Company Registration No 3627281

Esterform Packaging Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2007

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Esterform Packaging Limited
CONTENTS

	Page
Directors and officers	1
Directors report	2 - 4
Directors' responsibilities	5
Independent auditors report	6 – 7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated cash flow statement	11 - 12
Accounting policies	13 -14
Notes to the financial statements	15 - 27

Esterform Packaging Limited
DIRECTORS AND OFFICERS

DIRECTORS

M J Tyne
P G Warrilow

SECRETARY

M J Tyne

REGISTERED OFFICE

9 Abbey Square
Chester
CH1 2HU

AUDITORS

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

BUSINESS ADDRESS

Boraston Lane
Tenbury Wells
Worcestershire
WR15 8LE

BANKERS

Barclays plc
15-33 Moorfields
Liverpool
L69 2RT

Esterform Packaging Limited
DIRECTORS' REPORT

The directors submit their report and consolidated financial statements of Esterform Packaging Limited for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

The principal activity of the group and company during the year was the manufacture of plastic packaging

RESULTS AND DIVIDENDS

The trading results for the year and the company s financial position at the year end are shown in the attached financial statements

The directors have paid interim dividends amounting to £566,627 (2006 £395,120) and they do not recommend payment of a final dividend

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The 2006/07 year was one of continuing consolidation and optimisation following the acquisition of Petplas Packaging Limited in the previous year We have seen the full 1st years benefit of the acquisition in this years accounts with turnover up 30% to £46 499 million After taking exceptional costs into account, profit before tax rose 39% to £2 897 million

The year was again a tough trading one with very competitive pricing from both indigenous suppliers and from imports This, coupled with large increases in our cost base such as electricity, packaging and transport costs, had a large impact on the business The European Union extending and re-enforcing it's anti-dumping duties on Asian imports of PET has meant that many of the suppliers are now uncompetitive in Western Europe

Not withstanding these challenges, the Board believes that the company is secure, well funded and with reliable routes of supply is well placed to make the best of the growing PET packaging market in the coming year The Company will continue to invest in state of the art injection moulding and blow moulding production machinery and updating its tooling portfolio, all of which are critical to the ongoing success of the business

The end of the year also saw a significant change in share ownership of the company Three original shareholders have been replaced with a new structure that involved a management buy-out led by Mark Tyne and sees Gresham Private Equity investing substantially into the company

The Company s key financial performance indicators are detailed in the accounts laid out in pages 8 to 12 inclusive and provide a representative view of the scale, assets, liability and profitability of the business The Board believes that no further indicators are required in this report to gain an overall understanding of the business

THE DIRECTORS' AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year as follows

C L Bates (Resigned 30 March 2007)
P D Cooke (Resigned 30 March 2007)
M J Tyne
P G Warrilow

The beneficial interests in the shares of the company of Directors serving at 31 March 2007 is as follows

	Class of share	At 31 March 2007	At 1 April 2006
M J Tyne	'A' ordinary shares	-	98,000
P G Warrilow	C ordinary shares	-	8 000

On 29 March 2007 the entire share capital of Esterform Packaging Limited was acquired by Esterform Holdings Limited The Directors held the following interests in the share capital of the parent company

	Class of share	At 31 March 2007	At 1 April 2006
M J Tyne	B ordinary	40,000,000	n/a
P G Warrilow	-	-	n/a

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk to the business is the competitive environment both from indigenous UK competitors and increasingly from Continental Europe Esterform works hard with its customers to ensure they receive good value for money and the highest levels of customer service, product development (such as light-weighting) and design This adds value to our commercial proposition and enhances our core skills of delivering near zero defect products to tight just-in-time schedules

Esterform price checks its ability to manufacture cost effectively using production cost comparisons with a friendly competitor in the Middle East This allows the Company to judge its costs versus that of a supply from outside of the region and allows the company to form a view on the viability of competition from China, the Middle East and Eastern Europe, including recent Accession States

