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Report of the Directors and
Financial Statements for the Year Ended 31st October 2003
for
Plastic Technology Services Limited



Plastic Technology Services Limited

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for the Year Ended 31st October 2003

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Plastic Technology Services Limited

Company Information
for the Year Ended 31st October 2003

DIRECTORS:	K N Currie J J Currie
SECRETARY:	Mrs M Brown
REGISTERED OFFICE:	Garroch Business Park Dumfries Dumfries & Galloway DG2 8PN
REGISTERED NUMBER:	133850 (Scotland)
AUDITORS:	Farries, Kirk and McVean Chartered Accountants 30 Castle Street Dumfries DG1 1EN
BANKERS:	The Royal Bank of Scotland Glasgow City Branch 10 Gordon Street Glasgow G1 3PL
SOLICITORS:	McJerrow and Stevenson 55 High Street Lockerbie DG11 2JJ

Plastic Technology Services Limited

Report of the Directors
for the Year Ended 31st October 2003

The directors present their report with the financial statements of the company for the year ended 31st October 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the salvage and processing of plastic waste materials.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31st October 2003.

DIRECTORS

The directors during the year under review were:

K N Currie	
D Antrobus	- resigned 8.11.02
J J Currie	

The beneficial interests of the directors holding office on 31st October 2003 in the issued share capital of the company were as follows:

	31.10.03	1.11.02
Ordinary £1 shares		
K N Currie	60,000	60,000
J J Currie	-	-

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;
- 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 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

The auditors, Farries, Kirk and McVean, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



K N Currie - Director

2nd March 2004

Report of the Independent Auditors to the Shareholders of
Plastic Technology Services Limited

We have audited the financial statements of Plastic Technology Services Limited for the year ended 31st October 2003 on pages four to thirteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors 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.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

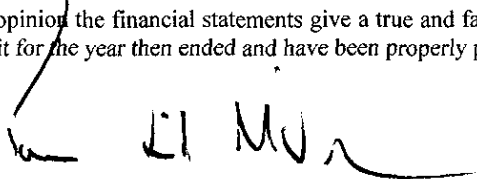
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31st October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Farries, Kirk and McVean
Chartered Accountants
30 Castle Street
Dumfries
DG1 1EN

2nd March 2004

Plastic Technology Services Limited

Profit and Loss Account
for the Year Ended 31st October 2003

2002			2003
£		Notes	£
3,441,857	TURNOVER	2	2,933,565
2,826,775	Cost of sales		2,326,013
615,082	GROSS PROFIT		607,552
690,716	Administrative expenses		528,885
(75,634)			78,667
5,536	Other operating income		-
(70,098)	OPERATING PROFIT/(LOSS)	4	78,667
138,247	Bad debt	5	-
(208,345)			78,667
33,876	Interest payable and similar charges	6	6,483
(242,221)	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		72,184
(24,812)	Tax on profit/(loss) on ordinary activities	7	24,932
(217,409)	PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		47,252
878,332	Retained profit brought forward		660,923
<u>£660,923</u>	RETAINED PROFIT CARRIED FORWARD		<u>£708,175</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

Plastic Technology Services Limited

Balance Sheet
31st October 2003

<u>2002</u>			<u>2003</u>	
£	£	Notes	£	£
870,046				
	FIXED ASSETS:			
	Tangible assets	8		661,158
	CURRENT ASSETS:			
	Stocks	9	79,811	
109,775	Debtors	10	510,626	
582,929	Cash at bank		304,130	
-				
			<u>894,567</u>	
692,704				
	CREDITORS: Amounts falling due within one year	11	<u>713,962</u>	
778,455				
(85,751)	NET CURRENT ASSETS/(LIABILITIES):			<u>180,605</u>
	TOTAL ASSETS LESS CURRENT LIABILITIES:			
784,295				841,763
	CREDITORS: Amounts falling due after more than one year	12		(73,588)
(88,304)				
	PROVISIONS FOR LIABILITIES AND CHARGES:	14		-
24,932				
<u>£720,923</u>				<u>£768,175</u>
	CAPITAL AND RESERVES:			
60,000	Called up share capital	15		60,000
660,923	Profit and loss account			<u>708,175</u>
<u>£720,923</u>	SHAREHOLDERS' FUNDS:	18		<u>£768,175</u>

