PLASTICS Capital plc

Plastics Capital plc

Nominated Adviser and Broker:
Charles Stanley Securities

Placing and admission to AIM

Products

Nylon hose mandrel

Overview:

Hose Mandrel, made from extruded polyamide or nylon, is a consumable used in the production of industrial rubber hoses, such as hydraulic hoses, high pressure water hoses, air-conditioning hoses and power steering hoses, determining the hose's critical inside diameter and supporting it during production.

Application

Plastic bearing technology

Overview:

Plastics bearings made primarily from precision, injection moulded, acetyl polyoxymethylene, are used in a wide variety of applications, including photocopiers, ATM machines, rotating beacons, Spa baths, shower enclosures, security cameras and steering columns.

Application

Creasing matrix

Overview:

Creasing matrix, assembled from extruded plastic and film components, is a consumable used in the manufacture of cardboard boxes, cards and point of sale material which enables cardboard to be creased automatically by high speed box making machines so that the box can be folded into shape satisfactorily.

Application

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities. You should be aware that an investment in the Company involves a high degree of risk and prospective investors should also carefully consider the section entitled "Risk Factors" in Part II of this document before taking any action. Notwithstanding this, prospective investors should read the whole text of this document.

This document (which has been drawn up in accordance with the requirements of the AIM Rules) comprises an admission document for the purposes of the AIM Rules. **This document does not constitute a prospectus for the purposes of the Prospectus Rules and a copy of it has not been, and will not be, approved by or filed with the Financial Services Authority.**

The Directors of the Company, whose names appear on page 3 of this document and the Company accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the entire issued and to be issued ordinary share capital of the Company to be admitted to trading on AIM, a market operated by the London Stock Exchange. It is expected that First Admission will become effective and that dealings in the Existing Ordinary Shares and the EIS Qualifying Shares will commence on 3 December 2007. It is expected that Second Admission will become effective and that dealings in the First VCT Qualifying Shares will commence on 4 December 2007. It is expected that Third Admission will become effective and that dealings in the Second VCT Qualifying Shares will commence on 5 December 2007. It is expected that Fourth Admission will become effective and that dealings in the Consideration Shares and the Non VCT Qualifying Shares will commence on 6 December 2007.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. It should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List of the United Kingdom Listing Authority. Neither the London Stock Exchange nor the United Kingdom Listing Authority has itself examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange and no applications for such dealings have been made. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List of the United Kingdom Listing Authority.

Plastics Capital plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 6387173)

Acquisition of Plastics Capital Trading Limited
Placing of 17,549,745 Ordinary Shares of 1p each at 100p per share
Admission to trading on AIM

Nominated Adviser and Broker
Charles Stanley Securities

Share capital immediately following Fourth Admission

Authorised			*Issued and fully paid*	
Number	*£*		*Number*	*£*
40,000,000	400,000	Ordinary Shares of 1p each	26,850,000	268,500

The Subscription Shares and the Consideration Shares, will on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited ("Charles Stanley") has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Charles Stanley for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which the Directors of the Company are solely responsible.

Charles Stanley, which is authorised and regulated by the Financial Services Authority, is acting as Nominated Adviser and Broker for the Company and no one else in relation to the Placing and Admission and will not be responsible to any person other than the Company for providing the protections afforded to customers of Charles Stanley or for advising any other person on the contents of this document or any transaction or arrangement referred to herein. No action has been taken or will be taken in any jurisdiction outside the United Kingdom by either the Company or Charles Stanley that would permit a public offer of Ordinary Shares in any such jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document. Persons into whose possession this document comes are required by the Company and Charles Stanley to inform themselves about and to observe any restrictions as to the Placing and the distribution of this document.

