

## **PLASTECH EXTRUSIONS LIMITED**

### **Directors**

R H C Bickerton  
C Eccles  
T F Durkin  
W A Trendell  
M J Best -resigned 31/12/96  
S Wickham  
S R Gould-resigned 14/2/96

### **Secretary**

W A Trendell

### **Auditors**

Ernst & Young  
Rolls House,  
7, Rolls Buildings,  
Fetter Lane,  
London EC4A 1NH

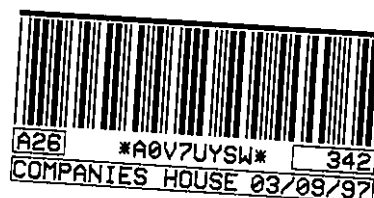
### **Bankers**

Barclays Bank PLC,  
15, Colmore Road,  
Birmingham B3 2BY

### **Registered Office**

56, Holmethorpe Avenue,  
Redhill,  
Surrey RH1 2NR

Registered Number 2178883



## **PLASTECH EXTRUSIONS LIMITED**

### **DIRECTORS' REPORT**

The directors submit their report and accounts for the year ended December 31, 1996.

#### **Results and Dividends**

The profit for the period, after taxation, amounted to £394,000 (1995 £39,000)  
The directors recommend the payment of a dividend of £1,443,000 (1995 £nil).

#### **Review of business and future developments**

The company's principal activity during the period was the processing of thermoplastic material. The business and assets were sold to Doeflex Industries Limited on 31/12/96 and the company has ceased trading.

#### **Fixed Assets**

The changes in fixed assets during the period are summarised in the notes to the accounts on page 9.

#### **Directors and their interests**

The directors who served during the period ended December 31, 1996 were as follows:

	No of Shares in Doeflex PLC	
	31/12/96	31/12/95

R H C Bickerton

C Eccles

T F Durkin

W A Trendell

M J Best-Resigned 31/12/96

S Wickham

S R Gould-Resigned 14/2/96

	98,784
930	930
	475,999

R H C Bickerton, C Eccles, T F Durkin and W A Trendell are also directors of the holding company, Doeflex PLC, and their interests in the share capital of that company are shown in its accounts.

#### **Auditors**

A resolution to reappoint Ernst & Young as auditors and for their remuneration to be fixed by the directors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



W.A. Trendell

Secretary

April 10, 1997

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 of the company 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;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- \* prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 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.

## REPORT OF THE AUDITORS

### To the members of Doeflex Industries Limited

We have audited the accounts on pages 4 to 11, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 6 and 7.

### Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

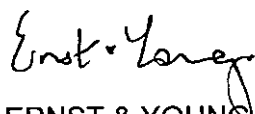
### Basis of opinion

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 estimates 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 accounts 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 affairs of the company as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG  
Chartered Accountants  
Registered Auditor  
London April 10, 1997

## PLASTECH EXTRUSIONS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR DECEMBER 31, 1996

	<u>Notes</u>	<b>Year Ended 31/12/96 £'000</b>	<b>Period Ended 31/12/95 £'000</b>
Turnover	2	9,028	6,052
Cost of sales		6,174	4,345
Gross profit		<hr/> 2,854	<hr/> 1,707
Distribution costs		440	253
Administration expenses		<hr/> 1,581	<hr/> 1,224
		2,021	1,477
Operating profit	3	833	230
Interest payable	5	238	169
Profit on ordinary activities before taxation		<hr/> 595	<hr/> 61
Tax on profit on ordinary activities	6	201	22
Profit on ordinary activities after taxation		<hr/> 394	<hr/> 39
Dividend proposed		1,443	-
Retained (loss)/profit for the year		<hr/> (1,049)	<hr/> 39

### Recognised Gains and Losses

There were no recognised gains or losses other than the profit of £394,000 for the year ended 31/12/96 and the profit of £39,000 for the period ended 31/12/ 95.

The notes on pages 6 to 11 form part of these accounts.

# PLASTECH EXTRUSIONS LIMITED

## BALANCE SHEET AT DECEMBER 31, 1996

	<u>Notes</u>	<u>As at 31/12/96 £'000</u>	<u>As at 31/12/95 £'000</u>
Fixed assets:			
Tangible assets	7	-	2,528
Current Assets			
Stocks	8	-	1,193
Debtors	9	250	2,519
Cash in hand		-	173
		<u>250</u>	<u>3,885</u>
Creditors: amounts falling due within one year	10	-	4,123
Net Current (Liabilities)/Assets		<u>250</u>	<u>(238)</u>
Total assets less current liabilities		250	2,290
Creditors: amounts falling due after more than one year	11	-	510
Provision for liabilities and charges:			
Deferred taxation	12	-	481
		<u>250</u>	<u>1,299</u>
Capital and reserves:			
Called up share capital	13	250	250
Profit and loss account	14	-	1,049
Shareholders' Funds	15	<u>250</u>	<u>1,299</u>

R.H.C.Bickerton

}

W.A.Trendell

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Directors

April 10, 1997

The notes on pages 6 to 11 form part of these accounts.

# PLASTECH EXTRUSIONS LIMITED

## NOTES TO THE ACCOUNTS AT DECEMBER 31, 1996

### 1 Accounting Policies

#### Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset, evenly over its expected useful life, as follows:

Freehold Buildings	-over 50 years
Leasehold land and buildings	-over the lease term.
Plant and machinery	-over 5 to 10 years
Fixtures and fittings	-over 5 to 10 years
Motor vehicles	-over 4 to 5 years

#### Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition:

Raw Materials-	purchase cost on a first-in, first out basis
Finished goods-	cost of direct materials and labour plus attributable overheads based on normal level 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 taxation is provided using the liability method on all timing differences, to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

#### Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, except where a hedge exists, in which case the contract rate is used. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the profit and loss account.

