

ROC

Company Registration No. 516832 (England and Wales)

E P PACKAGING LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000



E P PACKAGING LIMITED

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E P PACKAGING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

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.

Whilst volumes continued to grow during 2000 the results were affected by a significant bad debt late in the year and by a decision to provide for the write down of stock and tooling to a greater extent than usual, a circumstance that was necessary but which is not expected to recur.

The management team was strengthened in the later part of the year and a degree of restructuring took place. As a result performance is confidently expected to improve in 2001.

Results for the first quarter of 2001 confirm that confidence.

The company's balance sheet as detailed on page 5 show a satisfactory position, shareholder's funds amounting to £1,018,537.

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 2000:

R A Thompson	
R E Steele	(Resigned 31 December 2000)
A W Haiselden	
N C Pretzlik	
K Baldwin	
C W Gawne	
R Franklin	(Appointed 1 November 2000)

Directors' interests

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

	31 December 2000	Ordinary of 25p each 1 January 2000
A W Haiselden	-	-
N C Pretzlik	-	-
K Baldwin	-	-
C W Gawne	-	-
R E Steele	-	-
R A Thompson	-	-
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 Carley & Company 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 2000


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


R A Thompson
Director
17 July 2001

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 2000 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.



Carley & Company

Chartered Accountants
Registered Auditor

24th July 2001

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 2000

	Notes	2000 £	1999 £
Gross profit		1,527,970	1,521,458
Distribution costs		(898,976)	(851,656)
Administrative expenses		(751,426)	(578,069)
Other operating income		-	12,500
Operating (loss)/profit	2	(122,432)	104,233
Other interest receivable and similar income		54	756
Interest payable and similar charges	3	(31,947)	(31,652)
(Loss)/profit on ordinary activities before taxation		(154,325)	73,337
Tax on (loss)/profit on ordinary activities	4	27,994	(2,268)
(Loss)/profit on ordinary activities after taxation	14	(126,331)	71,069

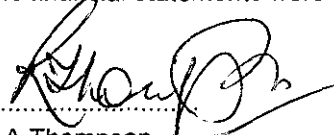
E P PACKAGING LIMITED

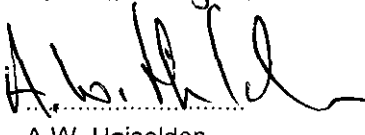
ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	5	1,366,267		1,540,279	
Investments	6	250		250	
		<u>1,366,517</u>		<u>1,540,529</u>	
Current assets					
Stocks	7	489,166		598,469	
Debtors	8	2,448,576		2,456,497	
Cash at bank and in hand		20,731		764	
		<u>2,958,473</u>		<u>3,055,730</u>	
Creditors: amounts falling due within one year	9	<u>(3,042,071)</u>		<u>(3,106,533)</u>	
Net current liabilities		<u>(83,598)</u>		<u>(50,803)</u>	
Total assets less current liabilities		1,282,919		1,489,726	
Creditors: amounts falling due after more than one year	10	<u>(264,382)</u>		<u>(344,858)</u>	
		<u>1,018,537</u>		<u>1,144,868</u>	
Capital and reserves					
Called up share capital	13	500,000		500,000	
Profit and loss account	14	518,537		644,868	
Shareholders' funds	15	<u>1,018,537</u>		<u>1,144,868</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 17 July 2001.


R A Thompson
Director


A W Haiselden
Director

E P PACKAGING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

	2000 £	1999 £
Net cash inflow from operating activities	412,437	411,162
Returns on investments and servicing of finance		
Interest received	54	756
Interest paid	(31,947)	(31,652)
Net cash outflow for returns on investments and servicing of finance	(31,893)	(30,896)
Taxation	(771)	(62,431)
Capital expenditure		
Payments to acquire tangible assets	(164,658)	(310,009)
Receipts from sales of tangible assets	-	600,000
Net cash (outflow)/inflow for capital expenditure	(164,658)	289,991
Net cash inflow before management of liquid resources and financing	215,115	607,826
Financing		
Other new long term loans	32,213	50,000
Other new short term loans	8,608	33,898
Repayment of long term bank loan	-	(110,000)
Repayment of other long term loans	(36,849)	(555,327)
Repayment of other short term loans	(30,678)	(22,257)
Capital element of finance lease contracts	(121,431)	(116,428)
Net cash outflow from financing	(148,137)	(720,114)
Increase/(decrease) in cash in the year	66,978	(112,288)