ON BEHALF OF THE BOARD:

X W Dan

K N Currie - Director

Approved by the Board on 2nd March 2004

The notes form part of these financial statements

Plastic Technology Services Limited

Cash Flow Statement
for the Year Ended 31st October 2003

2002			2003	
£	£	Notes	£	£
(87,719)		Net cash inflow/(outflow) from operating activities		422,303
(33,876)		Returns on investments and servicing of finance		(6,483)
5,069		Taxation		-
38,632		Capital expenditure		14,701
<u>£(77,894)</u>		Increase/(Decrease) in cash in the period		<u>£430,521</u>
<hr/>				
		Reconciliation of net cash flow to movement in net debt		
		3		
	(77,894)	Increase/(Decrease) in cash in the period	430,521	
		Cash outflow from decrease in debt and lease financing		
	<u>175,278</u>		<u>31,485</u>	
97,384		Change in net debt resulting from cash flows		462,006
97,384		Movement in net debt in the period		462,006
<u>(272,731)</u>		Net debt at 1st November		<u>(175,347)</u>
<u>£(175,347)</u>		Net funds/(debt) at 31st October		<u>£286,659</u>

The notes form part of these financial statements

Plastic Technology Services Limited

Notes to the Cash Flow Statement
for the Year Ended 31st October 2003

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit/(loss)	78,667	(70,098)
Depreciation charges	216,381	262,523
Loss on sale of fixed assets	-	5,070
Profit on sale of fixed assets	(22,193)	(14,244)
Exceptional bad debt	-	(138,247)
Government grants	-	(5,536)
Decrease in stocks	29,964	74,287
Decrease in debtors	72,303	256,422
Increase/(Decrease) in creditors	47,181	(457,896)
Net cash inflow/(outflow) from operating activities	422,303	(87,719)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest paid	(4,003)	(13,580)
Interest element of hire purchase or finance lease rentals payments	(2,480)	(20,296)
Net cash outflow for returns on investments and servicing of finance	(6,483)	(33,876)
Capital expenditure		
Purchase of tangible fixed assets	(9,311)	(3,787)
Sale of tangible fixed assets	24,012	42,419
Net cash inflow for capital expenditure	14,701	38,632

The notes form part of these financial statements

Plastic Technology Services Limited

Notes to the Cash Flow Statement
for the Year Ended 31st October 2003

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.11.02 £	Cash flow £	At 31.10.03 £
Net cash:			
Cash at bank	-	304,130	304,130
Bank overdrafts	(126,391)	126,391	-
	<u>(126,391)</u>	<u>430,521</u>	<u>304,130</u>
Debt:			
Hire purchase or finance leases	(48,956)	31,485	(17,471)
	<u>(48,956)</u>	<u>31,485</u>	<u>(17,471)</u>
Total	<u>(175,347)</u>	<u>462,006</u>	<u>286,659</u>
Analysed in Balance Sheet			
Cash at bank	-		304,130
Bank overdrafts	(126,391)		-
Hire purchase or finance leases			
within one year	(31,485)		(17,471)
after one year	(17,471)		-
	<u>(175,347)</u>		<u>286,659</u>

The notes form part of these financial statements

Plastic Technology Services Limited

Notes to the Financial Statements
for the Year Ended 31st October 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to realisation.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit (2002 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2003	2002
	£	£
UK sales	2,285,958	2,208,050
European sales	246,347	893,996
Far East sales	401,260	339,811
	<u>2,933,565</u>	<u>3,441,857</u>

3. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	527,392	603,128
Social security costs	45,441	55,712
Other pension costs	16,970	17,196
	<u>589,803</u>	<u>676,036</u>

Plastic Technology Services Limited

Notes to the Financial Statements
for the Year Ended 31st October 2003

3. STAFF COSTS - continued

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

	2003	2002
Directors	2	3
Office and management	6	8
Direct employees	25	20
	<u>—</u>	<u>—</u>
	33	31
	<u>==</u>	<u>==</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2002 - operating loss) is stated after charging/(crediting):

