

# Plastech Extrusions Limited

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Registered No. 2178883

## DIRECTORS

S R Gould	-	Managing Director
M J Best	-	Finance Director
S J Wickham	-	Sales Director
K A Fenn	-	Operations Director
W Postlethwaite	-	Non-Executive Chairman

## SECRETARY

M J Best

## AUDITORS

Ernst & Young  
Chartered Accountants  
Liverpool

## BANKERS

TSB plc  
Liverpool

## SOLICITORS

Alsop Wilkinson  
Liverpool

## REGISTERED OFFICE

Tanhouse Lane  
Widnes  
Cheshire



# Plastech Extrusions Limited

## DIRECTORS' REPORT

The directors submit their seventh report and accounts for the year ended 31 March 1995.

### RESULTS AND DIVIDENDS

Turnover for the year amounted to £7,648,000 (1994: £5,369,000) and an operating profit of £780,000 (1994: £460,000) was achieved. The retained profit after corporation tax and providing in full for deferred taxation of £194,000 (1994: £291,000) has been transferred to reserves.

This profit will be reinvested within the business, and a dividend is not recommended.

### REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the manufacture and sale of extruded thermo-plastic sheet. The directors consider that the company has consolidated its presence in the UK market and is well placed to take advantage of the growth opportunities that are present.

The financial state of the company is considered satisfactory.

### FIXED ASSETS

There were no significant additions to fixed assets during the year. However the establishment of a high voltage supply has enabled the potential of the company's production capacity to be better realised.

### FUTURE DEVELOPMENTS

The directors intend to maintain their commitment to consolidating the company as a major presence in the UK and European thermo-plastic sheet market.

### DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the issued ordinary shares at 1 April 1994 and 31 March 1995 were:

	<i>Number of shares</i>
S R Gould	157,500
M J Best	25,000
S J Wickham	100
K A Fenn	-
W Postlethwaite	67,500
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### AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



S R Gould  
Managing Director

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 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 Plastech Extrusions Limited

We have audited the accounts on pages 5 to 15, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 3 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.

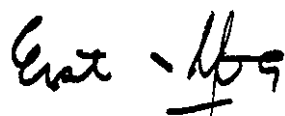
**Basis of opinion**

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 at 31 March 1995 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  
Liverpool

19 May 1995

# Plastech Extrusions Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

		<i>1995</i>	<i>1994</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
TURNOVER	2	7,648	5,369
Cost of sales		5,698	3,958
Gross profit		<u>1,950</u>	<u>1,411</u>
Distribution costs		238	194
Administrative expenses		932	757
		<u>1,170</u>	<u>951</u>
OPERATING PROFIT	3	780	460
Interest payable	5	168	169
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>612</u>	<u>291</u>
Taxation	6	418	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION	15	<u><u>194</u></u>	<u><u>291</u></u>

# Plastech Extrusions Limited

## BALANCE SHEET

at 31 March 1995

	Notes	1995 £000	1994 £000
<b>FIXED ASSETS</b>	7	2,405	2,514
<b>CURRENT ASSETS</b>			
Stocks	8	888	575
Debtors	9	2,813	1,714
Cash in hand	10	-	2
		3,701	2,291
<b>CREDITORS: amounts falling due within one year</b>	11	3,750	2,536
<b>NET CURRENT LIABILITIES</b>		(49)	(245)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,356	2,269
<b>CREDITORS: amounts falling due after more than one year</b>	12	676	922
		1,680	1,347
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	250	250
Profit and loss account	15	1,010	816
<b>EQUITY SHAREHOLDERS FUNDS</b>		1,260	1,066
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	16	372	120
<b>ACCRUALS AND DEFERRED INCOME</b>	17	48	161
		1,680	1,347



S R Gould  
Director



M J Best  
Director

# Plastech Extrusions Limited

## STATEMENT OF CASH FLOWS

for the year ended 31 March 1995

	<i>Notes</i>	<i>1995</i> <i>£000</i>	<i>1994</i> <i>£000</i>
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(c)	463	469
SERVICING OF FINANCE			
Interest paid		(95)	(108)
Interest element of finance lease rental payments		(73)	(61)
NET CASH INFLOW AFTER SERVICING OF FINANCE		295	300
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(282)	(334)
Proceeds on sale of tangible fixed assets		66	-
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		79	(34)
FINANCING			
Hire purchase and finance leases entered into	13	(182)	(268)
Repayment of commercial loans	12	47	84
Capital element of hire purchase and finance lease payments	13	354	341
Receipt of Government grant	18	-	(75)
NET CASH OUTFLOW FROM FINANCING		219	82
DECREASE IN CASH AND CASH EQUIVALENTS	10	(140)	(116)
		79	(34)

NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

Events relating to the year ended 31 March 1995, which occurred before the date of approval of the accounts by the Board of Directors, have been included in the accounts to the extent required by Statement of Standard Accounting Practice No 17.