The Company sells many of its export products in either US Dollars or Euros and there is consequent exchange rate risk associated with these transactions The continuation of relatively low values of the US Dollar has hit the Company's profits in some markets, but Esterform does have an array of hedging mechanisms it can employ to mitigate the effect of such movements in the future
Esterform also has exposure to interest rate adjustments and may have to contend with rises in UK base rates during the remainder of 2007 The company looks to dampen this exposure by using capped interest rates on its long-term debt commitments, but remains exposed on all its working capital facilities Currently, changes in interest rates are forecast to be modest and, as such, the Company has not looked at using interest rate hedging in the current nor the coming year

ENVIRONMENTAL MATTERS

Esterform Packaging Limited recognises the importance of its responsibilities to the environment and continues to monitor and where possible improve its impact on the environment The manufacturing processes employed by Esterform does not cause environmental damage, but the company has focussed on the softer issues of noise and visual pollution

At a higher level the Company is committed to light weighting its products, thereby making containers of comparable performance from less plastic, and is running concurrent programmes looking into the viability of using bio-degradable polyester (to cut down end-user litter problems and landfill issues) and the use of post-consumer recycled PET in the manufacture of its products

GOING CONCERN

At the time of approving these financial statements the directors have reasonable expectation, having made appropriate enquiries, that the group and company have adequate resources to continue in operational existence for the foreseeable future For this reason they continue to adopt the going concern basis in preparing the financial statements

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to

make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

AUDITORS

During the year, Baker Tilly, Chartered Accountants resigned as auditors to the group, confirming that there were no matters connected with their resignation which should be brought to the attention of the members of the group Ernst & Young LLP were appointed and will be proposed for reappointment at the annual general meeting

By order of the board



M J Tyne
Secretary

Esterform Packaging Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTERFORM PACKAGING LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Esterform Packaging Limited for the year ended 31 March 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 23 These financial statements have been prepared under 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
The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the directors' report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions is not disclosed

We read the directors' report 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 International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESTERFORM PACKAGING LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP
Registered auditor
Birmingham
Date
15/10/07

Esterform Packaging Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2007

	Notes	2007 £	2006 £
TURNOVER	1		
Continuing operations		46,499,609	16,205,142
Acquisitions		-	16 154,293
		46,499,609	32,359 435
Cost of sales		(36,775,958)	(25 136,237)
Gross profit		9,723,651	7,223,198
Distribution costs		(3,927,954)	(3,007,840)
Administrative expenses		(2,066,624)	(2,132,366)
OPERATING PROFIT	2		
Continuing operations		3,729,073	447,351
Acquisitions		-	1,635,641
		3,729,073	2,082,992
Interest receivable		-	1,612
Interest payable and similar charges	3	(409,832)	(328,190)
Exceptional finance costs	3	(423,259)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,895,982	1,756 414
Tax	5	(883,557)	(373,480)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,012 425	1 382,934
Dividends paid during the year	6	(565,257)	(395,120)

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

Esterform Packaging Limited
CONSOLIDATED BALANCE SHEET
At 31 March 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	(858,910)	(1,116,584)
Tangible assets	9	11,952,717	11,573,009
		11,093,807	10,456,425
CURRENT ASSETS			
Stocks	11	5,667,028	4,360,413
Debtors	12	10,816,548	9,910,683
Cash at bank and in hand		10,811	18,062
		16,494,387	14,289,158
CREDITORS Amounts falling due within one year	13	(21,614,377)	(17,819,674)
NET CURRENT LIABILITIES		(5,119,990)	(3,530,516)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,973,817	6,925,909
CREDITORS Amounts falling due after more than one year	14	(1,910,146)	(4,477,491)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(144,085)	-
		3,919,586	2,448,418
CAPITAL AND RESERVES			
Called up share capital	16	408,000	400 000
Share premium	17	16,000	-
Revaluation reserve	17	240,000	240,000
Profit and loss account	17	3,255,586	1,808,418
EQUITY SHAREHOLDERS FUNDS	18	3,919,586	2,448,418

The financial statements were approved by the board of directors and authorised for issue on 10.10.07 and are signed on its behalf by

