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COOKSON PLASTICS LIMITED

Directors' Report and Financial Statements
for the year ended 31st December 1989



Donald H. Bates & Co.,
Chartered Accountants,
Stoke-on-Trent.

COOKSON PLASTICS LIMITED

Directors' Report and Financial Statements

for the year ended 31st December, 1989

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COOKSON PLASTICS LIMITED

Directors

M. Batey - Chairman and Managing Director
A.S. Legg
C.J. Williamson

Secretary and Registered Office

K.J. Sutton F.C.I.S
Uttoxeter Road, Meir, Stoke-on-Trent.

Auditors

Donald H. Bates & Co, Chartered Accountants, Stoke-on-Trent.

Directors' Report

Results and Dividends

£'000

The company's profit for the year after taxation amounted to:-

23

===

Which it is proposed to be added to Distributable Reserves.

Principal activities and Review of the Business

The company is a management company for the Plastics Businesses within the Ceramics & Plastics Division of Cookson Group plc.

Directors and their interests

The directors who have acted during the year are shown below. None of these directors has any beneficial interest in the company's shares. Interests in the shares of Cookson Group Plc were as follows:-

	<u>Ordinary Shares of 50p</u>		<u>Options on Ordinary Shares</u> <u>(Executive Share Option</u>	
	<u>1.1.89</u>	<u>31.12.89</u>	<u>Scheme)</u> <u>1.1.89</u>	<u>31.12.89</u>
	<u>(date of</u>		<u>(date of</u>	
	<u>appointment</u>		<u>appointment</u>	
	<u>if later)</u>		<u>if later)</u>	
M. Batey	41,564	53,002	90,946	104,446
B.L. Hepburn	Nil	*	20,000	*
A.S. Legg (appointed 1.10.89)	4,218	4,218	41,150	46,150
C.J. Williamson (appointed 1.4.89)	Nil	Nil	Nil	5,000

Mr. A.S. Legg was appointed a director of the company on 1st October 1989 and, being eligible, offers himself for election at the forthcoming Annual General Meeting.

* Mr. B.L. Hepburn resigned as a director of the company on 31st December 1989.

Fixed Assets

Information relating to changes in tangible fixed assets is given in note 4 to the financial statements.

COOKSON PLASTICS LIMITED

Directors' Report (continued)

Close company status

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

A resolution will be placed before the Annual General Meeting, to re-appoint Donald H. Bates & Co., as auditors for the ensuing year.

By order of the Board

K.J. Sutton

24th April 1990

Secretary

Auditors' Report

To the Members of COOKSON PLASTICS LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company at 31st December 1989 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Donald H Bates .6

24th April 1990

Donald H. Bates & Co,
Chartered Accountants,
Stoke-on-Trent.

COOKSON PLASTICS LIMITED

Statement of Accounting Policies for the year ended 31st December 1989

1. Basis of Accounting

The financial statements are prepared under the historical cost convention.

2. Depreciation

Depreciation is provided on all tangible fixed assets and consists of the amount required to write off the original cost of each asset in equal instalments over its expected useful life.

The expected useful lives of assets are reviewed regularly and are as follows:-

Motor Vehicles and Equipment - 5 years

Expenditure on computer software is charged against revenue as it is incurred.

3. Pension Costs

Eligible employees of the company are members of pension and life assurance plans operated by Cookson Group plc. The costs of the benefits payable under the pension arrangements are met partly by employees' contributions and the balance by contributions paid to Cookson Group plc. Contributions to pension funds are charged against profits as payments are made.

4. Deferred Taxation

Provision is made for Deferred Taxation to the extent that, in the opinion of the directors, a liability will arise in the foreseeable future in respect of the excess of net book values of tangible fixed assets over their corresponding tax values.

