

Co. House

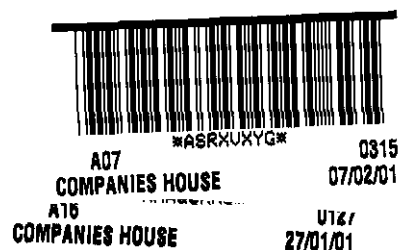
PHOENIX POLYMERS LIMITED

Company No. 02429814

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2000



Phoenix Polymers Limited

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31st March 2000.

Principal Activities and Business Review

The principal activities of the group are the processing of polymers and until January 2000, the research and development in the field of biotechnology.

The group has progressed satisfactorily and the directors anticipate it will continue to be profitable. The directors continue to seek suitable acquisitions and investments which will enhance the group's current trading activities.

Results and Dividends

The group profit for the year after taxation was £270,745 (1999 - £248,536).

Dividends of £330,000 were paid during the year.

Fixed Assets

The movements in fixed assets are shown in note 12 to the financial statements. In the opinion of the directors, the freehold properties do not have a market value significantly in excess of the amounts shown in the financial statements.

Directors

The directors of the company during the year were:

M.G.C. Hart

R.R.R. Ridley

M.G.C. Hart's interest, including family interests, in the share capital of the company at 31st March 2000 and 31st March 1999 was 100,000 "B" ordinary shares.

R.R.R. Ridley has no beneficial interest in the share capital of the company.

The directors have no interest in the shares of any other group company.

Donations

The group made charitable donations during the year amounting to £1,455.

Post Balance Sheet Event

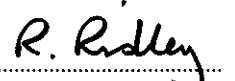
On 5th July 2000, Phoenix Rubber Limited, a subsidiary of Phoenix Polymers Limited, announced that it would be closing the majority of its manufacturing plant in September 2000. The company has decided to run down a substantial proportion of its trading activities following a significant decline in demand from the cable industry which it serves.

In accordance with FRS3, the trading results of these activities for the year have been disclosed under continuing operations as the termination was completed more than three months after the commencement of the subsequent accounting period.

Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board


.....
R.R.R. Ridley
Secretary

Pipegate
Market Drayton
Shropshire
TF9 4HY

Date: 17.1.01

Phoenix Polymers Limited

Directors' Responsibilities and Report of the Auditors

Statement of 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 and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Auditors' Report to the Members of Phoenix Polymers Limited

We have audited the financial statements on pages 3 to 17 which have been prepared under the historical cost convention, modified for the revaluation of freehold land and buildings and the accounting policies set out on pages 8 and 9.

Respective Responsibilities of Directors and Auditors

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

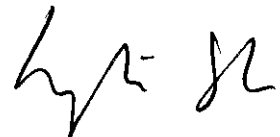
Basis of Opinion

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31st March 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KINGSTON SMITH
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 18th January 2001

Phoenix Polymers Limited
Consolidated Profit and Loss Account
For the year ended 31st March 2000

	Note	Total 2000 £	Total 1999 £
Turnover-continuing operations	2	4,954,396	5,905,716
Cost of sales		<u>(4,098,411)</u>	<u>(4,583,598)</u>
Gross Profit		855,985	1,322,118
Administrative expenses		<u>(900,823)</u>	<u>(951,748)</u>
		(44,838)	370,370
Other operating income	5	<u>20,626</u>	<u>22,361</u>
Operating (loss)/profit - continuing operations	6	(24,212)	392,731
Investment written off		142,382	(132,175)
Loss on disposal of discontinued operations	14	<u>(9,357)</u>	<u>-</u>
		108,813	260,556
Interest receivable and similar income	7	203,387	194,001
Interest payable and similar charges	8	<u>(151)</u>	<u>(364)</u>
Profit on Ordinary Activities before Taxation		312,049	454,193
Taxation	9	<u>(41,304)</u>	<u>(205,657)</u>
Profit on Ordinary Activities after Taxation		270,745	248,536
Dividends	10	<u>(330,000)</u>	<u>(66,000)</u>
(Deficit)/Surplus for the Year		<u><u>(59,255)</u></u>	<u><u>182,536</u></u>

There are no recognised gains or losses in the year other than the loss for the year.