	2003	2002
	£	£
Hire of plant and machinery	173,851	198,291
Depreciation - owned assets	194,902	241,983
Depreciation - assets on hire purchase contracts or finance leases	21,479	20,540
Profit on disposal of fixed assets	(22,193)	(9,174)
Auditors' remuneration	2,400	6,000
	<u>==</u>	<u>==</u>
Directors' emoluments	27,696	67,747
Compensation to directors for loss of office	24,000	-
	<u>==</u>	<u>==</u>

5. EXCEPTIONAL ITEMS

A major debtor of the company entered administration during the previous financial period. On the basis of prudence it was decided to provide against this debt in full and, due to the size of the debt, it was treated as an exceptional item.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	4,003	13,580
Hire purchase	2,480	20,296
	<u>==</u>	<u>==</u>
	6,483	33,876
	<u>==</u>	<u>==</u>

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
Corporation tax interest	-	120
Deferred taxation	24,932	(24,932)
	<u>==</u>	<u>==</u>
Tax on profit/(loss) on ordinary activities	24,932	(24,812)
	<u>==</u>	<u>==</u>

Plastic Technology Services Limited

Notes to the Financial Statements
for the Year Ended 31st October 2003

8. TANGIBLE FIXED ASSETS

	Totals	Buildings	Plant and machinery	Fixtures and fittings	Motor vehicles
	£	£	£	£	£
COST:					
At 1st November 2002	1,745,723	326,900	1,321,333	74,104	23,386
Additions	9,311	-	2,713	6,598	-
Disposals	(57,816)	-	(57,816)	-	-
At 31st October 2003	1,697,218	326,900	1,266,230	80,702	23,386
DEPRECIATION:					
At 1st November 2002	875,676	27,786	773,643	67,913	6,334
Charge for year	216,381	6,538	200,485	3,512	5,846
Eliminated on disposals	(55,997)	-	(55,997)	-	-
At 31st October 2003	1,036,060	34,324	918,131	71,425	12,180
NET BOOK VALUE:					
At 31st October 2003	661,158	292,576	348,099	9,277	11,206
At 31st October 2002	870,046	299,114	547,689	6,191	17,052

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Totals	Plant and machinery	Motor vehicles
	£	£	£
COST:			
At 1st November 2002 and 31st October 2003	101,067	77,681	23,386
DEPRECIATION:			
At 1st November 2002	33,209	26,875	6,334
Charge for year	21,479	15,633	5,846
At 31st October 2003	54,688	42,508	12,180
NET BOOK VALUE:			
At 31st October 2003	46,379	35,173	11,206
At 31st October 2002	67,858	50,806	17,052

9. STOCKS

	2003	2002
	£	£
Raw materials	42,800	56,195
Finished goods	24,662	42,629
Machine parts	12,349	10,951
	79,811	109,775

Plastic Technology Services Limited

Notes to the Financial Statements
for the Year Ended 31st October 2003

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	494,483	568,273
Prepayments	16,143	14,656
	<u>510,626</u>	<u>582,929</u>

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 13)	-	126,391
DGE loan (see note 13)	26,412	29,167
Trade creditors	356,008	364,742
Hire purchase	17,471	31,485
Other creditors	-	97
Loan - Currie Group Holdings	27,788	60,005
Social security & other taxes	55,095	38,126
Accrued expenses	231,188	128,442
	<u>713,962</u>	<u>778,455</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
DGE loan (see note 13)	73,588	70,833
Hire purchase	-	17,471
	<u>73,588</u>	<u>88,304</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	126,391
DGE loan	26,412	29,167
	<u>26,412</u>	<u>155,558</u>
Amounts falling due between one and two years:		
DGE loan	<u>29,156</u>	<u>27,778</u>
Amounts falling due between two and five years:		
DGE loan	<u>44,432</u>	<u>43,055</u>

Plastic Technology Services Limited

Notes to the Financial Statements
for the Year Ended 31st October 2003

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred taxation	-	(24,932)
	<u> </u>	<u> </u>
	Deferred tax	
	£	
Balance at 1st November 2002	(24,932)	
Charge for year	24,932	
	<u> </u>	
Balance at 31st October 2003	-	
	<u> </u>	

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
250,000	Ordinary	£1	250,000	250,000
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	2003	2002
		value:	£	£
60,000	Ordinary	£1	60,000	60,000
			<u> </u>	<u> </u>

16. ULTIMATE PARENT COMPANY

The ultimate parent of the company is Currie Group Holdings Limited, which is registered in Scotland.