This document does not constitute an offer, or the solicitation of an offer, to subscribe or buy any of the Placing Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction and in particular is not for distribution in or into the United States, Canada, Australia, the Republic of Ireland, South Africa, or Japan or to any national, resident, or citizen of the United States, Canada, Australia, the Republic of Ireland, South Africa or Japan. The Placing Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended, or under any relevant securities laws of any state, territory or other jurisdiction of the United States or under the applicable securities laws of Canada, Australia, the Republic of Ireland, South Africa and Japan. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the placing of the Placing Shares or the accuracy or adequacy of this document. The distribution of this document in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

CONTENTS

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Faisal John Rahmatallah *(Chairman)* Nicholas Martin Ball *(Finance Director)* Arun Nagwaney *(Development Director)* Jeremy Alan John Clarke *(Director)* Richard Charles Vessey *(Non Executive Director)* Andrew Walker *(Non Executive Director)*
	all of whose business address is at: St Mary's House 42 Vicarage Crescent London SW11 3LD Telephone number: 020 7326 8423
Registered Office:	St Mary's House 42 Vicarage Crescent London SW11 3LD
Company Secretary:	Nicholas Martin Ball
Nominated Adviser and Broker:	Charles Stanley Securities 25 Luke Street London EC2A 4AR
Reporting Accountants and Registered Auditor:	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
Solicitors to the Company:	Dundas & Wilson LLP Northwest Wing Bush House Aldwych London WC2B 4EZ
Solicitors to the Placing:	Norton Rose LLP 3 More London Riverside London SE1 2AQ
Registrars:	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

KEY INFORMATION

The following summary of key information should be read in conjunction with the full text of this document from which it is derived. Attention is drawn, in particular, to the section headed "Risk Factors" set out in Part II of this document.

Introduction

The Company has been incorporated with the aim of becoming the holding company of Plastics Capital and its subsidiaries following completion of the Share Exchange Agreement. The Company will, on completion of the Share Exchange Agreement, comprise a plastics products manufacturing business focused on proprietary plastics products for niche markets. Plastics Capital is highly profitable and cash generative with modest capital expenditure reinvestment requirements.

Those companies which will become the key subsidiaries of the Company on completion of the Share Exchange Agreement are long established and have strong market positions supported by in-house technical capabilities. Approximately 70 per cent. of sales are exported to countries world wide. Production is concentrated in the UK, where significant engineering know-how and automation underpins the Group's competitiveness.

The Group has been built up through acquisitions since 2002 by an experienced management team with mergers and acquisitions experience, manufacturing experience and industrial marketing skills. Six acquisitions have been completed over this time and the Company has identified a number of further potential acquisitions.

Summary Financial Information

The Company is newly formed and has not traded. The following table contains (*inter alia*) a summary of certain historical financial information relating to Plastics Capital and its subsidiaries for the period indicated which has been extracted from Parts III and IV of this document.

	IFRS Period ended 31 March 2007 £000's	*IFRS Period ended 31 March 2006 £000's*	*UK GAAP 15 months to 31 March 2005 £000's*
Revenue	16,660	6,875	1,250
Operating Profit	3,056	3,531	206
Profit on sale of land and buildings (1)	1,604	—	—
Negative Goodwill (2)	—	2,675	—
Operating profit less (1) & (2)	1,452	856	206

Turnover has increased from £1,250,000 for the 15 months ended 31 March 2005 to £16,660,000 in the year ended 31 March 2007, with operating profits less (1) & (2) rising from £206,000 to £1,452,000 over the same period as a result of the acquisitions made by the Group and organic growth from the underlying business.

Strategy and Current Trading

The Group's strategy to build shareholder value is twofold: to continue to grow its key business organically and to make related acquisitions.

Organic growth will be driven through new product development, ongoing penetration of new accounts and targeted sales to higher growth regions of the world. These activities are ongoing in all of those companies which will become the key subsidiaries of the Company on completion of the Share Exchange Agreement.

Trading for the Group's first half year is in line with its annual profit budget, which reflects significant year on year growth. Primarily the growth is due to acquisitions completed in the first half year which will feed through in the second half year, but it is also due to organic sales growth.

