

Reg

Company Registration No. 516832 (England and Wales)

E P PACKAGING LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002



A24
COMPANIES HOUSE

AWQ7DOR6

0262
29/09/03

E P PACKAGING LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 15

E P PACKAGING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Principal activities and review of the business

The principal activity of the company was that of a manufacturer of plastic packaging for the food, cosmetic and toy industries.

The trading for 2002 has been adversely effected by a large bad debt, exceptional costs of a one-off nature and the market conditions that squeezed margins. The underlying performance was below budget but the factors causing this have been identified. A further strengthening of the management team has been made in 2003 with the appointment of a chief executive and a financial controller.

Prospects for 2003 remain positive with a strong order book and continued investment in plant.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2002:

R A Thompson	
A W Haiselden	
N C Pretzlik	
K Baldwin	(Resigned 31 March 2003)
C W Gawne	
S Mullaney	(Appointed 1 January 2002)
R Franklin	

Directors' interests

The directors' interests in the shares of the company were as stated below:

	31 December 2002	Ordinary of 25p each 1 January 2002
A W Haiselden	-	-
N C Pretzlik	-	-
K Baldwin	-	-
C W Gawne	-	-
R A Thompson	-	-
S Mullaney	-	-
R Franklin	-	-

The directors' interests in the share capital of the holding company are shown in the accounts of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that The Carley Partnership be reappointed as auditors of the company will be put to the Annual General Meeting.

E P PACKAGING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

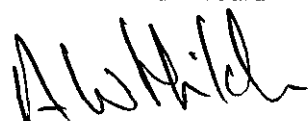
Directors' responsibilities

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 period. 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;
- 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 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 financial statements 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.

On behalf of the board



A W Haiselden

Director

23 June 2003

E P PACKAGING LIMITED

AUDITORS' REPORT TO E P PACKAGING LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.

The Carley Partnership

The Carley Partnership

Chartered Accountants
Registered Auditor

26 June 2003

St James's House
8 Overcliffe
Gravesend
Kent
DA11 0HJ

E P PACKAGING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

		2002	2001
	Notes	£	as restated £
Gross profit		1,728,220	2,105,502
Distribution costs		(1,060,498)	(1,029,041)
Administrative expenses		(768,150)	(741,462)
Operating (loss)/profit	2	(100,428)	334,999
Amounts written off investments	3	-	(250)
Other interest receivable and similar income		276	38
Interest payable and similar charges	4	(33,273)	(29,113)
(Loss)/profit on ordinary activities before taxation		(133,425)	305,674
Tax on (loss)/profit on ordinary activities	5	42,874	(158,959)
(Loss)/profit on ordinary activities after taxation	14	(90,551)	146,715

E P PACKAGING LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2002

		2002		2001 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		1,834,050		1,324,017
Current assets					
Stocks	7	661,646		517,423	
Debtors	8	2,535,413		2,806,820	
Cash at bank and in hand		59,539		91,606	
		<u>3,256,598</u>		<u>3,415,849</u>	
Creditors: amounts falling due within one year	9	<u>(3,268,767)</u>		<u>(3,273,783)</u>	
Net current (liabilities)/assets			<u>(12,169)</u>		<u>142,066</u>
Total assets less current liabilities			1,821,881		1,466,083
Creditors: amounts falling due after more than one year	10		(616,460)		(233,365)
Provisions for liabilities and charges	11		<u>(130,720)</u>		<u>(67,466)</u>
			<u>1,074,701</u>		<u>1,165,252</u>
Capital and reserves					
Called up share capital	13	500,000		500,000	
Profit and loss account	14	574,701		665,252	
Shareholders' funds - equity interests	15	<u>1,074,701</u>		<u>1,165,252</u>	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 23 June 2003


R A Thompson
Director

E P PACKAGING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Net cash inflow from operating activities	85,012	347,034
Returns on investments and servicing of finance		
Interest received	276	38
Interest paid	(33,273)	(29,113)
Net cash outflow for returns on investments and servicing of finance	(32,997)	(29,075)
Taxation	(93,012)	-
Capital expenditure		
Payments to acquire tangible assets	(239,368)	(135,125)
Receipts from sales of tangible assets	29,001	13,731
Net cash outflow for capital expenditure	(210,367)	(121,394)
Net cash (outflow)/inflow before management of liquid resources and financing	(251,364)	196,565
Financing		
Other new short term loans	-	30,852
Repayment of other long term loans	-	(45,364)
Repayment of other short term loans	(45,364)	-
Capital element of finance lease contracts	(144,798)	(111,178)
Net cash outflow from financing	(190,162)	(125,690)
(Decrease)/increase in cash in the year	(441,526)	70,875

