# EFEL PROCESSING LIMITED

## FINANCIAL ACCOUNTS

## YEAR ENDED 30 JUNE 1996

*COMPANY NO: 949755*

*LIEBERMAN & CO*
*ACCOUNTANTS & REGISTERED AUDITORS*
*189 REGENT STREET*
*LONDON W1R 8AT*

# EFEL PROCESSING LTD

## FINANCIAL STATEMENTS

## YEAR ENDED 30TH JUNE 1996

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**The following pages do not form part of the financial statements**

# EFEL PROCESSING LTD

## THE DIRECTOR'S REPORT

## YEAR ENDED 30TH JUNE 1996

The director presents his report and the financial statements of the company for the year ended 30th June 1996.

**PRINCIPAL ACTIVITIES**

The principal activities of the company during the year were processing plastic materials and property investment.

**THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY**

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company was as follows:

| | Ordinary Shares of £1.00 each | |
|---|---|---|
| | At 30 Jun 96 | At 1 Jul 95 |
| S Lew | - | - |

**DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

**DONATIONS**

During the year the company made the following contributions:-

| | Year to 30th June 1996 | Period to 1st July 1995 |
|---|---|---|
| | £ | £ |
| Charitable | 25,957 | 6,667 |

# EFEL PROCESSING LTD

## THE DIRECTOR'S REPORT *(continued)*

## YEAR ENDED 30TH JUNE 1996

### SMALL COMPANY EXEMPTIONS

In preparing his report, the director has taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in his opinion, the company qualifies as a small company.

Registered office:
189 Regent St
London
W1R 8AT

Signed on behalf of the director

Ch. Lew

C LEW
Company secretary

Approved by the director on 19 AUG 1997

# EFEL PROCESSING LTD

## AUDITORS' REPORT TO THE SHAREHOLDERS

## YEAR ENDED 30TH JUNE 1996

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 7 .

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS**

As described on page 1, the company's director is 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, except that the scope of our work was limited as explained below.

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 director 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 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. However, the evidence available to us was limited because we did not attend the stocktake, nor did we attend the company's factory during or shortly after the year end. Additionally various prime documents were not available, as was independent confirmation of the ownership of the properties.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# EFEL PROCESSING LTD

## AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

## YEAR ENDED 30TH JUNE 1996

**QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE**

Except for any adjustments that might have been found necessary had we been able to obtain sufficient evidence regarding stocks, properties, expenses and receipts, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work relating to stocks, expenses and receipts:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and

- we were unable to determine whether proper accounting records had been maintained,

and in respect alone of the limitation on our work relating to properties:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

189 Regent Street
London
W1R 8AT

LIEBERMAN & CO
Accountants
& Registered Auditors

20 Aug ...1997

# EFEL PROCESSING LTD

## PROFIT AND LOSS ACCOUNT

## YEAR ENDED 30TH JUNE 1996

| | Note | Year to 30 Jun 96 £ | Period from 1 Oct 94 to 30 Jun 95 £ |
|---|---|---|---|
| **TURNOVER:** | | 174,072 | 120,648 |
| Cost of turnover | | (115,627) | (76,813) |
| **GROSS PROFIT** | | 58,445 | 43,835 |
| Distribution costs | | - | (128) |
| Administrative expenses | | (96,487) | (47,927) |
| **OPERATING LOSS** | 2 | (38,042) | (4,220) |
| Tax on loss on ordinary activities | 3 | (3,240) | (2,078) |
| **LOSS ON ORDINARY ACTIVITIES AFTER TAXATION** | | (41,282) | (6,298) |
| Extraordinary items | 4 | - | (5,286) |
| Balance brought forward | | (399,891) | (388,307) |
| **BALANCE CARRIED FORWARD** | | (441,173) | (399,891) |

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

# EFEL PROCESSING LTD

## BALANCE SHEET

## 30TH JUNE 1996

| | Note | 1996 £ | 1996 £ | 1995 £ | 1995 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 5 | | 374,572 | | 370,120 |
| **CURRENT ASSETS** | | | | | |
| Stocks | | 121,600 | | 105,300 | |
| Debtors | 6 | 355,623 | | 378,213 | |
| Cash at bank and in hand | | 489 | | 5,669 | |
| | | 477,712 | | 489,182 | |
| **CREDITORS: Amounts falling due within one year** | 7 | (56,579) | | (22,315) | |
| **NET CURRENT ASSETS** | | | 421,133 | | 466,867 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 795,705 | | 836,987 |
| **CAPITAL AND RESERVES** | | | | | |
| Called-up equity share capital | 8 | | 10,000 | | 10,000 |
| Revaluation reserve | | | 254,739 | | 254,739 |
| Other reserves | | | 972,139 | | 972,139 |
| Profit and loss account | | | (441,173) | | (399,891) |
| **SHAREHOLDERS' FUNDS** | 9 | | 795,705 | | 836,987 |

In preparing these accounts, the director has taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in his opinion, the company qualifies as a small company.