M J Tyne
Director

Esterform Packaging Limited

COMPANY BALANCE SHEET

At 31 March 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	11,952,717	11,573,009
Investments	10	842,248	842 248
		12,794,965	12,415,257
CURRENT ASSETS			
Stocks	11	5,667,028	4,360,413
Debtors	12	10,816,548	9,910,683
Cash at bank and in hand		10,811	18,062
		16,494,387	14,289 158
CREDITORS Amounts falling due within one year	13	(24,116,607)	(20,321,905)
NET CURRENT LIABILITIES		(7,622,220)	(6 032,747)
TOTAL ASSETS LESS CURRENT LIABILITIES		5,172,745	6,382,510
CREDITORS Amounts falling due after more than one year	14	(1,910,146)	(4,477,491)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(144,085)	-
		3,118 514	1,905 019
CAPITAL AND RESERVES			
Called up share capital	16	408,000	400 000
Share premium	17	16,000	-
Revaluation reserve	17	240,000	240 000
Profit and loss account	17	2,454,515	1,265,019
EQUITY SHAREHOLDERS' FUNDS	18	3,118,514	1,905,019

The financial statements were approved by the board of directors and authorised for issue on 10-10 07 and are signed on its behalf by

M J Tyne
Director

Esterform Packaging Limited
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2007

		2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20(a)	3,977,749	4 840,631
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		-	1,625
Interest paid		(276,925)	(207,847)
Interest element of finance lease rental payments		(132,907)	(120 356)
Cancellation fee paid (exceptional item)		(423,259)	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(833,091)	(326,578)
TAXATION		(239,874)	(78,109)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(310,525)	(274,344)
Sale of tangible fixed assets		-	41,621
		(310,525)	(232,723)
ACQUISITIONS AND DISPOSALS			
Purchase of subsidiary undertaking		-	(842,248)
Net cash acquired with the subsidiary		-	580,389
NET CASH OUTFLOW FROM ACQUISITIONS AND DISPOSALS		-	(261,859)
Equity dividends paid		(565,257)	(395,120)
NET CASH INFLOW BEFORE FINANCING		2,092,002	3 546,242
FINANCING			
Issue of shares		24,000	-
Other new long term loans		-	4,995,000
Repayment of intra group loan		-	(11,154,109)
Intrercompany loan		7,485,742	-
Repayments of bank borrowings		(4,496,934)	(1,036,464)
Advances from invoice discounting		(3,457,024)	3,881,484
Capital element of finance leases and hire purchase contracts		(698,640)	(672 506)
		(1,142 856)	(3 986 595)
DECREASE IN CASH IN THE YEAR		**886,146**	**(440,353)**

Esterform Packaging Limited
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2007

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN DEBT

		2007	2006
		£	£
Decrease in cash in the year		886,146	(440,353)
Cash outflow from increase in debts and lease financing		1,166,856	3,986,595
Change in net funds resulting from cash flows		2,053,002	3,546 242
Intra group loan arising on acquisition of subsidiary undertaking		-	(11,154,109)
Finance leases and hire purchase contracts arising on acquisition of subsidiary undertaking		-	(243,120)
New finance leases and hire purchase contracts		(1,862,275)	(54,131)
Movement in net debt in the year		190,727	(7,905,118)
Net debt at 1 April 2006		(12,929,638)	(5,024,520)
Net debt at 31 March 2007	20(b)	(12,738,911)	(12,929 638)

Esterform Packaging Limited
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, and are in accordance with applicable UK standards

BASIS OF CONSOLIDATION
The group accounts consolidate the accounts of Esterform Packaging Limited and its subsidiary undertaking drawn up to 31 March 2007 The results of subsidiaries acquired or disposed are consolidated for the periods from or to the date on which control passed

No profit and loss is presented for Esterform Packaging Limited as permitted by Section 230 of the Companies Act 1985 Pet Plas Packaging Limited has been included in the group accounts using the acquisition method of accounting

PATENTS
Patents are valued at cost less accumulated amortisation

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 4 years

GOODWILL
Goodwill representing the difference between the fair values of consideration given and net assets acquired is capitalised and amortised through the profit and loss account over 20 years, as in the opinion of the directors this represents the period over which the goodwill is effective