Reasons for the Placing, Admission and Use of Proceeds

The Directors believe that the Group has the management expertise and systems in place to acquire new companies to integrate and manage as subsidiaries. As stated, further acquisition targets have been identified and these opportunities are currently being evaluated by the Directors. Coupled with the Group's historical acquisition programme, this demonstrates that opportunities to acquire viable businesses occur regularly. The proceeds of the Placing, by reducing the Company's indebtedness and increasing its capital base, should enable the Company to fund further acquisitions, in whole or in part, subject to such acquisitions meeting the Directors' acquisition criteria.

The Company is seeking to raise approximately £16.2 million by way of the Placing by issuing 16,200,000 new Ordinary Shares, which will represent approximately 60 per cent. of the Enlarged Issued Share capital immediately following Fourth Admission. The Placing Shares comprise 16,200,000 Subscription Shares being issued by the Company (comprising 1,926,000 EIS Qualifying Shares, 9,034,000 VCT Qualifying Shares and 5,240,000 Non-VCT Qualifying Shares) and 1,349,745 Sale Shares being sold by the Selling Shareholder to be placed with placees. After deducting Placing commissions, and estimated fees and expenses (excluding VAT) attributable to the Placing and Admission, the Company expects to receive net proceeds of approximately £14.7 million.

The Directors and their connected parties and the other former shareholders of Plastics Capital (other than Eclipse) have undertaken that, subject to certain limited exceptions, they will not sell or otherwise dispose of, or agree to sell or dispose of, any of their respective interests in the Ordinary Shares held by them immediately following Fourth Admission at any time prior to the first anniversary of Fourth Admission, and that for a further period of 6 months from the first anniversary of Fourth Admission, they will only sell them through Charles Stanley on an orderly market basis. In addition, Eclipse has undertaken not to dispose of any interest in Ordinary Shares for a period of 12 months following Fourth Admission in respect of 65 per cent. of its holding in the Company. Eclipse has further undertaken that for a further period of 6 months from the first anniversary of Fourth Admission, it will only dispose of these Shares through Charles Stanley on an orderly market basis. Eclipse is entitled to dispose of up to the remaining balance of 35 per cent. of its holding within the first 12 months following Fourth Admission, provided any such disposal is effected through Charles Stanley on an orderly market basis.

DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

"Act"	the Companies Act 1985, as amended
"Admission"	as the context requires, First Admission, Second Admission, Third Admission and/or Fourth Admission
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the rules for AIM companies and their nominated advisers as issued by the London Stock Exchange, as amended from time to time
"A Ordinary Shares"	A ordinary shares of 1p each in the capital of the Company
"Articles"	the articles of association of the Company
"Bell"	Bell Holdings Limited and Bell Plastics Limited
"BNL"	BNL (UK) Limited
"Board" or "Directors"	the directors of the Company whose names are set out on page 3 of this document
"CAD"	computer aided design
"CAM"	computer aided manufacturer
"Channel"	Channel Matrix Limited
"Charles Stanley"	Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited, which is regulated for the conduct of investment business in the UK by the Financial Services Authority and is a member of the London Stock Exchange, the Company's nominated adviser and broker
"City Code"	the City Code on Takeovers and Mergers
"CNC"	computerised numerical control
"Cobb Slater"	Cobb Slater Limited
"Combined Code"	the Combined Code on Corporate Governance published by the Financial Reporting Council in June 2006
"Company" or "Group"	Plastics Capital plc and its subsidiaries, Plastics Capital and/or those companies and/or their businesses which will become subsidiaries of the Company pursuant to the Share Exchange Agreement as the context requires
"Consideration Shares"	the 10,649,998 Ordinary Shares to be allotted and issued as the consideration payable to the vendors of Plastics Capital pursuant to the Share Exchange Agreement
"CREST"	the Relevant System (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations)
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"Eclipse"	Eclipse VCT Plc and Eclipse VCT 2 Plc, being VCTs managed by Octopus
"EIS"	the Enterprise Investment Scheme income tax relief and other tax reliefs as detailed in Part 5 of the Income Tax Act 2007 and in sections 150A to 150C and Schedule 5B and 5BA of the Taxation of Chargeable Gains Act 1992