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 at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life as follows:

Plant and machinery	- over 3 to 25 years
Fixtures and fittings	- over 5 years
Leasehold improvements	- over the term of the lease

Assets are depreciated from the end of the month in which they are brought into use.

*Government grants*

Government grants are credited to a deferral account upon receipt, and released to revenue over the expected useful life of the relevant asset by equal annual amounts.

*Stocks*

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

Raw materials	- purchase cost on an actual basis
Finished goods	- cost of direct materials, labour and directly attributable overheads

Net realisable value is based on contract selling price less further costs related to fulfilling the sale.

*Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate which it is estimated that tax will be payable.

*Foreign currencies*

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

*Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

*Leasing and hire purchase commitments*

Assets held 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 the 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 lease term.



# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 1. ACCOUNTING POLICIES (continued)

#### *Research and development*

Research and development expenditure is written off as incurred.

#### *Capital instruments*

Capital instruments, being instruments issued as a means of raising finance, are classified as debt, non-equity shares or equity shares. Costs incurred associated with capital instruments are dealt with in a manner consistent with the classification of the instrument.

### 2. TURNOVER

Turnover represents the value of completed sales and is stated net of value added tax.

The turnover and operating profit is wholly attributable to one activity, that of manufacturers of extruded thermo-plastic sheet.

### 3. OPERATING PROFIT

(a) This is stated after charging/(crediting):

	1995 £000	1994 £000
Directors' remuneration:		
Fees	-	-
Other emoluments (including pension contributions)	164	192
Payments to connected corporate body	224	24
Compensation for loss of office	25	-
Depreciation of owned fixed assets	183	142
Depreciation of assets held under finance leases and hire purchase contracts	142	94
Auditors' remuneration	8	6
Government grants released to profit and loss account	(113)	(156)
Compensation received	(200)	-
Operating lease rentals	8	28

S R Gould and M J Best are the sole directors and shareholders of the connected corporate body referred to above.

(b) Directors remuneration excluding pension contributions and payment to connected body:

Chairman	-	-
Highest paid director	56	64

The emoluments of the directors fell within the following ranges:

	No.	No.
£0 - £ 5,000	1	1
£30,001 - £35,000	-	2
£35,001 - £40,000	3	-
£55,001 - £60,000	1	-
£60,001 - £65,000	-	2

# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 3. OPERATING PROFIT (continued)

(c) Reconciliation of operating profit to net cash flow from operating activities.

	1995	1994
	£000	£000
Operating profit	780	460
Depreciation charges	325	236
Government grant released	(113)	(156)
Increase in stocks	(313)	(28)
Increase in debtors	(1,099)	(225)
(Decrease)/increase in creditors	883	182
Net cash inflow from operating activities	<u>463</u>	<u>469</u>

### 4. STAFF COSTS

	1995	1994
	£000	£000
Wages and salaries	1,281	1,094
Social security costs	128	90
Other pension costs	6	10
	<u>1,415</u>	<u>1,194</u>

Average weekly number of persons employed in the period:

	1995	1994
	No.	No.
Management and administration	18	18
Manufacturing	52	52
	<u>70</u>	<u>70</u>

### 5. INTEREST PAYABLE

	1995	1994
	£000	£000
Bank overdrafts	94	108
Loans wholly repayable within 5 years	1	7
Finance charges payable under finance leases and hire purchase contracts	73	54
	<u>168</u>	<u>169</u>

# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £000	1994 £000
Based on the results of the year:		
Corporation tax at 33%	166	-
Deferred taxation	26	-
Under provided in respect of earlier years:		
Deferred taxation	226	-
	<u>418</u>	<u>-</u>

The under provision for deferred taxation arises as at 31 March 1995 full provision has been made at 33%. At 31 March 1994 partial provision had been made at 25%.

### 7. FIXED ASSETS

	<i>Plant and machinery</i> £000	<i>Fixtures and and fittings</i> £000	<i>Leasehold improvements</i> £000	<i>Total</i> £000
Cost:				
Balance at 1 April 1994	2,911	123	190	3,224
Additions	256	13	13	282
Disposals	(107)	-	-	(107)
Balance at 31 March 1995	<u>3,060</u>	<u>136</u>	<u>203</u>	<u>3,399</u>
Depreciation:				
Balance at 1 April 1994	625	61	24	710
Charge for the year	295	22	8	325
Disposals	(41)	-	-	(41)
Balance at 31 March 1995	<u>879</u>	<u>83</u>	<u>32</u>	<u>994</u>
Net book value:				
As at 31 March 1994	<u>2,286</u>	<u>62</u>	<u>166</u>	<u>2,514</u>
As at 31 March 1995	<u>2,181</u>	<u>53</u>	<u>171</u>	<u>2,405</u>

The net book value of plant and machinery above includes an amount of £1,385,000 (1994: £1,451,000) in respect of assets held under finance leases.