Phoenix Polymers Limited

Consolidated Balance Sheet at 31st March 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Intangible fixed assets	11		424,736		509,688
Tangible assets	12		<u>3,396,596</u>		<u>3,614,997</u>
			3,821,332		4,124,685
Current Assets					
Stocks	15	414,495		745,289	
Debtors	16	999,170		1,080,929	
Investments	17	108,744		417,996	
Cash at bank and in hand		<u>3,185,278</u>		<u>2,519,464</u>	
		4,707,687		4,763,678	
Creditors: Amounts falling due within one year	18	<u>788,515</u>		<u>1,047,261</u>	
Net Current Assets			<u>3,919,172</u>		<u>3,716,417</u>
Total Assets less Current Liabilities			7,740,504		7,841,102
Provisions for Liabilities and Charges	19	<u>523,264</u>	<u>(523,264)</u>	<u>564,607</u>	<u>(564,607)</u>
Net Assets			<u><u>7,217,240</u></u>		<u><u>7,276,495</u></u>
Capital and Reserves					
Called up share capital - equity interests	20		200,000		200,000
Revaluation reserve	20,21		541,987		541,987
Profit and loss account	20		<u>6,475,253</u>		<u>6,534,508</u>
Total Shareholders' Funds	20		<u><u>7,217,240</u></u>		<u><u>7,276,495</u></u>

Approved by the Board on 17 Jan 01

M.G.C. Hart Michael Hart Director

Phoenix Polymers Limited

Balance Sheet at 31st March 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Investments	13		1,892,017		1,892,017
Current Assets					
Debtors	16	768,728		868,809	
Debtors: Amounts recoverable from group undertakings after more than one year		1,730,000		1,730,000	
Investments	17	91,744		400,996	
Cash at bank and in hand		<u>1,884,733</u>		<u>1,214,671</u>	
		4,475,205		4,214,476	
Creditors: Amounts falling due within one year	18	<u>349,398</u>		<u>323,355</u>	
Net Current Assets			<u>4,125,807</u>		<u>3,891,121</u>
Net Assets			<u><u>6,017,824</u></u>		<u><u>5,783,138</u></u>
Capital and Reserves					
Called up share capital - equity interests	20		200,000		200,000
Revaluation reserve	20,21		541,987		541,987
Profit and loss account	20		<u>5,275,837</u>		<u>5,041,151</u>
Total Shareholders' Funds	20		<u><u>6,017,824</u></u>		<u><u>5,783,138</u></u>

Approved by the Board on 17 Jan 01

M.G.C. Hart Michael Hart Director

Phoenix Polymers Limited
Consolidated Cash Flow Statement
For the year ended 31st March 2000

	Note	2000 £	2000 £	1999 £	1999 £
Net Cash Flow from Operating Activities	A		812,323		869,444
Returns on Investments and Servicing of Finance					
Interest received and similar income		203,387		194,001	
Interest paid		<u>(151)</u>		<u>(364)</u>	
Net Cash Inflow from Returns on Investments and Servicing of Finance			203,236		193,637
Taxation					
Corporation tax paid (including advance corporation tax)			(67,500)		(299,199)
Capital Expenditure					
Payments to acquire tangible fixed assets		(285,687)		(251,171)	
Receipts from sale of tangible fixed assets		<u>33,546</u>		<u>125,374</u>	
Net Cash Outflow for Capital Expenditure and Financial Investment			(252,141)		(125,797)
Acquisitions and Disposals					
Sale of subsidiary undertaking		<u>(9,357)</u>		<u>-</u>	
Net cash outflow for acquisitions and disposals			(9,357)		-
Equity Dividends Paid			<u>(330,000)</u>		<u>(66,000)</u>
Cash inflow before use of liquid resources and financing			356,561		572,085
Management of Liquid Resources					
Sale/(Purchase) of Investments		<u>309,252</u>		<u>(383,996)</u>	
Net Cash Inflow/(Outflow) for Management of Liquid Resources			309,252		(383,996)
Financing					
Repurchase of unsecured loan stock		-		-	
Long term loan		<u>-</u>		<u>-</u>	
			<u>-</u>		<u>-</u>
Increase in Cash and Cash Equivalents	B		<u><u>665,813</u></u>		<u><u>188,089</u></u>

