

Deamas Disposables Limited

**Directors' report and financial
statements**

Registered number 02597710

30 September 2010

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Directors' report

for the year ended 30 September 2010

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2010

Principal activity

The principal activity of the company was the production and supply of disposable paper products

Review of business

The company has ceased trading and has been realising its stock and collecting debts

On 21 June 2010

- The debt due to LPC Group Ltd (formerly LPC Group Plc) and its subsidiaries amounting to £10,918,000 was waived
- The ownership of the company passed from LPC Group Ltd to Tejanı (Property Investments Holdings) Limited

Future outlook

The company does not anticipate trading in the foreseeable future

Results and dividends

The profit for the year, after taxation, amounted to £260,000 (2009 £777,000)

The directors do not recommend the payment of a dividend (2009 £nil)

Directors

The directors during the year and up to the date of signing the financial statements were

Amıralı S Tejanı
Salım S D Tejanı

Directors' report *(continued)*


Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

PricewaterhouseCoopers LLP resigned during the year and KPMG LLP were appointed Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



Salim S D Tejani
Director

29th March 2011

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditors' report to the members of Deamas Disposables Limited

We have audited the financial statements of Deamas Disposables Limited for the year ended 30 September 2010 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Ian Borley (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Waterloo Way
Leicester
LE1 6LP

29th March 2011

Profit and loss account
for the year ended 30 September 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover	2	282	5,366
Cost of sales		9	(4,669)
Gross profit		291	697
Distribution costs		80	(744)
Administrative expenses		(46)	(637)
Other operating income		-	26
Operating profit/(loss)	3	325	(658)
Profit on disposal of fixed assets		-	1,509
Interest payable and similar charges	6	-	(74)
Profit on ordinary activities before taxation		325	777
Tax charge on profit on ordinary activities	7	(65)	-
Profit for the financial year	11	260	777

The above results derive from discontinued activities. There are no recognised gains and losses other than the profit for the financial year.

There is no difference between the profit before tax and retained profit as shown and the historical cost equivalents.

Balance sheet
as at 30 September 2010

	Note	2010 £000	2009 £000
Current assets			
Debtors	8	260	27
Cash at bank		12	111
		<u>272</u>	<u>138</u>
Creditors amounts falling due within one year	9	(71)	(11,115)
Net assets/(liabilities)		<u>201</u>	<u>(10 977)</u>
Capital and reserves			
Called up share capital	10	71	71
Share premium account	11	65	65
Capital contribution reserve	11	10,918	-
Profit and loss account	11	(10,853)	(11,113)
Total shareholders' funds/ (deficit)	12	<u>201</u>	<u>(10 977)</u>

The financial statements were approved by the board of directors on 29th March and signed on its behalf by

Salim S D Tejani
Director


Company registered number 02397710

Notes

forming part of the financial statements

1 Accounting policies

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historic cost convention and in accordance with applicable accounting standards in the United Kingdom and The Companies Act 2006. Accounting policies have been consistently applied.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future and therefore continue to adopt the going concern assumption in preparing these accounts.

Cash flow exemption

The company has taken advantage of the exemption from preparing a cash flow statement afforded by Financial Reporting Standard (FRS) 1 (Revised 1996) "Cash flow statements" because it is a wholly owned subsidiary and is included within the consolidated financial statements of Tejanı (Property Investment Holdings) Limited, which are publicly available.

Turnover

Turnover comprises the value of goods and services supplied by the company, net of value added tax. Customer rebates are charged to the profit and loss account in the sale period as related sales.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19 "Deferred Tax".

2 Turnover

Turnover is attributable to one class of business.