### 8. STOCKS

	1995 £000	1994 £000
Raw materials	618	360
Finished goods	270	215
	<u>888</u>	<u>575</u>

Raw materials include £49,350 (1994 : NIL) of materials held on a consignment basis where the corresponding liability is included in other creditors in note 11.

# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 9. DEBTORS

	1995 £000	1994 £000
Trade debtors	2,568	1,626
Prepayments	220	88
Other debtors	25	-
	<u>2,813</u>	<u>1,714</u>

Included within other debtors is the following loan to a director:

	1995 £000	1994 £000
K Fenn	<u>25</u>	<u>-</u>

The maximum amount outstanding on this loan during the year was £25,000.

### 10. CASH AND CASH EQUIVALENTS

	1995 £000	1994 £000	Change in year £000
Cash at bank and in hand	-	2	(2)
Bank borrowings	(1,296)	(1,158)	(138)
	<u>(1,296)</u>	<u>(1,156)</u>	<u>(140)</u>
	1994 £000	1993 £000	Change in year £000
Cash at bank and in hand	2	2	-
Bank borrowings	(1,158)	(1,042)	(116)
	<u>(1,156)</u>	<u>(1,040)</u>	<u>(116)</u>

### 11. CREDITORS: amounts falling due within one year

	1995 £000	1994 £000
Current instalments due on commercial loans	-	47
Obligations under finance leases and hire purchase contracts	311	237
Bank borrowings	1,296	1,158
Trade creditors	1,708	929
Other creditors	49	14
Taxation and social security	81	91
Accruals	139	60
Corporation tax	166	-
	<u>3,750</u>	<u>2,536</u>

The bank borrowings are secured by a fixed charge on the book debts and a floating charge on the other assets of the company.

# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 12. CREDITORS: amounts falling due after more than one year

	1995 £000	1994 £000
Obligations under finance leases and hire purchase contracts	676	922

Analysis of changes in loan financing during the year:

	1995 £000	1994 £000
At 1 April 1994	47	131
Net cash outflow from commercial loan financing	(47)	(84)
At 31 March 1995	-	47

### 13. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	1995 £000	1994 £000
Amounts payable:		
within one year	348	302
within two to five years	730	956
	1,078	1,258
Less finance charges allocated to future periods	(91)	(99)
	987	1,159

Finance leases and hire purchase contracts are analysed as follows:

	1995 £000	1994 £000
Current obligations	311	237
Non current obligations	676	922
	987	1,159

Analysis of changes in finance leases and hire purchase contracts during current and previous years:

	1995 £000	1994 £000
At 1 April	1,159	1,232
Inception of finance and hire purchase contracts	182	268
Capital element of finance lease rental payments	(354)	(341)
At 31 March	987	1,159

# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 14. SHARE CAPITAL

	1995 £000	1994 £000
Authorised:		
1,000,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
	<i>No.</i>	<i>No.</i>
Allotted, called-up and fully paid:		
250,100 ordinary shares of £1 each	250	250
	<u>          </u>	<u>          </u>

### 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £000	Profit & Loss account £000	Total £000
At 1 April 1993	250	525	775
Profit for the year	-	291	291
	<u>          </u>	<u>          </u>	<u>          </u>
At 1 April 1994	250	816	1,066
Profit for the year	-	194	194
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 1995	250	1,010	1,260
	<u>          </u>	<u>          </u>	<u>          </u>

### 16. PROVISION FOR LIABILITIES AND CHARGES

Deferred tax at 33% (1994 - 25%) provided in the accounts and the amounts not provided are as follows:

	1995 £000	Provided 1994 £000	1995 £000	Not provided 1994 £000
Capital allowances in advance of depreciation	353	120	-	135
Short term timing differences	19	-	-	-
	<u>372</u>	<u>120</u>	<u>-</u>	<u>135</u>

### 17. ACCRUALS AND DEFERRED INCOME

	1995 £000	1994 £000
Deferred Government grants:		
Balance at 1 April 1994	161	242
Received during the year	-	75
Released to profit and loss account	(113)	(156)
	<u>48</u>	<u>161</u>
Balance at 31 March 1995		

# Plastech Extrusions Limited

## NOTES TO THE ACCOUNTS

for the year ended 31 March 1995

### 18. CAPITAL COMMITMENTS

	<i>1995</i>	<i>1994</i>
	<i>£000</i>	<i>£000</i>
Contracted	<u>105</u>	<u>-</u>
Authorised by the directors but not yet contracted	<u>72</u>	<u>100</u>

### 19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and senior employees. The assets of the scheme are held separately from the company in an independently administered fund.

### 20. OTHER FINANCIAL COMMITMENTS

At 31 March 1995 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>1995</i>	<i>1994</i>
	<i>£000</i>	<i>£000</i>
Operating leases which expire:		
Within one year	2	14
Within two to five years	48	5
	<u>50</u>	<u>19</u>