"EIS Placing"	the conditional placing by Charles Stanley of the EIS Qualifying Shares with certain investors which are intended to be eligible for relief under EIS
"EIS Qualifying Shares"	1,926,000 Subscription Shares to be placed with certain investors pursuant to the EIS Placing which are intended to be eligible for relief under EIS
"EMI Options"	enterprise management incentive options, details of which are set out in paragraph 4 of Part VI of this document
"Enlarged Issued Share Capital"	the issued share capital of the Company following the Placing, comprising the Existing Ordinary Shares, the Consideration Shares and the Subscription Shares
"Euroclear"	Euroclear UK & Ireland Limited
"Existing Ordinary Shares"	the two Ordinary Shares in issue at the date of this document
"First Admission"	the admission of the Existing Ordinary Shares and the EIS Qualifying Shares to trading on AIM becoming effective in accordance with the AIM Rules
"First VCT Placing"	the conditional placing by Charles Stanley on behalf of the Company of the First VCT Qualifying Shares on the basis set out in this document and the Placing Agreement
"First VCT Qualifying Shares"	1,050,000 Subscription Shares to be issued by the Company pursuant to the First VCT Placing
"Fourth Admission"	the admission of the Consideration Shares and the Non-VCT Qualifying Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Howper"	Howper 136 Limited
"Investec"	Investec Bank (UK) Limited of 2 Gresham Street, London, EC2V 7QP
"IPO"	initial public offer
"Lock-in Agreements"	the lock-in agreements dated variously between Charles Stanley (1) and each of the Directors, Eclipse, Peter Whawell, Nicolino Assets Holdings Limited, Isaac Investments Limited, Aidan Douglas, Anthony Best, Dr Neil Partlett, Michael Daly, Martin Catchpole, John Nichols, Terry Holmes and Brian Worth (2)
"London Stock Exchange"	London Stock Exchange plc
"LTIP"	The Plastics Capital plc Long Term Incentive Plan
"Non-VCT Qualifying Shares"	5,240,000 Subscription Shares other than the EIS Qualifying Shares and the VCT Qualifying Shares
"Octopus"	Octopus Investments Limited
"OEM"	original equipment manufacturer
"Official List"	the Official List of the UK Listing Authority
"Ordinary Placing"	the conditional placings of the 5,240,000 Non-VCT Qualifying Shares and the Sale Shares by Charles Stanley pursuant to the terms of the Placing Agreement
"Ordinary Shares" or "Shares"	ordinary shares of 1p each in the capital of the Company
"Placing"	the EIS Placing, the VCT Placings and the Ordinary Placing
"Placing Agreement"	the agreement relating to the Placing between the Company (1), the Directors (2), the Selling Shareholder (3) and Charles Stanley (4), further details of which are set out in paragraph 8 of Part VI of this document