	2010	2009
	£000	£000
United Kingdom	282	5,326
Other European Union	-	40
	<hr/> 282 <hr/>	<hr/> 5,366 <hr/>

Notes (continued)

3 Operating Profit/(loss)

The operating profit/(loss) is stated after charging

	2010 £000	2009 £000
Depreciation of owned assets	-	81
Exchange losses	-	155
<i>Auditors remuneration</i>		
Audit of these financial statements	3	20
	<u> </u>	<u> </u>

On 21 June 2010, the former owner of the company, LPC Group Limited, and its subsidiaries waived debts amounting to £10,918,000 due from the company to them as part of the purchase agreement of the LPC Group

4 Directors' emoluments and benefits

	2010 £000	2009 £000
Aggregate emoluments (including benefits in kind)	-	85
Compensation for loss of office	-	37
Contributions for money purchase schemes	-	3
	<u> </u>	<u> </u>
	-	125
	<u> </u>	<u> </u>

The number of directors accruing benefits under money purchase pension schemes was nil (2009 one)

5 Staff costs

Staff costs, including directors' emoluments, were as follows

	2010 £000	2009 £000
Wages and salaries	-	568
Social security costs	-	66
Other pension costs	-	3
	<u> </u>	<u> </u>
	-	637
	<u> </u>	<u> </u>

The average monthly number of employees, including executive directors, during the year was

	2010 Number	2009 Number
Production	-	27
Selling and distribution	-	4
Administration	2	7
	<u> </u>	<u> </u>
	2	38
	<u> </u>	<u> </u>

Notes (continued)

6 Interest payable and similar charges

	2010 £000	2009 £000
On bank loans	-	15
Amortisation of issue costs	-	27
Invoice discounting interest	-	32
	<u>-</u>	<u>74</u>

7 Tax on profit on ordinary activities

	2010 £000	2009 £000
UK Corporation Tax		
Current tax charge on result for the year	65	-
	<u>65</u>	<u>-</u>

Factors affecting the tax charge for the current period

The amount of the tax charge for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £000	2009 £000
Profit before taxation	325	777
	<u>325</u>	<u>777</u>
Tax at 28% (2009 28%)	91	218
Capital allowances in excess of depreciation	-	31
Income not taxable	-	(397)
Group relief surrendered for no payment	-	174
Utilisation of losses	(26)	(26)
	<u>65</u>	<u>-</u>
Current tax charge	65	-

Factors affecting future tax charges

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in UK corporation tax from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. This will reduce the company's future tax charge accordingly.

Notes (continued)

8 Debtors

	2010 £000	2009 £000
<i>Due within one year</i>		
Trade debtors	93	27
Amounts owed by group undertakings	150	-
Other Debtors	17	-
	<u>260</u>	<u>27</u>

Amounts owed by group undertakings are not interest bearing, are repayable on demand and no security is provided

9 Creditors amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	-	96
Amounts owed to group undertakings	-	10,797
UK Corporation tax	65	-
Tax and social security costs	-	171
Accruals and deferred income	6	51
	<u>71</u>	<u>11,115</u>

Amounts owed to group undertakings are not interest bearing, are repayable on demand and no security is provided

10 Called up share capital

	2010 £	2009 £
<i>Allotted and full paid</i>		
50,000 Ordinary shares of £1 each	50,000	50,000
21,430 'A' ordinary shares of £1 each	21,430	21,430
	<u>71,430</u>	<u>71,430</u>

The 'A' ordinary shares may be converted one for one into ordinary shares at any time when decided by 75% of the holders of the 'A' ordinary shares

Notes (continued)

11 Share premium and reserves

Opening balance	Share Premium	Capital Contribution Reserve	Profit and Loss Account
	£000	£000	£000
At beginning of year	65	-	(11,113)
Profit for the year	-	-	260
Waiver of debt	-	10,918	-
	<u>65</u>	<u>10,918</u>	<u>(10,853)</u>

12 Reconciliation of movements in total shareholders' deficit

	2010 £000	2009 £000
Profit for the financial year	260	777
Waiver of debt	10,918	-
Opening shareholders' deficit	<u>(10,977)</u>	<u>(11,754)</u>
Closing shareholders' funds / (deficit)	<u>201</u>	<u>(10,977)</u>

