

Coppice Group Limited

**Directors' report and financial
statements**

Registered number 03939828

31 December 2000



Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the auditor to the members of Coppice Group Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their report and the audited financial statements for the 10 month period ended 31 December 2000.

Principal activities and business review

The company was incorporated on 6 March 2000 as Pinco 1365 Limited. On 19 June 2000 the company's name was changed to Coppice Group Limited.

On 8 May 2000 the company acquired the entire issued share capital of Harcourt Group Limited. Since that date the company has acted as an intermediate holding company within the Rutland Trust PLC Group.

Results and dividends

The results for the period are set out on page 4. The directors do not recommend the payment of a dividend.

Directors and directors' interests

The following directors held office during the period:

Pinsent Curtis Company Services Limited	(appointed 6 March 2000, resigned 19 April 2000)
Pinsent Curtis Director Limited	(appointed 6 March 2000, resigned 19 April 2000)
CB Dowling	(appointed 12 May 2000)
MJR Harris	(appointed 19 April 2000)

In addition, JD Hind was appointed as a director of the company on 7 June 2001.

CB Dowling was a director of Rutland Trust PLC, the ultimate parent undertaking, at the period end, and his interests in the shares and options of that company are set out in its financial statements.

MJR Harris held 105,000 shares in Rutland Trust PLC at the end of the year (*date of appointment: 141,622*).

MJR Harris held the following options over the shares of Rutland Trust PLC:

Exercisable from	Exercisable until	Price (p)	Number of options on ordinary shares		
			Date of appointment	Lapsed in year	31 December 2000
01/02/02	01/08/02	47.50	21,789	(21,789)	-

Auditor

During the year, KPMG were appointed as auditors to fill a casual vacancy.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



NA Moss
Secretary

Rutland House
Rutland Gardens
London
SW7 1BX

24 October 2001

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 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;
- state whether applicable 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 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 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Report of the auditor to the members of Coppice Group Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditor, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 the company's affairs as at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

24 October 2001

Profit and loss account

for the 10 month period from incorporation to 31 December 2000

	<i>Note</i>	10 month period ended 31 December 2000 £000
Income from shares in group undertakings		600
Interest payable and similar charges	4	(213)
		<hr/>
Profit on ordinary activities before taxation		387
Tax on profit on ordinary activities		-
		<hr/>
Retained profit for the financial year		387
		<hr/>

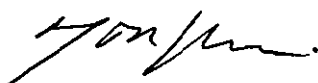
There are no recognised gains or losses other than the retained profit for the financial period.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

Balance sheet
as at 31 December 2000

	<i>Note</i>	31 December 2000	
		£000	£000
Fixed assets			
Investments	5		13,900
Cash at bank and in hand		412	
Creditors: amounts falling due within one year	6	(7,925)	
Net current liabilities			(7,513)
Net assets			6,387
Capital and reserves			
Called up share capital	7		5,600
Share premium	8		400
Profit and loss account	8		387
Total equity shareholders' funds	10		6,387

These financial statements were approved by the board of directors on 24 October 2001 and were signed on its behalf by:



MJR Harris
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow statement as 100% of the voting rights of the company's shares are ultimately controlled by Rutland Trust PLC. The consolidated financial statements of Rutland Trust PLC, which include the company, are publicly available.

Investments in subsidiary undertakings

In the company's balance sheet, investments in subsidiary undertakings are stated at cost less any provision for diminution in value.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2 Directors' emoluments

No directors received any emoluments in respect of services as director during the current period.

3 Staff numbers and costs

Excluding directors, the company did not employ any staff during the period.

4 Interest payable and similar charges

	10 month period ended 31 December 2000 £000
On bank loans	213

Notes (continued)

5 Fixed asset investments

	Shares in group undertakings £000
<i>Cost</i>	
Additions and at 31 December 2000	13,900
	<hr/>

The company's principal subsidiary undertakings, all of which are wholly owned, registered and operate in England and Wales, are as follows:

Subsidiary undertaking	Principal activity
Harcourt Group Limited	Development and letting of properties
Coppice Foil Containers Limited*	Intermediate Holding Company
Coppice Alupack Limited*	Manufacture and marketing of aluminium foil containers

* indirect holding

Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of a company registered in England and Wales.

6 Creditors: amounts falling due within one year

	31 December 2000 £000
Bank loan	5,000
Amounts owed to group undertakings	2,900
Other creditors	25
	<hr/>
	7,925
	<hr/>

The company's bank loan of £5,000,000 is secured on cash deposits of the ultimate parent undertaking.

Notes (continued)

7 Called up share capital

	31 December 2000 £000
<i>Authorised:</i>	
150,000 ordinary shares of £1 each	150
6,500,000 redeemable "A" ordinary shares of £1 each	6,500
	<hr/> 6,650 <hr/>
<i>Allotted, called up and fully paid:</i>	
100,000 ordinary shares of £1 each	100
5,500,000 redeemable "A" ordinary shares of £1 each	5,500
	<hr/> 5,600 <hr/>

1 ordinary share of £1 was issued on incorporation.

On 8 May 2000, 99,999 ordinary shares of £1 each and 2,500,000 redeemable "A" ordinary shares of £1 each were issued, for consideration of £499,999 and £2,500,000 respectively, to provide capital for the acquisition of Harcourt Group Limited.

On 24 May 2000, a further 3,000,000 redeemable "A" ordinary shares of £1 each were issued at par to provide working capital for the company's activities.

The principal rights attaching to the redeemable "A" ordinary shares of £1 each are as follows:

- Preferential rights to any dividends recommended by the directors.
- Preferential rights to return of assets on liquidation, capital redistribution or otherwise equivalent to the nominal value of the "A" ordinary shares then outstanding together with such further amount necessary to produce a total return of 9% per annum compounded quarterly from 1 January 2000.
- The right to receive notice of all general meetings, but no entitlement to attend or vote at those meetings.
- The right to require the company to redeem any or all of the holder's redeemable "A" ordinary shares for an amount equivalent to the nominal value of those shares together with such further amount necessary to produce a total return of 9% per annum compounded quarterly from 1 January 2000.
- The ultimate parent undertaking being the holder of the "A" ordinary shares has irrevocably waived its rights to any return in respect of the period to 31 December 2000.

8 Reserves

	Share premium £000	Profit and loss account £000
Share capital issued	400	-
Retained profit for the financial period	-	387
	<hr/> 400 <hr/>	<hr/> 387 <hr/>

Notes (continued)

9 Ultimate parent company

The directors regard Rutland Trust PLC, a company incorporated in Great Britain and registered in England and Wales, as the ultimate parent undertaking. Rutland Trust PLC prepares group financial statements which include this company's financial statements and there are no other group financial statements which include the financial statements of this company. Copies of the group financial statements may be obtained from Rutland House, Rutland Gardens, London, SW7 1BX.

10 Reconciliation of movements in shareholders' funds

	10 month period ended 31 December 2000 £000
Profit for financial period	387
Issue of share capital	6,000
	<hr/>
Increase in shareholders' funds	6,387
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	6,387
	<hr/>