"Placing Price"	100 pence per Placing Share
"Placing Shares"	the Sale Shares and the Subscription Shares
"Plastics Capital"	Plastics Capital Trading Limited (formerly known as Plastics Capital Limited), a company to be acquired by the Company pursuant to the Share Exchange Agreement
"Proposals"	the Placing, Admission and other matters contemplated in this document
"PVC"	polyvinyl chloride
"Redeemable Preference Shares"	the 5,000,000 Redeemable Preference Shares of 1p each in the capital of the Company
"Registrars"	Capita Registrars
"Robinson Option Agreement"	the put and call option agreement between Paul Robinson and Plastics Capital dated 30 November 2005
"Royal Bank of Scotland"	The Royal Bank of Scotland Plc
"Sabreplas"	Sabreplas Limited, which currently carries on the Sabre Plastics business and part of the business of Trimplex
"Sabre Plastics"	the plastics business currently carried on by Sabreplas and previously carried on by Sabre Plastics Limited and the Bi-Alpha Company Limited under the names of "Sabre Plastics", "Supertube" and "Engineering Plastic Extrusions" or "EPE"
"Sale Shares"	the 1,349,745 Consideration Shares to be sold by the Selling Shareholder pursuant to the Placing Agreement
"Second Admission"	the admission of the First VCT Qualifying Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Second VCT Placing"	the conditional placing by Charles Stanley on behalf of the Company of the Second VCT Qualifying Shares on the basis set out in this document and the Placing Agreement
"Second VCT Qualifying Shares"	7,984,000 Subscription Shares to be issued by the Company pursuant to the Second VCT Placing
"Selling Shareholder"	Investec
"Share Exchange Agreement"	the share exchange agreement, completion of which is conditional upon Fourth Admission and details of which are set out in Part VI paragraph 9(xxvi)
"Shareholders"	holders of Ordinary Shares
"Statutes"	the Act, the Companies Act 2006 and all statutes and subordinate legislation for the time being in force concerning companies and affecting the Group
"Subscription Shares"	16,200,000 new Ordinary Shares comprising the VCT Qualifying Shares, the Non-VCT Qualifying Shares and the EIS Qualifying Shares to be issued by the Company and to be subscribed for by placees pursuant to the Placing
"Third Admission"	the admission of the Second VCT Qualifying Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Trimplex"	Trimplex Limited
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland

"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"United States" or "US"	the United States of America, each state thereof, its territories and possessions and all areas subject to its jurisdiction
"VCT"	venture capital trust
"VCT Placings"	the conditional placings by Charles Stanley of the VCT Qualifying Shares with venture capital trusts and certain other investors on behalf of the Company pursuant to the terms of the Placing Agreement
"VCT Qualifying Shares"	the First VCT Qualifying Shares and the Second VCT Qualifying Shares to be placed with certain venture capital trusts pursuant to the VCT Placings which are expected to be treated as qualifying for the purposes of venture capital trust legislation
"Vendor Loans"	means the loans made by the vendors of certain subsidiaries of the Group at the time the Group acquired such subsidiaries

PLACING STATISTICS

Placing Price	100 pence
Number of Existing Ordinary Shares in issue prior to the Placing	2
Number of Consideration Shares	10,649,998
Number of Subscription Shares being issued by the Company pursuant to the Placing	16,200,000
Number of EIS Qualifying Shares	1,926,000
Number of VCT Qualifying Shares	9,034,000
Number of Non-VCT Qualifying Shares	5,240,000
Number of Sale Shares being sold on behalf of the Selling Shareholder pursuant to the Placing	1,349,745
Number of Placing Shares being placed on behalf of the Company and the Selling Shareholder	17,549,745
Number of Ordinary Shares in issue immediately following Fourth Admission*	26,850,000
Percentage of Enlarged Issued Share Capital represented by the Subscription Shares*	60 per cent.
Market capitalisation of the Company following the Placing at the Placing Price*	£26.85 million
Estimated gross proceeds of the Placing*	£16.2 million
Estimated net proceeds of the Placing*	£14.7 million
EPIC Code	"PLA"

* Assuming First Admission, Second Admission, Third Admission and Fourth Admission occur.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	27 November 2007
First Admission effective and dealings in the Existing Ordinary Shares and the EIS Qualifying Shares to commence on AIM	8.00 am 3 December 2007
Crediting of uncertificated Existing Ordinary Shares and EIS Qualifying Shares to CREST accounts	3 December 2007
Second Admission effective and dealings in the First VCT Qualifying Shares to commence on AIM	8.00 am 4 December 2007
Crediting of uncertificated First VCT Qualifying Shares to CREST accounts	4 December 2007
Third Admission effective and dealings in the Second VCT Qualifying Shares to commence on AIM	8.00 am 5 December 2007
Crediting of uncertificated Second VCT Qualifying Shares to CREST accounts	5 December 2007
Fourth Admission effective and dealings in the Consideration Shares and the Non-VCT Qualifying Shares to commence on AIM	8.00 am 6 December 2007
Crediting of uncertificated Consideration Shares and Non-VCT Qualifying Shares to CREST accounts	6 December 2007
Despatch of definitive share certificates (where applicable)	by 14 December 2007

PART I

INFORMATION ON THE GROUP

1. Introduction

The Company has been incorporated with the aim of becoming the holding company of Plastics Capital and its subsidiaries following completion of the Share Exchange Agreement. The Company will, following completion of the Share Exchange Agreement, comprise a plastics products manufacturing business focused on proprietary plastics products for niche markets. Plastics Capital is highly profitable and cash generative with modest capital expenditure reinvestment requirements.