Phoenix Polymers Limited
Notes to the Consolidated Cash Flow Statement
For the year ended 31st March 2000

A Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities	2000		1999	
	£		£	
Operating (loss)/profit	(24,212)		392,731	
Depreciation	365,544		347,128	
Amortisation of goodwill	84,952		84,952	
Write up/(down) of investments	142,382		(132,175)	
(Profit)/Loss on sale of tangible fixed assets	104,998		(6,515)	
Decrease/(increase) in stock	330,794		(76,763)	
(Increase)/decrease in debtors	(5,355)		547,379	
Increase/(decrease) in creditors	(186,780)		(287,293)	
	<u>812,323</u>		<u>869,444</u>	
B Reconciliation of Net Cash Flow to Movement in Net Debt	2000		1999	
	£		£	
Increase in cash in the period	665,813		188,089	
Net debt at 1st April 1999	<u>2,519,465</u>		<u>2,331,376</u>	
Net debt at 31st March 2000	<u>3,185,278</u>		<u>2,519,465</u>	
C Analysis of Changes in Net Debt	At		At	
	1st April 1999	Cash Flows	Disposal	31st March 2000
	£	£	£	£
Cash in hand at bank	<u>2,519,465</u>	<u>665,813</u>	<u>-</u>	<u>3,185,278</u>

Phoenix Polymers Limited

Notes to the Financial Statements

For the year ended 31st March 2000

1 Accounting Policies

Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Turnover

The turnover of the group is the amount invoiced to external customers, net of value added tax, trade discounts and other allowances.

Investment Income

Investment income is accounted for on a receivable basis.

Consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the parent company and all of its subsidiary undertakings made up to the end of the financial year.

The acquisition method of accounting is used to consolidate the results of subsidiary undertakings in the group financial statements. Under acquisition accounting, the results of subsidiary undertakings are included or excluded from the date of acquisition or disposal.

No minority interests have been included as the companies involved are loss making and the minorities holding has no value.

In accordance with the exemptions allowed by Section 230 of the 1985 Companies Act the company has not presented its own profit and loss account.

Depreciation

Depreciation on fixed assets, except freehold land and buildings, is provided at rates estimated to write off the cost or revalued amount, less estimated residual value of each asset over its expected useful life as follows:

Freehold land and buildings	2% straight line
Sprinkler system	5% straight line
Plant and equipment	8% - 12 1/2% reducing balance
Vehicles	25% reducing balance
Fixtures and fittings	10% reducing balance and 25% straight line

Goodwill

Goodwill arising on consolidation is amortised over a period of 20 years. In the opinion of the directors this represents the period over which the group will derive direct economic benefit.

Stock and Work in Progress

Stock and short term work in progress has been valued at the lower of cost and net realisable value. Cost of finished goods comprise the cost of materials, direct labour and factory overheads.

Long term work in progress is stated at costs incurred, which comprise cost of direct materials and labour plus appropriate overhead expenses, less amounts transferred to cost of sales and after attributable payments on account not taken to turnover. Immediate provision is made for all foreseeable losses.

Deferred Taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Phoenix Polymers Limited

Notes to the Financial Statements

For the year ended 31st March 2000 (Continued)

1 Accounting Policies (Continued)

Research and Development

Research and development expenditure is written off in the year in which it is incurred.

Foreign Currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rate of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

Pension Scheme Arrangements

The main pension schemes of the group are funded by contributions partly from employees and partly from the group. Such contributions are held in a group personal pension plan completely independent of the group's finances. The contributions made by the group are charged against the profits on an accruals basis.