COOKSON PLASTICS LIMITED

Profit and Loss Account for the year ended 31st December 1989

	<u>Notes</u>	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
Operating income less Costs	1	32	24
Interest received from group company		10	-
		<u>42</u>	<u>24</u>
Interest payable	2	-	(6)
		<u>---</u>	<u>---</u>
<u>Profit on ordinary activities before taxation</u>		42	18
Tax on profit on ordinary activities	3	(19)	(8)
		<u>---</u>	<u>---</u>
<u>Profit for the financial year</u>		23	10
		<u>---</u>	<u>---</u>

Movements on reserves are shown in Note 10.

The notes on pages 8 to 11 are an integral part of this account.

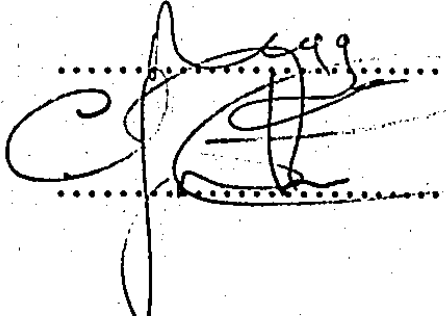
COOKSON PLASTICS LIMITED

Balance Sheet as at 31st December 1989

	<u>Notes</u>	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
<u>Fixed Assets</u>			
Tangible Assets	4	76	59
<u>Current Assets</u>			
Debtors	5	821	669
<u>Creditors</u>			
Amounts falling due within one year	6	(808)	(182)
<u>Net Current Assets</u>		13	487
<u>Total Assets less current liabilities</u>		89	546
<u>Creditors - Amounts falling due after more than one year</u>	7	-	(479)
<u>Provisions for Liabilities and Charges</u>	8	-	(1)
<u>Net Assets</u>		89	66
<u>Capital and Reserves</u>			
Called-up Share Capital	9	24	24
Other Reserves	10	-	1
Profit and Loss Account	10	65	41
		89	66

The notes on pages 8 to 11 are an integral part of this balance sheet.

The financial statements were approved by the Board of Directors on 29th March 1990 and signed on its behalf by:-


 A.S. Legg)
)
) Directors
)
 G.J. Williamson)

COOKSON PLASTICS LIMITED

Statement of Source and Application of Funds for the year ended 31st December 1989

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
<u>Source of funds</u>		
Profit on ordinary activities before taxation	42	18
Item not involving the movement of funds:-		
Depreciation	28	11
	---	---
<u>Total generated from operations</u>	70	29
Increase in creditors falling due after more than one year	-	479
	---	---
<u>Total funds generated</u>	70	508
	===	===
<u>Application of Funds</u>		
Purchase of Tangible Fixed Assets	45	41
Transfer of Tangible Fixed Assets from parent company	-	29
Reduction in creditors falling due after more than one year	479	-
(Decrease) increase in working capital:-		
Debtors	152	613
Creditors (excluding bank overdraft and corporation tax)	(552)	(155)
	(400)	458
	---	---
	124	528
Decrease in net liquid funds:-		
Bank overdraft	(54)	(20)
	---	---
	70	508
	===	===

The notes on pages 8 to 11 are an integral part of this statement.

COOKSON PLASTICS LIMITED

Notes on the financial statements for the year ended 31st December 1989

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
1. <u>Operating Income less Costs</u>		
Other operating income	(1,043)	(471)
Staff Costs: Wages and salaries	158	138
Social Security Costs	13	12
Other Pension Costs	21	5
Other Employee Costs	18	18
Depreciation	28	11
Other Operating Charges	773	263
	---	---
	(32)	(24)
	===	===
Costs included above:-		
Directors' Remuneration	97	45
Auditors' Remuneration	3	2
	---	---
	---	---
2. <u>Interest Payable</u>		
To Group Companies	-	6
	---	---
	---	---
3. <u>Tax on Profit on Ordinary Activities</u>		
Based on taxable profit for the year:-		
Corporation Tax at 35% (1988 35%)	20	7
Deferred Taxation at 35% (1988 35%)	(1)	1
	---	---
	19	8
	---	---
	---	---
4. <u>Tangible Fixed Assets</u>		
	<u>Plant and Equipment</u>	
	<u>£'000</u>	
<u>Cost</u>		
At 1.1.89	70	
Additions:		
External	45	

At 31.12.89	115	

<u>Depreciation</u>		
At 1.1.89	11	
Charge for year	28	

At 31.12.89	39	

<u>Net Book Values:-</u>		
At 1.1.89	59	

At 31.12.89	76	

Plant and equipment includes motor vehicles and fixtures and fittings etc.