E P PACKAGING LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities		2002	2001
			£	£
	Operating (loss)/profit		(100,428)	334,999
	Depreciation of tangible assets		336,101	338,534
	Profit on disposal of tangible assets		(27,560)	(11,911)
	Increase in stocks		(144,223)	(28,257)
	Decrease/(increase) in debtors		348,101	(358,244)
	(Decrease)/Increase in creditors within one year		(356,413)	71,913
	Group relief		29,434	-
	Net cash inflow from operating activities		85,012	347,034

2	Analysis of net debt	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	91,606	(32,067)	-	59,539
	Bank overdrafts	-	(409,459)	-	(409,459)
		91,606	(441,526)	-	(349,920)
	Debt:				
	Finance leases	(377,530)	144,798	(608,207)	(840,939)
	Debts falling due within one year	(45,364)	45,364	-	-
	Net debt	(331,288)	(251,364)	(608,207)	(1,190,859)

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	(Decrease)/increase in cash in the year	(441,526)	70,875
	Cash outflow from decrease in debt and lease financing	190,162	125,690
	Change in net debt resulting from cash flows	(251,364)	196,565
	New finance lease	(608,207)	(162,979)
	Movement in net debt in the year	(859,571)	33,586
	Opening net debt	(331,288)	(364,874)
	Closing net debt	(1,190,859)	(331,288)

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	10% straight line
Plant and machinery	10 - 50% straight line
Fixtures, fittings & equipment	10 - 50% straight line
Motor vehicles	25% / 33.3% straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

This amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard requires a prior period adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy. This has increased the deferred tax liability and reduced the retained profits by £67,466.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Tooling Costs

Costs incurred in preparing prototypes are shown in prepayments to the extent that they will be recovered against future sales. They are amortised over two years from point they are used to produce goods.

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

2	Operating (loss)/profit	2002	2001
		£	£
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	336,101	338,534
	Operating lease rentals	113,787	113,787
	Auditors' remuneration	7,000	8,100
	and after crediting:		
	Profit on disposal of tangible assets	(27,560)	(11,911)
	Profit on foreign exchange transactions	(990)	-
		<u> </u>	<u> </u>
3	Investment income	2002	2001
		£	£
	Income from fixed asset investments	-	(250)
		<u> </u>	<u> </u>
4	Interest payable	2002	2001
		£	£
	On amounts payable to group companies	1,954	5,794
	On bank loans and overdrafts	1,282	1,798
	Hire purchase interest	30,037	21,521
		<u> </u>	<u> </u>
		<u>33,273</u>	<u>29,113</u>

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

5	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	(76,694)	93,012
	Adjustment for prior years	-	(1,519)
	Payment in respect of group relief	(29,434)	-
		<u></u>	<u></u>
	Current tax charge	(106,128)	91,493
	Deferred tax		
	Deferred tax charge/credit current year	63,254	67,466
		<u></u>	<u></u>
		(42,874)	158,959
		<u></u>	<u></u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(133,425)	305,674
		<u></u>	<u></u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 31.86% (2001 : 28.56%)	(42,509)	87,300
		<u></u>	<u></u>
	Effects of:		
	Non deductible expenses	3,557	3,304
	Depreciation	98,301	92,945
	Capital allowances	(165,477)	(90,537)
	Adjustments to previous periods	-	(1,519)
		<u></u>	<u></u>
		(63,619)	4,193
		<u></u>	<u></u>
	Current tax charge	(106,128)	91,493
		<u></u>	<u></u>

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2002	-	3,044,623	374,349	82,849	3,501,821
Additions	3,790	804,452	18,650	20,683	847,575
Disposals	-	(250,119)	(78,893)	-	(329,012)
At 31 December 2002	3,790	3,598,956	314,106	103,532	4,020,384
Depreciation					
At 1 January 2002	-	1,885,899	234,261	57,644	2,177,804
On disposals	-	(249,482)	(78,089)	-	(327,571)
Charge for the year	284	275,455	45,953	14,409	336,101
At 31 December 2002	284	1,911,872	202,125	72,053	2,186,334
Net book value					
At 31 December 2002	3,506	1,687,084	111,981	31,479	1,834,050
At 31 December 2001	-	1,158,724	140,088	25,205	1,324,017