# PLASTECH EXTRUSIONS LIMITED

## NOTES TO THE ACCOUNTS AT DECEMBER 31, 1996 (continued)

### 1 Accounting Policies (continued)

#### Research and Development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can be foreseen with reasonable assurance. Any expenditure carried forward is amortised over its useful life and classified as an intangible asset.

#### Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

#### Pension commitments

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. All pension contributions made by the company, including contributions to individual private pension schemes, are charged to income as incurred. There were no outstanding or prepaid contributions at the Balance Sheet Date.

### 2 Turnover

Turnover represents the invoiced amount of goods sold and services provided during the year, stated net of Value Added Tax.

An analysis of turnover by geographical market is given below:

	31/12/96	31/12/95
	£'000	£'000
United Kingdom	7,523	4,914
Rest of EC	1,498	1,110
Rest of World	7	28
	<u>9,028</u>	<u>6,052</u>

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1996  
(continued)

	31/12/96	31/12/95
	<u>£'000</u>	<u>£'000</u>
This is stated after charging:		
a) Directors' remuneration (see below )	111	121
Auditors' remuneration - audit services	9	8
-other	-	7
Depreciation	291	223
Operating lease rentals- land & buildings	90	90
- plant & machinery	11	10
b) Directors remuneration		
Highest paid director	69	45
Chairman	Nil	Nil

£0-£5,000	4	6
£30,000-£35,000	-	1
£40,000-£45,000	1	2
£65,000-£70,000	1	-

	31/12/96	31/12/95
	£'000	£'000
Wages and salaries	1,241	1,003
Social Security costs	119	92
Other pension costs	1	1
	<u>1,361</u>	<u>1,096</u>

	31/12/96	31/12/95
	<u>No</u>	<u>No</u>
Office and Management	20	15
Manufacturing	48	54
	<hr/> 68	<hr/> 69

Bank loans and overdraft	181	99
-wholly repayable within five years	-	-
-not wholly repayable within five years	57	70
Finance leases	238	169

	31/12/96	31/12/95
	£'000	£'000
Based on profit for the year:		
Corporation Tax @ 33% (1995 33%)	178	5
Deferred Taxation	23	17
	<hr/> 201	<hr/> 22



# PLASTECH EXTRUSIONS LIMITED

## NOTES TO THE ACCOUNTS AT DECEMBER 31,1996 (continued)

### 7 Tangible Fixed Assets

	Short Leasehold £'000	Plant & Machinery £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	TOTAL £'000
<b>Cost:</b>					
At January 1,1996	237	3,147	154	159	3,697
Additions	64	268	38	-	370
Disposals	(301)	(3,415)	(192)	(159)	(4,067)
At December 31,1996	-	-	-	-	-
<b>Depreciation :</b>					
At January 1,1996	38	993	91	47	1,169
Provided during the period	10	236	19	26	291
Disposals	(48)	(1,229)	(110)	(73)	(1,460)
At December 31,1996	-	-	-	-	-
<b>Net Book Value</b>					
At December 31,1996	-	-	-	-	-
<b>Net Book Value</b>					
At January 1,1996	199	2,154	63	112	2,528

### 8 Stocks

	31/12/96 £'000	31/12/95 £'000
Raw materials and consumables	-	728
Finished goods and goods for resale	-	465
	-	1,193

### 9 Debtors

	31/12/96 £'000s	31/12/95 £'000s
Trade Debtors	-	2,278
Amount due from fellow subsidiary undertakings	250	-
Prepayments	-	163
Other debtors	-	78
	250	2,519

# PLASTECH EXTRUSIONS LIMITED

## NOTES TO THE ACCOUNTS AT DECEMBER 31,1996 (continued)

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

	31/12/96	31/12/95
	£'000	£'000
Secured bank overdraft	-	1,964
Finance leases	-	309
Amount due to fellow subsidiary undertakings	-	38
Trade creditors	-	1,665
Corporation tax	-	79
Other taxes and social security costs	-	3
Other creditors and accruals	-	65
	-	4,123

### 11 Creditors : amounts falling due after more than one year

	31/12/96	31/12/95
	£'000	£'000
Finance leases	-	510
	-	510
Due over one and under two years	-	150
Due over two and under five years	-	360
	-	510

The company's main banker has a fixed and floating charge over the assets of the company.

### 12 Deferred Taxation

The potential deferred taxation liability which is provided for in full comprises:

	31/12/96	31/12/95
	£'000	£'000
Capital allowances in advance of depreciation	-	401
Short Term Timing differences	-	-
Finance lease rent in advance of depreciation	-	80
	-	481

### 13 Share Capital

	Authorised		Allotted, called up and Fully paid	
	31/12/96	31/12/95	31/12/96	31/12/95
	No	No	£'000	£'000
Ordinary shares of 25p each	1,000,000	1,000,000	250	250

# PLASTECH EXTRUSIONS LIMITED

## NOTES TO THE ACCOUNTS AT DECEMBER 31,1996 (continued)

### 14 Profit and Loss Account

	31/12/96
	£'000
At January 1,1996	1,049
Retained Loss for the period	(1,049)
At December 31,1996	-

### 15 Reconciliation of Shareholders' Funds

	31/12/96	31/12/95
	£'000	£'000
At January 1,1996	1,299	1,260
(Loss)/Profit for the period	(1,049)	39
At December 31,1996	250	1,299

### 16 Parent Undertaking

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Doeflex PLC, incorporated in England and Wales

Copies of Doeflex PLC accounts can be obtained from 56, Holmethorpe Avenue, Redhill, Surrey, RH1 2NR