These financial statements were approved and signed by the director on 12 Aug 1997.

S LEW

# EFEL PROCESSING LTD

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30TH JUNE 1996

### 1. ACCOUNTING POLICIES

**Basis of accounting**
The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

**Cash flow statement**
The director has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**
Turnover represents net amounts invoiced and rents and similar charges receivable.

**Depreciation**
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant, Machinery & Motor vehicle - 15% reducing balance
Fixtures and Fittings - 15% reducing balance

**Stocks**
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### 2. OPERATING LOSS

Operating loss is stated after charging:

| | **Year to 30 Jun 96** | Period from 1 Oct 94 to 30 Jun 95 |
|---|---|---|
| | **£** | £ |
| Director's emoluments | 14,050 | 10,863 |
| Depreciation | 2,572 | 1,283 |
| Auditors' fees | 1,200 | 900 |

### 3. TAXATION ON LOSS ON ORDINARY ACTIVITIES

| | **Year to 30 Jun 96** | Period from 1 Oct 94 to 30 Jun 95 |
|---|---|---|
| | **£** | £ |
| Corporation tax | - | - |
| Adjustment to provision in previous years | 1,603 | - |
| Interest on Tax | 1,637 | 2,078 |
| | 3,240 | 2,078 |

# EFEL PROCESSING LTD

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30TH JUNE 1996

### 4. EXTRAORDINARY ITEMS

| | | |
|---|---|---|
| Extraordinary charges | - | 5,286 |

### 5. TANGIBLE FIXED ASSETS

| | Land and buildings | Other plant & machinery etc. | Total |
|---|---|---|---|
| | £ | £ | £ |
| **COST OR VALUATION** | | | |
| At 1st July 1995 | 360,000 | 121,387 | 481,387 |
| Additions | - | 7,024 | 7,024 |
| At 30th June 1996 | 360,000 | 128,411 | 488,411 |
| **DEPRECIATION** | | | |
| At 1st July 1995 | - | 111,267 | 111,267 |
| Charge for the year | - | 2,572 | 2,572 |
| At 30th June 1996 | - | 113,839 | 113,839 |
| **NET BOOK VALUE** | | | |
| At 30th June 1996 | 360,000 | 14,572 | 374,572 |
| At 30th June 1995 | 360,000 | 10,120 | 370,120 |

**Revaluation of fixed assets**
Land and buildings have been valued at market value by the director at the year end.

### 6. DEBTORS

| | 1996 | 1995 |
|---|---|---|
| | £ | £ |
| Trade debtors | 226,020 | 248,610 |
| Other debtors | 129,603 | 129,603 |
| | 355,623 | 378,213 |

# EFEL PROCESSING LTD

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30TH JUNE 1996

### 7. CREDITORS: Amounts falling due within one year

| | 1996 £ | 1995 £ |
|---|---|---|
| Bank loans and overdrafts | 9,988 | - |
| Trade creditors | 24,463 | 8,457 |
| Other creditors | 22,128 | 13,858 |
| | 56,579 | 22,315 |

Other creditors includes taxation and Social Security in the sum of £5,218 (1995 - £7,118).

### 8. SHARE CAPITAL

**Authorised share capital:**

| | 1996 £ | 1995 £ |
|---|---|---|
| 10,000 Ordinary shares of £1 each | 10,000 | 10,000 |

**Allotted, called up and fully paid:**

| | 1996 £ | 1995 £ |
|---|---|---|
| Ordinary share capital | 10,000 | 10,000 |

### 9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | Year to 30 Jun 96 £ | Period from 1 Oct 94 to 30 Jun 95 £ |
|---|---|---|
| Loss for the financial year | (41,282) | (11,584) |
| Opening shareholders' equity funds | 836,987 | 848,571 |
| Closing shareholders' equity funds | 795,705 | 836,987 |

### 10. ULTIMATE PARENT COMPANY

The ultimate holding company is Amskill Limited, a company limited by guarantee and incorporated in England and Wales.