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2002	1,110,797	16,001	1,126,798
At 31 December 2001	602,821	23,876	626,697
Depreciation charge for the year			
31 December 2002	98,424	7,875	106,299
31 December 2001	66,881	7,000	73,881

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

7	Stocks and work in progress	2002	2001
		£	£
	Raw materials and consumables	270,077	194,404
	Work in progress	30,268	26,455
	Finished goods and goods for resale	361,301	296,564
		<u>661,646</u>	<u>517,423</u>

8	Debtors	2002	2001
		£	£
	Trade debtors	2,030,632	2,477,837
	Amounts owed by parent and fellow subsidiary undertakings	29,434	-
	Corporation tax	76,694	-
	Other debtors	264	4,169
	Prepayments and accrued income	398,389	324,814
		<u>2,535,413</u>	<u>2,806,820</u>

Prepayments include £282,064 (2001: £233,877) tooling costs incurred which the directors believe will be recovered in full against future sales.

9	Creditors: amounts falling due within one year	2002	2001
		£	£
	Bank loans and overdrafts	409,459	-
	Confidential invoice discounting	793,232	1,138,768
	Net obligations under hire purchase contracts	224,479	144,165
	Trade creditors	1,437,379	1,428,307
	Corporation tax	-	93,012
	Other taxes and social security costs	230,520	214,236
	Other creditors	61,792	100,792
	Accruals and deferred income	111,906	154,503
		<u>3,268,767</u>	<u>3,273,783</u>
	Debt due in one year or less	<u>-</u>	<u>45,364</u>

The bank loans and overdrafts are secured by a fixed and floating charge over all current and future assets of the company.

The confidential invoice discounting liability of £793,232 (2001: £1,138,768) is secured on the company's trade debtors.

Finance lease and hire purchase liabilities of £840,939 (2001: £377,530) are secured on the respective asset.

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

10 Creditors: amounts falling due after more than one year	2002	2001
	£	£
Net obligations under finance leases and hire purchase agreements	<u>616,460</u>	<u>233,365</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	224,479	144,165
Repayable between one and five years	<u>616,460</u>	<u>233,364</u>
	840,939	377,529
Included in liabilities falling due within one year	<u>(224,479)</u>	<u>(144,165)</u>
	<u>616,460</u>	<u>233,364</u>

11 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2002	67,466
Profit and loss account	<u>63,254</u>
Balance at 31 December 2002	<u>130,720</u>

Deferred taxation provided in the financial statements is as follows:

	2002	2001
	£	£
Accelerated capital allowances	224,485	161,231
Tax losses available	<u>(93,765)</u>	<u>(93,765)</u>
	<u>130,720</u>	<u>67,466</u>

12 Pension costs

Defined contribution

	2002	2001
	£	£
Contributions payable by the company for the year	<u>12,187</u>	<u>10,150</u>

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

13 Share capital	2002	2001
	£	£
Authorised		
2,000,000 Ordinary of 25p each	500,000	500,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2,000,000 Ordinary of 25p each	500,000	500,000
	<u> </u>	<u> </u>
14 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 January 2002 as previously reported		732,718
Prior year adjustment		(67,466)
		<u> </u>
Balance at 1 January 2002 as restated		665,252
Retained loss for the year		(90,551)
		<u> </u>
Balance at 31 December 2002		574,701
		<u> </u>
15 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
(Loss)/Profit for the financial year	(90,551)	146,715
Opening shareholders' funds	1,165,252	1,018,537
	<u> </u>	<u> </u>
Closing shareholders' funds	1,074,701	1,165,252
	<u> </u>	<u> </u>

16 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Between two and five years	-	-	8,220	-
In over five years	113,787	113,787	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	113,787	113,787	8,220	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

17 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	247,439	212,300
Company pension contributions to money purchase schemes	8,979	8,450
	<u>256,418</u>	<u>220,750</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	69,865	73,809
Company pension contributions to money purchase schemes	3,400	3,712
	<u>73,265</u>	<u>77,521</u>

18 Employees

Number of employees

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

	2002 Number	2001 Number
Production staff	136	131
Administration staff	11	13
Sales staff	4	5
	<u>151</u>	<u>149</u>

Employment costs

	£	£
Wages and salaries	2,103,170	1,948,677
Social security costs	152,188	149,399
Other pension costs	12,187	10,150
	<u>2,267,545</u>	<u>2,108,226</u>

19 Ultimate parent company

The company is a subsidiary of Arthur Woollacott Limited. The ultimate parent company is Arthur Woollacott Holdings Limited, a company registered in England and Wales.

Copies of the financial statements of Arthur Woollacott Holdings Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.