COOKSON PLASTICS LIMITED

Notes on the financial statements for the year ended 31st December 1989
(continued)

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
5. <u>Debtors</u>		
Amounts falling due within one year:		
Amounts owed by Group Companies	564	658
Prepayments and accrued income	7	3
Other Debtors	-	8
	---	---
	571	669
Amount falling due after more than one year:		
Amount owed by group company	250	-
	---	---
	821	669
	===	===
6. <u>Creditors</u>		
Amounts falling due within one year:		
Bank Overdraft	74	20
Trade Creditors	16	22
Amounts owed to Group Companies	505	97
Accruals	170	32
Corporation Tax	27	7
Other Taxation and Social Security	16	4
	---	---
	808	182
	===	===
7. <u>Creditors</u> - Amounts falling due after more than one year:		
Amount owed to Group Company	-	479
	===	===
8. <u>Provisions for Liabilities and charges</u>		
Deferred Taxation	-	1
	===	===
9. <u>Called-up Share Capital</u>		
	<u>Allotted, Called-up and fully paid</u>	<u>Authorised</u>
	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
Ordinary Shares of £1 each	24	30
	==	==

COOKSON PLASTICS LIMITED

Notes on the financial statements for the year ended 31st December 1989
(continued)

10. Reserves

	<u>Other Reserves</u> <u>£'000</u>	<u>Profit and</u> <u>Loss Account</u> <u>£'000</u>
At 1.1.89	1	41
Surplus for year	-	23
Write-back of additional depreciation from asset replacement reserve	(1)	1
	---	--
	-	65
	===	==

11. Emoluments of the directors and higher paid employees

The emoluments of the directors were:-

	<u>1989</u>	<u>1988</u>
Remuneration (including all benefits and pension contributions)	£104,654	£48,546
The Directors Remuneration shown above (excluding pension contributions) includes:-		
Chairman	Nil	Nil
Highest Paid Director	£52,928	£43,359

The following table gives the emoluments (excluding pension contributions) of the other directors and higher paid employees having emoluments (excluding pension contributions) over £30,000.

	<u>Number of</u> <u>Directors</u>		<u>Number of Higher</u> <u>paid employees</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
Nil	-	3		
10,001 - 15,000	1	-	-	-
25,001 - 30,000	1	-	-	-
30,001 - 35,000	-	-	1	-
35,001 - 40,000	-	-	-	1

12. Employees

The average weekly number of persons employed by the company, including directors, was as follows:-

	<u>1989</u>	<u>1988</u>
Administration	6	6

13. Commitments for Capital Expenditure

Expenditure of £15,000 was contracted for at the balance sheet date but not provided for in these financial statements (1988 - Nil)

COOKSON PLASTICS LIMITED

Notes on the financial statements for the year ended 31st December 1989
(continued)

14. Deferred Taxation

Details of the full potential liability and amount provided for in the year are as follows:-

	<u>1989</u>		<u>1988</u>	
	<u>Full Potential</u>	<u>Provided</u>	<u>Full Potential</u>	<u>Provided</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Accelerated Capital Allowances	-	-	2	1
	---	---	---	---

15. Ultimate Holding Company

The company was a wholly owned subsidiary of Cookson Ceramics Limited (which is incorporated in England) until March 1989 the ultimate holding company being Cookson Group plc, which is also incorporated in England. In March 1989 the company became a wholly owned subsidiary of Cookson Group plc.