It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Negative goodwill is released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased are recovered, whether through depreciation or sale

FIXED ASSETS
All fixed assets are initially recorded at cost Certain freehold land and buildings were revalued as at 10 October 2000 by DTZ Debenham Tie- Leung, with the revaluation surplus taken to the revaluation reserve The Group has adopted the transitional provisions of FRS15, and therefore this value has not been updated

DEPRECIATION
Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows -

Land and buildings	2% straight line
Plant and machinery	10% to 20% straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	25% straight line

The carrying values of tangible fixed assets are reviewed for impairment if events on charges in circumstances indicate the carrying value may not be recoverable

LEASING AND HIRE PURCHASE COMMITMENTS
Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

INVESTMENTS
Fixed asset investments are stated at cost less any provision for permanent diminution in value

STOCK
Stock is valued at the lower of cost and net realisable value

DEFERRED TAXATION
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

FOREIGN CURRENCIES
Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date Transactions in foreign currencies are recorded at the date of the transactions All differences are taken to the profit and loss account

PENSIONS
The pension costs charged in the financial statements represents the contribution payable by the group during the year to the Standard life Stakeholder pension scheme and others The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees service lives on the basis of a constant percentage of earnings

RESEARCH AND DEVELOPMENT
Research and development expenditure is written off in the year it is incurred

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover, which is stated net of value added tax, represents the amounts derived from its principal activity The geographical analysis of turnover which excludes VAT and trade discounts is as follows

	2007 £	2006 £
United Kingdom	40,681,647	29,031,295
Rest of Europe	3,387,111	2,005,044
Rest of the World	2,430,851	1,323,096
	46,499,609	32,359,435

2 OPERATING PROFIT

	2007 £	2006 £
Operating profit after (crediting)/charging		
Amortisation of negative goodwill	(257,674)	(171,782)
Depreciation and other amounts written off intangible assets	-	2 800
Depreciation and other amounts written off tangible fixed assets	1,793,093	1,199,214
Loss on disposal of tangible fixed assets	-	154,009
Loss on foreign currencies	-	3,751
Auditors' remuneration – audit services	30,655	26,750
– non audit services	-	17,744
– taxation	5,400	-

3 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Interest payable on loans	276,925	207,553
Lease finance charges and hire purchase interest	132,907	120,356
Other interest payable	-	281
	409,832	328,190
Exceptional finance costs		
Cancellation fee paid	423,259	-

4 EMPLOYEES

	2007 No	2006 No
The average monthly number of persons (including directors) employed by the group during the year was		
Production	147	99
Distribution	28	14
Administration	35	27
	210	140

	2007 £	2006 £
Group staff costs for above persons excluding directors' emoluments		
Wages and salaries	5,564,867	3,579,582
Social security costs	569,766	327,362
Other pension costs	42,842	25,266
	6,177,475	3,932 210

	2007 £	2006 £
DIRECTORS' REMUNERATION		
Aggregate remuneration and other emoluments	481,461	55,200
In respect of the highest paid director		
Remuneration	144,821	15,050

None of the directors are members of the pension scheme

5 TAXATION

	2007 £	2006 £
Current tax		
UK corporation tax on profits of the period	178,452	201,329
Adjustments in respect to previous periods	74,642	-
Total current tax	253,094	201,329
Deferred taxation		
Origination and reversal of timing differences	630,463	172,151
Total deferred tax	630,463	172,151
Tax charge on profit on ordinary activities	883,557	373,480

Factors affecting tax charge for period	2007 £	2006 £
The tax assessed for the period is higher than the standard rate of corporation tax in the UK 30% (22%) The differences are explained below		
Profit on ordinary activities before tax	2,895,982	1,756 414
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30%	868,795	526,924
Effects of		
(Income not taxable)/expenses not deductible for tax purposes	(37,870)	(40,339)
Capital allowances in excess of depreciation	(34,791)	184,345
Adjustments in respect to previous periods	74,642	-
Utilisation of tax losses	(617,682)	(457 335)
Marginal rate relief	-	(15,474)
Other adjustments	-	3,208
Tax charge for period	253,094	201,329