13 Transactions with related parties

Amirali S Tejanı and Salim SD Tejanı resigned as directors of LPC Group Limited (formerly LPC Group Plc) on 21 June 2010. During the period to 21 June 2010, transactions with LPC Group Ltd and its subsidiary company were as follows:

	2010 £000	2009 £000
Waiver of debt by LPC Group Ltd and its subsidiaries	10,918	-
Management charges payable	-	(50)
Hire of machinery to company	-	(47)
Hire of machinery from company	-	26
Sale of tangible fixed assets	-	1,666
Less transfer of secured liability to bank thereon	-	(730)
Goods purchased	-	(821)
Goods sold	-	1,177

14 Parent undertakings and controlling parties

The parent company, which is also the ultimate holding company, is Tejanı (Property Investment Holdings) Limited, a company registered in England and Wales. The financial statements of Tejanı (Property Investment Holdings) Limited are the only financial statements to consolidate the results of Deamas Disposables Limited. Copies of its financial statements are available from 30 Chaul End Lane, Luton, LU4 3EZ.

The company is controlled by Tejanı (Property Investment Holdings) Limited and ultimate control of the company lies with the Tejanı family.

Detailed trading and profit and loss account
for the year ended 30 September 2010 (unaudited)

The following information does not form part of the audited statutory financial statements and is included solely for the information of management

	2010 £	2010 £	2009 £	2009 £
Sales		282,580		5,365,711
<i>Cost of sales</i>				
Purchases	(6,485)		3,818,146	
Depreciation – plant and machinery	-		64,840	
Direct labour (including national insurance)	(564)		329,567	
Heat, light and power	104		147,239	
Repairs, maintenance and factory consumables	1,608		21,030	
Other factory expenses	(3,336)		49,028	
Establishment expenses	-		238,004	
	<hr/>	<hr/>	<hr/>	<hr/>
		8,673		(4,667,854)
Gross profit		291,253		697,857
<i>Overhead expenses</i>				
Distribution costs	(80,063)		743,731	
Administration costs	45,997		637,317	
Sale of tangible fixed assets	-		(1,509,068)	
Other operating income	109		(25,773)	
	<hr/>	<hr/>	<hr/>	<hr/>
		33,957		153,793
<i>Interest payable</i>				
Bank loan interest	110		27,457	
Invoice discounting charges	-		32,075	
Hire purchase charges	-		-	
Other short term interest	-		14,582	
	<hr/>	<hr/>	<hr/>	<hr/>
		(110)		(74,114)
		<hr/>		<hr/>
		325,100		777,536
		<hr/>		<hr/>

Detailed trading and profit and loss account
for the year ended 30 September 2010 (unaudited) (continued)

The following information does not form part of the audited statutory financial statements and is included solely for the information of management

	2010 £	2009 £
Distribution costs		
Haulage and storage	(2,483)	419,370
Fork lift expenses	-	7,561
Motor, travel and entertaining expenses	-	17,472
Advertising, selling and promotion	-	33,863
Bad debts	(77,580)	51,261
Establishment costs	-	214,204
	<u>(80,063)</u>	<u>743,731</u>
	2010 £	2009 £
Administration costs		
Administration salaries (including directors' remuneration)	(596)	307,669
Telephone	(2,162)	(10,087)
Management charges	-	50,000
Sundry expenses	780	37,564
Printing, stationery, postage and computer running costs	3,088	630
Audit and accountancy	2,500	20,350
Legal and professional charges	26,801	7,519
Bank charges	15,586	28,466
Depreciation - motor vehicles	-	6,304
- office equipment	-	10,168
Exchange losses	-	154,934
Establishment costs	-	23,800
	<u>45,997</u>	<u>637,317</u>
	2010 £	2009 £
Establishment costs		
Rent and rates	-	413,510
Insurance	-	61,972
Other establishment costs	-	526
	<u>-</u>	<u>476,008</u>
	2010 £	2009 £
Amount attributable to:		
Production	-	238,004
Distribution	-	214,204
Administration	-	23,800
	<u>-</u>	<u>476,008</u>