2 Turnover

Turnover is attributable to the principal activity of the group which arose as follows:

	2000	1999
	£	£
United Kingdom	4,659,755	5,600,855
Europe	227,641	263,386
Middle East and Africa	55,115	21,667
North America	11,885	19,808
	<u>4,954,396</u>	<u>5,905,716</u>

3 Staff Costs - Group

Staff costs consist of:

	2000	1999
	£	£
Wages and salaries	1,270,218	1,371,495
Social security costs	126,135	141,797
Other pension costs	72,801	68,368
	<u>1,469,154</u>	<u>1,581,660</u>

Staff Costs - Company

The average weekly number of employees during the year was as follows:

	Number	Number
Production	56	63
Administration	<u>26</u>	<u>26</u>
	<u>82</u>	<u>89</u>

Phoenix Polymers Limited
Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

4 Directors' Emoluments included above - Group	2000	1999
	£	£
Emoluments	147,694	142,946
Pension contributions	7,631	7,631
	<u>155,325</u>	<u>150,577</u>
Number of directors in money purchase pension scheme	<u>2</u>	<u>2</u>
5 Other Operating Income - Group	2000	1999
	£	£
Other sundry income	<u>20,626</u>	<u>22,361</u>
6 Operating (Loss)/Profit - Group	2000	1999
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation:		
Owned tangible fixed assets	365,544	347,128
(Profit)/loss on sale of fixed assets	104,998	(6,515)
Auditors' remuneration	24,920	22,319
Auditors' remuneration for non audit services	14,969	11,754
Goodwill amortised	84,952	84,952
Foreign exchange loss	916	1,172
7 Interest Receivable and Similar Income - Company	2000	1999
	£	£
Interest	158,663	171,715
Dividends	44,724	22,286
	<u>203,387</u>	<u>194,001</u>
8 Interest Payable and Similar Charges - Company	2000	1999
	£	£
Bank loans, overdrafts and other loans wholly repayable within five years	<u>151</u>	<u>364</u>
9 Taxation - Group	2000	1999
	£	£
Corporation tax at 31% based on the profit for the year	97,000	181,043
Transfer from deferred taxation	(41,343)	(39,491)
Overprovision in respect of prior years	(14,353)	59,648
Tax credit on franked investment income	-	4,457
	<u>41,304</u>	<u>205,657</u>

The tax charge has been adjusted for the availability of group relief.

Phoenix Polymers Limited
Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

10 Dividends - Company	2000 £	1999 £
On 100,000 "A" shares of £1 each		
Interim - paid	165,000	33,000
Final - proposed	-	-
	165,000	33,000
On 100,000 "B" shares of £1 each		
Interim - paid	165,000	33,000
Final - proposed	-	-
	330,000	66,000

11 Intangible Assets - Group	2000 £	1999 £
Goodwill arising on Consolidation		
Balance at 1st April 1999	509,688	594,640
Amounts written off in year	(84,952)	(84,952)
Balance at 31st March 2000	424,736	509,688

12 Tangible Assets - Group	Freehold Land and Buildings £	Plant Equipment and Vehicles £	Fixtures and Fittings £	Total £
Cost or Valuation				
At 1st April 1999	1,509,968	5,266,560	197,741	6,974,269
Additions	-	281,320	4,367	285,687
Disposals	-	(271,386)	(6,272)	(277,658)
At 31st March 2000	1,509,968	5,276,494	195,836	6,982,298
Depreciation				
At 1st April 1999	-	3,224,615	134,657	3,359,272
Charge for the year	24,004	328,082	13,458	365,544
Eliminated on disposals	-	(136,210)	(2,904)	(139,114)
At 31st March 2000	24,004	3,416,487	145,211	3,585,702
Net Book Value				
At 31st March 2000	1,485,964	1,860,007	50,625	3,396,596
At 31st March 1999	1,509,968	2,041,945	63,084	3,614,997

Freehold land and buildings are stated at:

	2000 £	1999 £
At valuation	850,000	850,000
At cost	659,968	659,968
	1,509,968	1,509,968

Phoenix Polymers Limited
Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

12 Tangible Assets - Group (continued)

The historical cost of freehold land and buildings is:	2000	1999
	£	£
Cost	<u>967,981</u>	<u>967,981</u>

Freehold land and buildings were revalued on an open market basis on 31st March 1989.