6 DIVIDENDS

	2007 £	2006 £
Dividends paid on equity shares	565 257	395 120

7 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £1,754,752 (2006 £839,535)

8 INTANGIBLE FIXED ASSETS

GROUP	Goodwill on Consolidation	Patents £	Total £
Cost or valuation			
1 April 2006 and 31 March 2007	(1,288,366)	9,993	(1,278,373)
Depreciation			
1 April 2006	(171,782)	9,993	(161,789)
Charged in the year	(257,674)	-	(257,674)
31 March 2007	(429,456)	9,993	(419,463)
Net book value			
31 March 2007	(858,910)	-	(858,910)
31 March 2006	(1,116,584)	-	(1,116,584)

COMPANY	Patents £
Cost or valuation	
1 April 2006 and 31 March 2007	9,993
Depreciation	
1 April 2006 and 31 March 2007	9 993
Net book value	
31 March 2007	=
31 March 2006	-

9 TANGIBLE FIXED ASSETS

GROUP AND COMPANY	Land and buildings freehold £	Long Leasehold Property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation						
1 April 2006	3,663,054	6,919	10,706,055	107,185	108,628	14,591,841
Additions	-	-	2,172,800	-	-	2,172 800
Disposals	-	-	(20,000)	-	-	(20,000)
Transfers	11,485	(6,919)	(6,658)	2,092	-	-
31 March 2007	3,674,539	-	12,852,197	109,277	108,628	16 744,641
Depreciation						
1 April 2006	37,508	723	2,878,635	37,242	64,724	3,018,832
Charged in the year	59,892		1,703,812	17,199	12,189	1,793,093
Disposals	-	-	(20,000)	-	-	(20 000)
Transfers	723	(723)	-	-	-	-
31 March 2007	98,123	-	4,562,447	54,441	76,913	4 791,924
Net book value						
31 March 2007	3,576,416	-	8,289,750	54,836	31,715	11,952,717
31 March 2006	3,636,308	-	7,820,762	72,035	43,904	11,573,009

Certain freehold land and buildings were revalued as at 10 October 2000 by DTZ Debenham Tie- Leung The historical cost of these land and buildings included at valuation are as follows

GROUP AND COMPANY	31 March 2007 £	31 March 2006 £
Land and Buildings	480,000	480,000

Included within fixed assets are assets held under finance leases or hire purchase contracts as follows

	2007		2006	
Asset depreciation	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	3,237,978	267,830	2,617,372	347 318
Equipment	38,724	10,826	4,580	4,580
Motor vehicles	-	890	890	3 610
	3,276,702	279,006	2,622,842	355 508

10 FIXED ASSET INVESTMENTS

	Shares in subsidiary £
COMPANY	
Cost at 31 March 2006 and 2007	842,248

The company holds the entire share capital of Pet Plas Packaging Limited The principal activity of the subsidiary company was that of the manufacture of injection stretch blow moulded PET performs and containers, and the company is incorporated in England and Wales Pet Plas Packaging Limited was hived up into Esterform Packaging Ltd in October 2005 and is now dormant

11 STOCKS

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Raw materials and consumables	653,903	786,439	653,903	786,439
Finished goods and goods for resale	5,013,125	3,573,974	5,013,125	3 573,974
	5,667,028	4,360,413	5,667,028	4,360,413

12 DEBTORS

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Trade debtors	10,217,290	8,601,427	10,217,290	8,601,427
Other debtors	104,792	541,144	104,792	541,144
Prepayments and accrued income	68,727	281,734	68,727	281 734
Amounts due from group undertakings	425,739	-	425,739	-
Deferred taxation (note 15)	-	486,378	-	486 378
	10,816,548	9,910,683	10,816,548	9,910,683