E P PACKAGING LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2000 £	1999 £
	Operating (loss)/profit	(122,432)	104,233
	Depreciation of tangible assets	377,263	348,175
	Loss on disposal of tangible assets	230	196
	Decrease/(increase) in stocks	109,303	(78,062)
	Decrease/(increase) in debtors	7,921	(177,302)
	Increase in creditors within one year	12,158	213,922
	Group relief	27,994	-
	Net cash inflow from operating activities	412,437	411,162

2	Analysis of net debt	1 January 2000 £	Cash flow £	Other non-cash changes £	31 December 2000 £
	Net cash:				
	Cash at bank and in hand	764	19,967	-	20,731
	Bank overdrafts	(47,011)	47,011	-	-
		<u>(46,247)</u>	<u>66,978</u>	<u>-</u>	<u>20,731</u>
	Debt:				
	Finance leases	(408,337)	121,431	(38,823)	(325,729)
	Debts falling due within one year	(36,582)	22,070	-	(14,512)
	Debts falling due after one year	(50,000)	4,636	-	(45,364)
		<u>(494,919)</u>	<u>148,137</u>	<u>(38,823)</u>	<u>(385,605)</u>
	Net debt	(541,166)	215,115	(38,823)	(364,874)

3	Reconciliation of net cash flow to movement in net debt	2000 £	1999 £
	Increase/(decrease) in cash in the year	66,978	(112,288)
	Cash outflow from decrease in debt and lease financing	148,137	720,114
	Change in net debt resulting from cash flows	215,115	607,826
	New finance lease	(38,823)	(317,772)
	Movement in net debt in the year	176,292	290,054
	Opening net debt	(541,166)	(831,220)
	Closing net debt	(364,874)	(541,166)

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

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:

Plant and machinery	10 - 50% straight line
Fixtures, fittings & equipment	10 - 50% straight line
Motor vehicles	25% 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 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock and work in progress

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.10 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 incurring expenditure.

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

2	Operating (loss)/profit	2000	1999
		£	£
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	377,263	348,175
	Operating lease rentals	105,649	42,325
	Auditors' remuneration	5,600	6,000
	and after crediting:		
	Government grants	-	12,500
		<u> </u>	<u> </u>
3	Interest payable	2000	1999
		£	£
	On amounts payable to group companies	3,401	-
	On bank loans and overdrafts	3,707	10,550
	Hire purchase interest	24,839	21,102
		<u> </u>	<u> </u>
		31,947	31,652
		<u> </u>	<u> </u>
4	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 30% (1999 - 20%)	-	2,290
	Payment in respect of group relief	(27,994)	-
		<u> </u>	<u> </u>
		(27,994)	2,290
	Prior years		
	U.K. corporation tax	-	(22)
		<u> </u>	<u> </u>
		(27,994)	2,268
		<u> </u>	<u> </u>

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2000	2,739,870	337,747	77,553	3,155,170
Additions	163,110	40,371	-	203,481
Disposals	(55,033)	(29,492)	-	(84,525)
At 31 December 2000	2,847,947	348,626	77,553	3,274,126
Depreciation				
At 1 January 2000	1,415,836	163,478	35,577	1,614,891
On disposals	(54,868)	(29,427)	-	(84,295)
Charge for the year	306,951	50,924	19,388	377,263
At 31 December 2000	1,667,919	184,975	54,965	1,907,859
Net book value				
At 31 December 2000	1,180,028	163,651	22,588	1,366,267
At 31 December 1999	1,324,034	174,269	41,976	1,540,279

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 2000	411,391	6,875	418,266
At 31 December 1999	525,688	17,925	543,613
Depreciation charge for the year			
31 December 2000	47,693	3,125	50,818
31 December 1999	41,402	5,301	46,703

6 Fixed asset investments

	Unlisted investments
	£
Cost	
At 1 January 2000 & at 31 December 2000	250

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

7	Stocks and work in progress	2000 £	1999 £
	Raw materials and consumables	236,253	313,460
	Work in progress	9,028	12,558
	Finished goods and goods for resale	243,885	272,451
		<u>489,166</u>	<u>598,469</u>

8	Debtors	2000 £	1999 £
	Trade debtors	2,134,856	2,045,919
	Other debtors	6,768	53,000
	Prepayments and accrued income	306,952	357,578
		<u>2,448,576</u>	<u>2,456,497</u>

Prepayments include £218,337 (1999: £322,887) tooling costs incurred which the directors believe will be recovered in full against future sales.