Commitment for capital expenditure:

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Authorised and contracted for	54,500	38,810	-	-
Authorised but not contracted for	<u>-</u>	<u>72,500</u>	<u>-</u>	<u>-</u>
	<u>54,500</u>	<u>111,310</u>	<u>-</u>	<u>-</u>

The directors have decided to follow the transitional provisions of FRS15 by not updating the valuation of freehold land and buildings. The freehold land and buildings were last revalued in 1989.

13 Investments - Company

	2000	1999
	£	£
Shares in group undertakings		
Cost		
At 1st April 1999	1,892,017	1,936,720
Permanent diminution in value	<u>-</u>	<u>(44,703)</u>
At 31st March 2000	<u>1,892,017</u>	<u>1,892,017</u>

The following were group undertakings at the end of the year (all of which have been included in the consolidation):

	Holding	Country of Incorporation	Nature of Business	Class of Share
Phoenix Rubber Limited	100%	England	Processing Synthetic Polymers	Ordinary
du Vergier Limited	100%	England	Processing Synthetic Polymers	Ordinary
Phoenix Vinyl Compounds	100%	England	Non trading	Ordinary
Acrilite Limited	100%	England	Non trading	Ordinary

14 Disposal of Subsidiary Undertaking

On 16th February 2000 the group disposed of Implex Limited. The subsidiary's loss to this date was £68,342. A loss of £9,357 resulted from this disposal.

Phoenix Polymers Limited
Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

15 Stocks	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Raw materials and consumables	300,352	394,690	-	-
Work in progress	15,476	8,243	-	-
Finished goods and goods for resale	57,741	101,430	-	-
Long term work in progress	40,926	240,926	-	-
	<u>414,495</u>	<u>745,289</u>	<u>-</u>	<u>-</u>

16 Debtors	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	851,739	934,969	-	-
Amounts owed by group undertakings	-	-	691,992	861,999
Other debtors	100,045	105,149	66,342	472
Prepayments and accrued income	47,386	40,811	10,394	6,338
	<u>999,170</u>	<u>1,080,929</u>	<u>768,728</u>	<u>868,809</u>

17 Investments	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Other investments	17,000	17,000	-	-
Listed investments	91,744	400,996	91,744	400,996
	<u>108,744</u>	<u>417,996</u>	<u>91,744</u>	<u>400,996</u>

At 31st March 2000 the listed investments had a market value of £132,400. These have not been revalued as the charge in value was not considered to be permanent in nature.

18 Creditors: Amounts falling due within one year	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade creditors	212,378	309,387	-	-
Amounts owed to group undertakings	-	-	135,194	143,134
Corporation tax	109,066	169,000	98,749	143,500
Advance corporation tax on dividends	-	12,043	-	12,043
Social security and other taxes	157,386	193,121	5,139	5,081
Other creditors	132,090	119,622	108,053	18,054
Accruals and deferred income	177,595	244,088	2,263	1,543
	<u>788,515</u>	<u>1,047,261</u>	<u>349,398</u>	<u>323,355</u>

Phoenix Polymers Limited
Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

19 Provision for Liabilities and Charges	2000	1999
	£	£
Balance brought forward	564,607	604,097
Amount transferred to profit and loss account in the year	<u>(41,343)</u>	<u>(39,490)</u>
Balance carried forward	<u>523,264</u>	<u>564,607</u>

Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy described in note 1. The amounts provided and the full potential liability are as follows:

Group	2000		1999	
	Amount Provided	Potential Liability	Amount Provided	Potential Liability
Deferred Taxation - Group	£	£	£	£
Accelerated capital allowances	473,527	473,527	514,870	514,870
Revaluation surplus	-	73,443	-	73,443
Chargeable gain rolled over	<u>49,737</u>	<u>49,737</u>	<u>49,737</u>	<u>49,737</u>
	<u>523,264</u>	<u>596,707</u>	<u>564,607</u>	<u>638,050</u>
 Company	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>