13 CREDITORS

amounts falling due within one year	Group 2007 £	Group 2006 £	Company 2007 £	Company 2006 £
Bank overdraft	174,587	1,067,984	174,587	1,067,984
Invoice discounting facility	2,424,961	5,881,985	2,424,961	5 881,985
Other loan creditors (note 15)	-	938,559	-	938,559
Net obligations under finance leases and hire purchase contracts	754,286	581,681	754,286	581,681
Trade creditors	9,047,883	6,855,633	9,047,883	6,855,633
Corporation tax	218,529	205,309	218,529	205 309
Other taxes and social security costs	634,234	717,972	634,234	717,972
Amounts owed to group undertakings	7,485,742	-	9,987,972	2,502 230
Directors' accounts	6,002	4,004	6,002	4 004
Other creditors	868,153	1,003,974	868,153	1,003,974
Accruals and deferred income	-	562,573	-	562,573
	21,614,377	17,819,674	24,116,607	20,321,905

14 CREDITORS amounts falling due after more than one year

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Other loan creditors	-	3,558,375	-	3,558 375
Net obligations under finance leases and hire purchase contracts	1,910,146	919,115	1,910,146	919 115
	1,910,146	4,477,490	1,910,146	4,477,490
Loans				
Repayable in one year or less, or on demand (note 13)	-	938,559	-	938,559
Repayable between one and two years	-	938,559	-	938,559
Repayable between two and five years	-	1,850,828	-	1,850,828
Repayable in five years or more	-	768,988	-	768,988
		4,496,934		4 496,934
Less included in creditors amounts falling due within one year	-	(938,559)	-	(938,559)
	-	3,558,375	-	3,558,375

Details of loans not wholly repayable within five years are as follows

6 04% Other loan repayable in monthly instalments of £48 062	-	3,652,691	-	3,652,691
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	754,286	581,681	754,286	581,681
Repayable between one and five years	1,910,146	919,116	1,910,146	919,116
	2,664,432	1,500,797	2,664,432	1,500,797

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

15 PROVISIONS FOR LIABILITIES AND CHARGES

	£
GROUP	
At 1 April 2005	309,185
Arising on acquisition of subsidiary undertaking	(967,714)
Profit and loss movements arising during the year	172,151
At 31 March 2006 (included in debtors)	(486 378)
Profit and loss movements arising during the year	627,413
Adjustments in respect to prior years	3,050
At 31 March 2007	(144,085)

	£
COMPANY	
At 1 April 2005	309,185
Arising on hive up of subsidiary undertaking	(967,714)
Profit and loss movements arising during the year	172,151
At 31 March 2006 (included in debtors)	(486,378)
Profit and loss movements arising during the year	627,413
Adjustments in respect to prior years	3 050
At 31 March 2007	(144 085)

The deferred taxation liability/ (asset) consists of the tax effect of timing differences in respect of

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	144,085	135,486	144,085	135,486
Losses	-	(621,864)	-	(621,864)
	144,085	(486,378)	144,085	(486,378)

16 SHARE CAPITAL

	2007	2006
	£	£
Authorised equity		
500,000 Ordinary shares of £1 each	500,000	500 000
300,000 'A' Ordinary shares of £1 each	300,000	300,000
100,000 B' Ordinary shares of £1 each	100,000	100,000
100,000 'C' Ordinary shares of £1 each	100,000	100,000
	1,000,000	1,000,000
Allotted, called up and fully paid		
294,000 'A' Ordinary shares of £1 each	294,000	294,000
98,000 'B' Ordinary shares of £1 each	98,000	98 000
8,000 C Ordinary shares of £1 each	16,000	8 000
	408,000	400,000

17 RESERVES

GROUP	Share Premium £	Revaluation Reserve £	Profit and loss account £	Total 2006 £
At 1 April 2006	-	240,000	1,808,418	2,048,418
Profit for the year	-	-	2,012,425	2,012,425
Shares issued	16,000	-	-	16,000
Dividends declared and paid	-	-	(565,257)	(565 257)
At 31 March 2007	16,000	240,000	3,255,586	3,511,586