9	Creditors: amounts falling due within one year	2000 £	1999 £
	Bank loans and overdrafts	-	47,011
	Confidential invoice discounting	1,373,976	1,227,527
	Net obligations under hire purchase contracts	106,711	113,479
	Trade creditors	1,269,474	1,478,606
	Corporation tax	1,519	2,290
	Other taxes and social security costs	153,540	151,780
	Other creditors	34,585	55,285
	Accruals and deferred income	102,266	30,555
		<u>3,042,071</u>	<u>3,106,533</u>
	Debt due in one year or less	<u>42,506</u>	<u>36,582</u>

The bank overdraft and loans of £- (1999 £47,011) are secured by a fixed and floating charge over the assets of the company.

The confidential invoice discounting liability of £1,373,976 (1999 £1,227,527) is secured on the company's trade debtors.

Finance lease and hire purchase liabilities of £325,729 (1999 £408,337) are secured on the respective asset.

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NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

10 Creditors: amounts falling due after more than one year	2000 £	1999 £
Other loans	45,364	50,000
Net obligations under hire purchase contracts	219,018	294,858
	<u>264,382</u>	<u>344,858</u>
Analysis of loans		
Wholly repayable within five years	59,876	86,582
	<u>59,876</u>	<u>86,582</u>
Included in current liabilities	(14,512)	(36,582)
	<u>45,364</u>	<u>50,000</u>
Loan maturity analysis		
In more than one year but not more than two years	45,364	25,000
In more than two years but not more than five years	-	25,000
	<u>-</u>	<u>25,000</u>
Net obligations under hire purchase contracts		
Repayable within one year	106,711	113,479
Repayable between one and five years	219,018	294,858
	<u>325,729</u>	<u>408,337</u>
Included in liabilities falling due within one year	(106,711)	(113,479)
	<u>219,018</u>	<u>294,858</u>

11 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	2000 £	Not provided 1999 £	2000 £	Provided 1999 £
Accelerated capital allowances	164,116	184,219	-	-
Other timing differences	(357)	(2,237)	-	-
Tax losses available	(93,765)	(93,765)	-	-
	<u>69,994</u>	<u>88,217</u>	<u>-</u>	<u>-</u>

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

12 Pension costs

The company 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 cost charge represents contributions payable by the company to the fund and amounted to £12,569 (1999 - £17,320).

13 Share capital	2000 £	1999 £
Authorised		
2,000,000 Ordinary of 25p each	500,000	500,000
Allotted, called up and fully paid		
2,000,000 Ordinary of 25p each	500,000	500,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2000	644,868
Retained loss for the year	(126,331)
Balance at 31 December 2000	518,537

15 Reconciliation of movements in shareholders' funds	2000 £	1999 £
(Loss)/Profit for the financial year	(126,331)	71,069
Opening shareholders' funds	1,144,868	1,073,799
Closing shareholders' funds	1,018,537	1,144,868

16 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2000 £	1999 £
Expiry date:		
In over five years	113,787	101,580

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

17 Capital commitments	2000	1999
	£	£

At 31 December 2000 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	-	59,950
	<u> </u>	<u> </u>

18 Directors' emoluments	2000	1999
	£	£

Emoluments for qualifying services	234,264	162,837
Company pension contributions to money purchase schemes	12,359	10,004
	<u> </u>	<u> </u>
	246,623	172,841
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (1999 - 3).

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

Emoluments for qualifying services	99,120	58,355
Company pension contributions to money purchase schemes	4,375	2,688
	<u> </u>	<u> </u>

19 Transactions with directors

A loan was made to a director during 1993 and repaid in 1999. Interest was payable at 2% over the National Westminster Bank Plc base rate calculated on a daily basis.

E P PACKAGING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

20 Employees

Number of employees

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

	2000 Number	1999 Number
Production staff	125	144
Administration staff	9	10
Sales staff	5	5
	<u>139</u>	<u>159</u>

Employment costs

	£	£
Wages and salaries	1,900,148	1,837,762
Social security costs	140,185	131,409
Other pension costs	14,044	17,320
	<u>2,054,377</u>	<u>1,986,491</u>