

Coppice Group Limited

**Directors' report and financial
statements**

Registered number 03939828

31 December 2001

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Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities and business review

The company is an intermediate holding company.

At the year end Rutland Trust PLC was the ultimate parent undertaking. On 8 March 2002 the entire issued ordinary share capital of the company was purchased by MELH 888 Limited. MELH 888 Limited is owned by the company's managing director, Mr JD Hind, and LloydsTSB Development Capital Limited.

Results and dividends

The results for the period are set out on page 4. The directors do not recommend the payment of a dividend (2000: £Nil).

Directors and directors' interests

The following directors held office during the year:

CB Dowling	(resigned 7 March 2002)
MJR Harris	(resigned 7 March 2002)
KV Gentry	(appointed 7 March 2002)
JD Hind	

CB Dowling is a director of Rutland Trust PLC, the ultimate parent undertaking at the end of the year, and his interests in the shares of group undertakings are set out in the financial statements of that company.

MJR Harris held 105,000 shares in Rutland Trust PLC at the end of the year (2000: 105,000).

None of the other directors in office at the end of the year had any interest in the shares of group undertakings.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



DB Williams
Secretary

Isfryn Industrial Estate
Blackmill
Bridgend
CF35 6EQ

21 October 2002

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

Independent auditor's report 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 1985. 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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

21 October 2002

Profit and loss account
for the year ended 31 December 2001

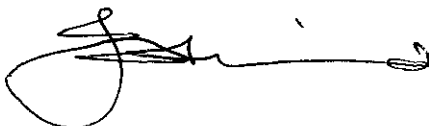
	<i>Note</i>	Year ended 31 December 2001 £000	10 month period ended 31 December 2000 £000
Income from shares in group undertakings		-	600
Interest payable and similar charges	4	(268)	(213)
(Loss)/profit on ordinary activities before taxation		(268)	387
Tax on (loss)/profit on ordinary activities		-	-
Retained (loss)/profit for the financial period	8	(268)	387

There are no recognised gains or losses other than those disclosed in the profit and loss account in either the current or preceding financial period.

Balance sheet
as at 31 December 2001

	<i>Note</i>	2001		2000	
		£000	£000	£000	£000
Fixed assets					
Investments	5		13,900		13,900
Cash at bank and in hand		136		412	
Creditors: amounts falling due within one year	6	(7,917)		(7,925)	
Net current liabilities			(7,781)		(7,513)
Net assets			6,119		6,387
Capital and reserves					
Called up share capital	7	5,600		5,600	
Share premium	8	400		400	
Profit and loss account	8	119		387	
Equity shareholders' funds			6,119		6,387

These financial statements were approved by the board of directors on 21 October 2002 and were signed on its behalf by:



JD Hind
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.

Related parties

The company has taken advantage of the exemption contained in FRS 8 not to disclose related party transactions with group companies as they are wholly owned by Rutland Trust PLC.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any impairment.

2 Directors' emoluments

No directors received any emoluments in respect of services as director during the current year (*period ended 31 December 2000: £Nil*).

3 Staff numbers and costs

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

4 Interest payable and similar charges

	Year ended 31 December	10 month period ended 31 December 2000
	2001	
	£000	£000
On bank loans	268	213
	<hr/>	<hr/>

Notes (continued)

5 Fixed asset investments

<i>Cost</i>	Shares in group undertakings £000
At beginning of year and at end of year	13,900

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	Letting of properties
Coppice Foil Containers Limited*	Intermediate Holding Company
Coppice Alupack (Birmingham) Limited	Does not trade
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

	2001 £000	2000 £000
Bank loan	5,000	5,000
Amounts owed to group undertakings	2,900	2,900
Other creditors	17	25
	<hr/> 7,917 <hr/>	<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

	2001 £000	2000 £000
<i>Authorised:</i>		
150,000 ordinary shares of £1 each	150	150
6,500,000 redeemable "A" ordinary shares of £1 each	6,500	6,500
	<hr/> 6,650	<hr/> 6,650
<i>Allotted, called up and fully paid:</i>		
100,000 ordinary shares of £1 each	100	100
5,500,000 redeemable "A" ordinary shares of £1 each	5,500	5,500
	<hr/> 5,600	<hr/> 5,600

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 2001.

8 Reserves

	Share premium £000	Profit and loss account £000
At beginning of year	400	387
Retained (loss) for the financial year	-	(268)
	<hr/> 400	<hr/> 119

Notes (continued)

9 Reconciliation of movements in shareholders' funds

	2001 £000	2000 £000
(Loss)/profit for financial year	(268)	387
Issue of share capital	-	6,000
	<hr/>	<hr/>
(Decrease)/increase in shareholders' funds	(268)	6,387
Opening shareholders' funds	6,387	-
	<hr/>	<hr/>
Closing shareholders' funds	6,119	6,387
	<hr/>	<hr/>

10 Ultimate parent company

At 31 December 2001 the directors regarded Rutland Trust PLC, a company incorporated in England and Wales as the ultimate parent undertaking. Rutland Trust PLC prepares group financial statements, which include this company's financial statements to 31 December 2001, and there are no other group financial statements that include the financial statements of this company. Copies of the group financial statements may be obtained from Rutland House, Rutland Gardens, London, SW7 1BX.

11 Post balance sheet events

On 8 March 2002 the entire issued ordinary share capital of the company was purchased by MELH 888 Limited from Rutland Trust PLC, the company's previous ultimate parent undertaking. MELH 888 Limited is owned by the company's managing director, Mr JD Hind and LloydsTSB Development Capital Limited.