Phoenix Polymers Limited
Notes to the Financial Statements
For the year ended 31st March 2000 (Continued)

20 Reconciliation of Movements in Shareholders' Funds - Group

2000	Share Capital	Revaluation Reserve	Profit and Loss Account	Total
	£	£	£	£
At 1st April 1999	200,000	541,987	6,534,508	7,276,495
Transfer from profit and loss account	-	-	(59,255)	(59,255)
At 31st March 2000	<u>200,000</u>	<u>541,987</u>	<u>6,475,253</u>	<u>7,217,240</u>

1999	Share Capital	Revaluation Reserve	Profit and Loss Account	Total
	£	£	£	£
At 1st April 1998	200,000	541,987	6,351,972	7,093,959
Transfer from profit and loss account	-	-	182,536	182,536
At 31st March 1999	<u>200,000</u>	<u>541,987</u>	<u>6,534,508</u>	<u>7,276,495</u>

Reconciliation of Movements in Shareholders' Funds - Company

2000	Share Capital	Revaluation Reserve	Profit and Loss Account	Total
	£	£	£	£
At 1st April 1999	200,000	541,987	5,041,151	5,783,138
Transfer from profit and loss account	-	-	234,686	234,686
At 31st March 2000	<u>200,000</u>	<u>541,987</u>	<u>5,275,837</u>	<u>6,017,824</u>

1999	Share Capital	Revaluation Reserve	Profit and Loss Account	Total
	£	£	£	£
At 1st April 1998	200,000	541,987	4,789,526	5,531,513
Transfer from profit and loss account	-	-	251,625	251,625
At 31st March 1999	<u>200,000</u>	<u>541,987</u>	<u>5,041,151</u>	<u>5,783,138</u>

The authorised and issued share capital comprises:

	2000	1999
	£	£
Authorised:		
250,000 "A" Ordinary shares of £1 each	250,000	250,000
250,000 "B" Ordinary shares of £1 each	250,000	250,000
	<u>500,000</u>	<u>500,000</u>
Issued:		
100,000 "A" Ordinary shares of £1 each	100,000	100,000
100,000 "B" Ordinary shares of £1 each	100,000	100,000
	<u>200,000</u>	<u>200,000</u>

The "A" and "B" ordinary shares rank pari-passu.

Phoenix Polymers Limited
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For the year ended 31st March 2000 (Continued)

21 Revaluation Reserve

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Freehold land and buildings	<u>541,987</u>	<u>541,987</u>	<u>541,987</u>	<u>541,987</u>

The revaluation reserve relates to a surplus on revaluation of freehold land and buildings. No deferred taxation has been provided in respect of this reserve, as the directors have no intention of disposing of the du Vergier property to which the revaluation relates.

22 Pension Commitments

Until April 1998 the group operated, for certain employees, a defined benefits scheme. This scheme is now closed and it is intended to wind up this scheme. Under this scheme contributions were calculated by reference to the Actuarial review dated 5th April 1995 which adopted the "accrued funding method" and the principal assumption used was that the investment return would exceed future salary increases by 1% per annum. The assets of the scheme are held separately from the assets of the group.

From April 1998 the group operate, for certain employees, either a group personal pension plan or contribute to individual personal pension plans. The assets of all schemes are held separately from the assets of the group.

Contributions are charged to the profit and loss account as paid. The pension cost represents contributions paid by the group amount to £34,029 (1998 - £30,999).

There were no contributions outstanding to the schemes at 31st March 2000.

23 Contingent Liabilities

The group has entered into an unlimited multilateral guarantee with other group companies to secure the bank borrowings of the group companies which is secured by a fixed charge on the freehold properties and a floating charge over all the group's assets. At 31st March 2000 the potential liability amounted to £Nil (1999 - £Nil).

24 Related Party Transactions

During the year du Vergier Limited made payments on behalf of Nuclyx Limited, a company in which M. Hart is a director. These were for goods and services on normal commercial terms and amounted to £29,304. At 31st March 2000, du Vergier Limited was owed £13,130 by Nuclyx Limited.