17. RELATED PARTY DISCLOSURES

The company charged a management fee of £10,000 to its parent company, Currie Group Holdings Limited, during the year under review. At 31st October 2003, the company owed the sum of £27,778 (2002 - £60,005) to Currie Group Holdings Limited by way of an inter-company loan account.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit/(Loss) for the financial year	47,252	(217,409)
	<u> </u>	<u> </u>
Net addition/(reduction) to shareholders' funds	47,252	(217,409)
Opening shareholders' funds	720,923	938,332
	<u> </u>	<u> </u>
Closing shareholders' funds	768,175	720,923
	<u> </u>	<u> </u>
Equity interests	768,175	720,923
	<u> </u>	<u> </u>

Plastic Technology Services Limited

Trading and Profit and Loss Account
for the Year Ended 31st October 2003

2002			2003	
£	£		£	£
		Income:		
	2,208,050	UK sales	2,275,958	
	-	Management charges	10,000	
	893,996	European sales	246,347	
	339,811	Far East sales	401,260	
3,441,857				2,933,565
		Cost of sales:		
	184,063	Opening stock	109,775	
	1,294,302	Purchases	1,005,426	
	397,725	Wages	360,488	
	32,580	Social security	31,487	
	5,301	Pensions	3,588	
	198,291	Plant hire	173,851	
	153,136	Power, heat & light	128,882	
	99,379	Upkeep of plant & equipment	188,785	
	342,672	Haulage and storage	203,058	
	229,101	Plant & equipment	200,484	
	2,936,550		2,405,824	
	(109,775)	Closing stock	(79,811)	
2,826,775				2,326,013
615,082		GROSS PROFIT		607,552
		Other income:		
	5,536	Amortisation of grants		-
620,618				607,552
		Expenditure:		
	67,747	Directors' remuneration	27,696	
	7,075	Social security	2,814	
	5,743	Pension contributions	-	
	-	Compensation - loss of office	24,000	
	137,656	Wages	115,208	
	16,057	Social security	11,140	
	6,152	Pensions	13,382	
	17,349	Telephone	7,880	
	13,160	Post, stationery & advertising	10,183	
	38,988	Motor & travelling expenses	7,346	
	7,015	Health & safety	5,827	
	3,832	Staff costs	3,841	
	14,378	Computer costs	21,174	
	-	External security staff	12,734	
	4,662	Redundancy costs	313	
	11,474	Sundry expenses	14,526	
	6,000	Auditors remuneration	2,400	
	2,500	Accountancy	-	
	(3,141)	Currency movements	1,870	
	8,818	Legal fees	12,678	
	290,692	Rent, rates & insurance	218,421	
	5,344	Repairs to property	17,503	
661,501				530,936
(40,883)		Carried forward		76,616

This page does not form part of the statutory financial statements

Plastic Technology Services Limited

Trading and Profit and Loss Account
for the Year Ended 31st October 2003

2002			2003	
£	£		£	£
(40,883)		Brought forward		76,616
		Finance costs:		
	13,580	Bank interest	4,003	
	20,296	Hire purchase	2,480	
	4,968	Bank charges	4,246	
38,844				10,729
(79,727)				65,887
		Depreciation:		
	6,538	Freehold property	6,538	
	19,734	Fixtures & fittings	3,512	
	7,149	Motor vehicles	5,846	
33,421				15,896
(113,148)				49,991
		Profit/(Loss) on disposal of fixed assets:		
	14,244	Plant & machinery	22,193	
	(1,829)	Fixtures & fittings	-	
	(3,241)	Motor vehicles	-	
9,174				22,193
(103,974)				72,184
		Exceptional items:		
(138,247)		Bad debt		-
<u>£(242,221)</u>		NET PROFIT/(LOSS)		<u>£72,184</u>

This page does not form part of the statutory financial statements