

Registered number  
254260

**Cookson Plastics (Europe) Limited**

**Report and Accounts**

**31 December 2002**



## Cookson Plastics (Europe) Limited

### Directors' Report

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

#### Principal activity

The Company ceased to trade from 1 December 2001.

#### Results and dividends

The loss for the year, after taxation, amounted to £397,000 (2001: £2,854,000). The Directors do not recommend the payment of a dividend (2001: £nil).

During the year the Company adopted FRS 19 'Deferred Tax', further details are provided in note 6. There was no impact on the current or prior year financial statements from the introduction of FRS 19.

#### Directors

During the year, no Director had any beneficial interest in the shares of the Company. The Directors who served during the year and their interest in the ordinary shares of Cookson Group plc, the ultimate holding company, are stated below. The shareholdings at 31 December 2002 relate to ordinary shares of 1p each, whilst those at 1 January 2002 relate to ordinary shares of 50p each.

	At 1 January 2002	Adjusted for 2002 Rights Issue <sup>(1)</sup>	Options to purchase 1p ordinary shares			At 31 December 2002	Interests in ordinary shares	
			Granted	Exercised	Lapsed		1p 2002	50p 2001
BR Elliston	642,289	15,408	601,648	-	(30,262)	1,229,083	100,610	49,734
RMH Malthouse	669,591	16,064	634,551	-	(17,371)	1,302,835	153,524	40,488
SA O'Hara *	24,808	595	48,717	-	-	74,120	10,932	2,174

\* (appointed 11 October 2002)

(1) Under the rules of the Cookson Group plc share option schemes and following Inland Revenue approval, adjustments were made to the option price and to the number of ordinary shares under option for all options outstanding as at the date of the Cookson Group plc rights issue in August 2002.

#### Directors' responsibilities

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 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; and
- 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 maintaining 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.

## **Cookson Plastics (Europe) Limited**

### **Directors' Report**

#### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 25 June 2003.

*Richard S. Fell*

Miss RS Fell  
Company Secretary

## **Cookson Plastics (Europe) Limited**

### **Auditors' Report**

#### **Independent auditors' report to the members of Cookson Plastics (Europe) Limited**

We have audited the financial statements on pages 4 to 10.

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 auditor's 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**

The Directors are responsible for preparing the Directors' report and, as described on page 1, the accounts 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. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, 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 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 accounts. It also includes an assessment of the significant estimate and judgements made by the Directors in the preparation of the accounts 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

London  
EC4Y 8BB



# Cookson Plastics (Europe) Limited

## Profit and Loss Account

For the year ended 31 December 2002

	Notes	2002 £000	2001 £000
Turnover		-	1,520
Administration costs		(398)	(2,230)
<b>Operating loss</b>	3	(398)	(710)
Loss on disposal of operations		-	(1,689)
Interest receivable and similar income	4	1	21
Interest payable and similar charges	5	-	(476)
<b>Loss on ordinary activities before taxation</b>		(397)	(2,854)
Tax on loss on ordinary activities	6	-	-
<b>Retained loss for the financial year</b>		(397)	(2,854)

All amounts relate to discontinued operations

## Statement of total recognised gains and losses

The Company has no recognised gains or losses other than the above losses for the two financial years.

# Cookson Plastics (Europe) Limited

## Balance Sheet As at 31 December 2002

	Notes	<u>2002</u>		<u>2001</u>	
		£000	£000	£000	£000
<b>Current assets</b>					
Debtors	7	-		30	
Cash at bank and in hand		-		93	
		-		123	
<b>Creditors: amounts falling due within one year</b>	8	(8,328)		(8,054)	
<b>Net current liabilities</b>			(8,328)		(7,931)
<b>Total assets less current liabilities</b>			(8,328)		(7,931)
<b>Equity Capital and Reserves</b>					
Called up share capital	9		24		24
Profit and loss account	10		(8,352)		(7,955)
	11		(8,328)		(7,931)



Director

Approved by the board on 25 June 2003.

# **Cookson Plastics (Europe) Limited**

## **Notes to the Accounts**

**For the year ended 31 December 2002**

### **1 Accounting policies**

#### ***Accounting convention***

Following the disposal of the Company's business with effect from 1 December 2001, the financial statements have not been prepared on a going concern basis.

