debt resulting from cash flows	**(7,504)**	509,821
Inception of finance leases	**(345,872)**	(497,534)
Other non-cash movement	**(36,934)**	(130,000)
New long term debt	**(770,000)**	(1,490,000)
Movement in net debt in the year	**(1,160,310)**	(1,607,713)
Net debt at 31 May 2007	**(5,078,405)**	(3,470,692)
Net debt at 31 May 2008	**(6,238,715)**	(5,078,405)

22 Analysis of changes in net debt

	At 31 May 2007 £	Cashflow £	Non-cash movements £	**At 31 May 2008 £**
Cash in hand and at bank	1,034,131	(889,107)	–	**145,024**
Overdrafts	(1,210,464)	365,988	–	**(844,476)**
	(176,333)	(523,119)	–	**(699,452)**
Other debt	(4,489,940)	(604,768)	(43,434)	**(5,138,142)**
Debt-related financial instrument	(130,000)	3,500	6,500	**(120,000)**
Hire purchase and finance leases	(282,132)	346,883	(345,872)	**(281,121)**
Total net debt	(5,078,405)	(777,504)	(382,806)	**(6,238,715)**

23 Guarantees and other financial commitments

Leasing commitments

	Land and buildings 2008 £	2007 £
Operating leases which expire :		
– between two and five years	**231,498**	218,973
– in greater than five years	**40,875**	105,875
	272,373	324,848

24 Pensions

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the group to the scheme.

25 Related party transactions

The company has taken advantage of the exemptions within FRS 8 and has not disclosed transactions with group undertakings.

The company's directors are also partners in a business called GAP Glass.

During the year the group purchased goods and services of £1,899,298 (2007 : £2,108,471) from GAP Glass and sold goods and services of £Nil (2007 : Nil £94) to GAP Glass. At 31 May 2008 GAP Glass owed the group £536,188 (2007 : £603,670).

The company's directors are also partners in a business called Bridgemere Properties LLP.

During the year a loan was made available to the group by Bridgemere Properties LLP. Interest is payable on the loan at 1% above base rate. At 31 May 2008, the company owed Bridgemere Properties LLP £500,000 (31 May 2007 : £152,700).

At 31 May 2008 the group owed various directors funded unapproved retirement benefit schemes £3,324,708 (2007 : £3,489,940). Interest is payable on these loans at 4% above base rate.

During the year loans have been made available to the group by the directors. Interest is payable on the loans at 3% above base rate. At 31 May 2008 the balances outstanding were as follows :

	31 May 2008 £	31 May 2007 £	Maximum liability in year £
Loans from directors			
A D Greensmith	**1,513,104**	795,082	1,783,423
S D Bird	**117,848**	498,169	498,169
	1,630,952	1,293,251	2,281,592

26 Ultimate controlling party

The company's ultimate controlling party for the year were its executive directors.