COMPANY	Share Premium	Revaluation Reserve £	Profit and loss account £	Total 2006 £
At 1 April 2006	-	240,000	1,265,019	1,505,019
Profit for the year	-	-	1,754,752	1,754,751
Shares issued	16,000	-	-	16,000
Dividends declared and paid	-	-	(565,257)	(565,257)
At 31 March 2007	16,000	240,000	2 454,514	2 710,513

18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

GROUP	2007 £	2006 £
Profit for the year	2,012,425	1,382,934
Dividends	(565,257)	(395,120)
Issue of shares	24,000	-
Net addition to shareholders' funds	1,471,168	987,814
Opening shareholders' funds	2,448,418	1,460 604
Closing shareholders funds	3,919,586	2 448 418

COMPANY	2007 £	2006 £
Profit for the year	1,754,752	839,535
Dividends	(565,257)	(395,120)
Issue of shares	24,000	-
Net addition to shareholders' funds	1,213,495	444,415
Opening shareholders' funds	1,905,019	1,460,604
Closing shareholders' funds	3,118,514	1,905,019

19 CAPITAL COMMITMENTS

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Details of capital commitments at the accounting date are as follows				
Contracted for but not provided in the financial statements	1,383,496	1 401 673	1 383,496	1,401 673

20 CASH FLOWS	2007	2006
	£	£
(a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	3,729,071	2 082,992
Depreciation	1,793,093	1,199,214
Amortisation of intangible fixed assets	(257,674)	(168,982)
Loss on disposal of fixed assets	-	154,009
Increase in stocks	(1,306,615)	(677,515)
Increase in debtors	(1,392,243)	2,392,909
Increase/(Decrease) in creditors	1,412,117	(141,996)
Net cash inflow from operating activities	3,977,749	4,840,631

(b) Analysis of net debt	At 31 March 2006 £	Cash flow £	Other non Cash changes £	At 31 March 2007 £
Cash in hand, at bank	18,062	(7,251)	-	10,811
Overdrafts	(1,067,984)	893,397	-	(174 587)
	(1,049,922)	886,146	-	(163 776)
Invoice discounting	(5,881,985)	3,457,024	-	(2 424 961)
Debt due within one year	(938,559)	938,559	-	-
Debt due after one year	(3,558,375)	3,558,375	-	-
Finance leases and hire purchase contracts	(1,500,797)	698,640	(1,862,275)	(2,664,432)
Intercompany loan	-	(7,485,742)	-	(7 485,742)
	(11,879,716)	1,166,856	(1 862,275)	(12 575,135)
	(12,929,638)	2,053,002	(1 862,275)	(12 738,911)

21 CONTINEGENT LIABILITIES

The company has guaranteed the borrowings of Esterform Holdings Limited The total amount of borrowings guaranteed by the company amounted to £11,000,000

Borrowings in Esterform Holdings Limited are secured against the fixed assets of Esterform Packaging Limited

22 RELATED PARTY DISCLOSURES

During the year the company incurred costs of £120,028 on behalf of Ecokeg Europe Limited, a fellow group company, for services provided in connection with research and development At the year end there was a balance of £425,739 owed to Esterform Packaging Limited (2006 £305,711)

Included within creditors is an amount of £6,002 relating to balances on loan accounts with persons who served as directors during the year The balance owed to each director along with the maximum overdrawn balance is scheduled below

	31 Mar 2007	31 Mar 2006	Maximum overdrawn
	£	£	£
C L Bates	(233)	22,664	22,664
P D Cooke	(1,213)	21,937	21,937
M J Tyne	(2,000)	22,531	22,531
P Warrilow	(2,556)	(4,004)	-
	(6,002)	63,128	63,128

23 ULTIMATE CONTROLLING PARTY

On 29 March 2007 the entire share capital of the company was acquired by Esterform Holdings Limited, the ultimate parent company of the group This is the smallest and largest group of companies for which consolidated accounts are prepared for the current period

Esterform Holdings Limited, was incorporated on 5 December 2006 No accounts have been filed for the period end 31 March 2007

The registered office of Esterform Holdings Limited is Boraston Lane, Tenbury Wells, Worcestershire, WR15 8LE