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards, and, in the event of the Company being unable to meet its liabilities, the ultimate parent company has undertaken to provide financial support and such other support as may be required

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements since the Company is itself a wholly owned subsidiary of Cookson Group plc. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company is exempt from the requirement of FRS 1 (Revised) to prepare a cash flow statement as its cash flows are included within the consolidated cash flow statement of Cookson Group plc.

The Company had adopted FRS 19, Deferred Tax, in the year which requires full provision to be made for deferred tax assets and liabilities. The impact of adopting FRS 19 on the current and prior year is disclosed in note 6.

#### ***Related party transactions***

As the Company is a wholly owned subsidiary of Cookson Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Cookson Group plc group.

#### ***Deferred taxation***

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date, with the exception that deferred taxation assets are only recognised if it is considered more likely than not that there will be suitable future profits from which the reversal of the underlying timing differences can be deducted. The Company adopted FRS 19 during the year.

#### ***Foreign currencies***

Assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the year end. The gains and losses arising on translation are included in the profit and loss account, except where foreign currency borrowings have been made to finance an investment, in which case the exchange differences on investments are offset within reserves against exchange differences on the related borrowings. To the extent of any excess borrowings, such exchange differences are taken to the profit and loss account.

### **2 Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

# Cookson Plastics (Europe) Limited

## Notes to the Accounts

For the year ended 31 December 2002

### 3 Operating loss

	2002 £000	2001 £000
This is stated after charging		
Auditors' remuneration	-	5
Depreciation of owned fixed assets	-	275
Rentals under operating leases	-	70

Other than the Directors the Company had no employees during the year. The Directors received no remuneration in respect of their services to the Company during the year. The auditor's remuneration is borne by the parent company.

### 4 Interest receivable

	2002 £000	2001 £000
Bank interest	<u>1</u>	<u>21</u>

### 5 Interest payable

	2002 £000	2001 £000
Interest payable to group undertakings	<u>-</u>	<u>476</u>



# Cookson Plastics (Europe) Limited

## Notes to the Accounts

For the year ended 31 December 2002

### 6 Taxation

	2002 £000	2001 £000
Analysis of charge in period		
UK corporation tax at 30% (2001: 30%)	-	-
<i>Factors affecting the tax charge for the current period</i>		
	2002 £000	2001 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(397)	(2,854)
Current tax (credit) at 30% (2001: 30%)	(119)	(856)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	119	19
Capital allowances for period in excess of depreciation	-	432
Net addition to tax losses carried forward or surrender to group companies	-	405
Total current tax (see above)	-	-

There was no impact on the current or prior year financial statements from the introduction of FRS 19.

### 7 Debtors

	2002 £000	2001 £000
Other debtors	-	30

# Cookson Plastics (Europe) Limited

## Notes to the Accounts

For the year ended 31 December 2002

### 8 Creditors: amounts falling due within one year

	2002 £000	2001 £000
Amounts owed to group undertakings	8,102	7,807
Other creditors	226	247
	<u>8,328</u>	<u>8,054</u>

### 9 Share capital

	2002 £000	2001 £000
Authorised: 30,000 Ordinary shares of £1 each	<u>30</u>	<u>30</u>

	2002 £000	2001 £000
Allotted, called up and fully paid: 24,000 Ordinary shares of £1 each	<u>24</u>	<u>24</u>

### 10 Profit and loss account

	2002 £000	2001 £000
At 1 January	(7,955)	(5,101)
Retained loss	(397)	(2,854)
At 31 December	<u>(8,352)</u>	<u>(7,955)</u>

## **Cookson Plastics (Europe) Limited**

### **Notes to the Accounts**

**For the year ended 31 December 2002**

#### **11 Reconciliation of movement in equity shareholders' funds**

	<b>2002</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>
At 1 January	(7,931)	(5,077)
Loss for the financial year	(397)	(2,854)
At 31 December	<u>(8,328)</u>	<u>(7,931)</u>

#### **12 Contingent liabilities**

The Company is contingently liable for any product liability claims arising under warranties given in the normal course of its former business.

Normal liability periods apply (six years).

#### **13 Ultimate holding company**

The Company's ultimate holding company is Cookson Group plc, which is registered in England and Wales.

The largest group in which the results of the Company are consolidated is that headed by Cookson Group plc. The accounts of Cookson Group plc are available to the public and may be obtained from The Adelphi, 1-11 John Adam Street, London, WC2N 6HI.

No other group accounts include the results of the Company.