Those companies which will become the key subsidiaries of the Company on completion of the Share Exchange Agreement are long established and have strong market positions supported by in-house technical capabilities. Approximately 70 per cent. of sales are exported to countries world wide. Production is concentrated in the UK where significant engineering know-how and automation underpins the Group's competitiveness.

The Group has been built up through acquisitions since 2002 by an experienced management team with mergers and acquisitions experience, manufacturing experience and industrial marketing skills. Six acquisitions have been completed over this time and the Company has identified a number of further potential acquisitions.

The Group has 5 factories in the UK, an assembly operation in Thailand and sales offices in the US and Japan. It has a total of 250 employees at the date of this document.

It is the intention of the management team to consider, and if appropriate, make acquisitions over the coming years. The acquisitions strategy is based on detailed research and specific criteria to guide the Company towards attractive targets that can be appropriately integrated within the Group.

2. Global Plastics Products Industry

Globally, the plastics products manufacturing industry is considerable, with raw material sales estimated to reach approximately 180 million tonnes in 2007, conservatively estimated to be worth £150 billion per annum. The market for finished and semi finished products amounts to at least twice the above mentioned figures on a world wide basis. It is also a growth industry with global polymer demand projected to grow by approximately 4 per cent. per annum to 2009.

Producers of finished and semi-finished products are highly diverse and fragmented with approximately 24,000 producers in Western Europe alone and over 100,000 producers world wide. The majority of finished and semi finished products are low value standard commodities. However, there are many manufacturers making speciality products tailored to specific end-use applications and frequently using more advanced plastic materials. It is in this "speciality plastics products" sector that the Group operates.

Although there are no published figures, the Directors believe that the speciality plastics products sector has the potential for strong future growth. This growth of speciality plastics products is, in the Board's view, being driven by the ongoing substitution of traditional materials such as metal, wood and glass with new, more advanced plastics materials, finishes and treatments in a wide variety of applications. This offers scope for a wide variety of opportunities for the Group and its product applications.

3. Business

History

Plastics Capital was incorporated on 2 December 2002 and has grown through acquisition. Over the past four years, Plastics Capital has established a solid platform from which to grow further and the Group intends to continue to pursue its strategy of acquiring well positioned speciality plastics products manufacturing businesses.

In January 2003, Plastics Capital acquired 15 per cent. of Bell and entered into a management agreement at that time taking effective management control. In November 2004, Plastics Capital acquired the remaining 85 per cent. of Bell with support from Investec.

In November 2005, Plastics Capital completed a double acquisition of 80 per cent. of Trimplex and 100 per cent. of BNL. Plastics Capital was principally supported by an equity and debt investment by Octopus (through Eclipse), Investec and GE Commercial Finance.

In February 2007, following the sale and leaseback of BNL's UK property, Plastics Capital refinanced all of Investec's and GE Commercial Finance's outstanding debt through facilities provided by Royal Bank of Scotland. Soon after this, the Group completed two smaller acquisitions: Cobb Slater, which has been integrated into BNL and Sabre Plastics, which has been integrated with the Leicester-based operations of Trimplex, in April 2007 and May 2007 respectively. These acquisitions were funded out of Plastics Capital's own cash flow and through working capital facilities provided by Royal Bank of Scotland.

In August 2007, Plastics Capital acquired 100 per cent. of Channel. This was funded by an increase in the Royal Bank of Scotland debt facility, coupled with loan notes subscribed for by existing shareholders, further details of which are set out in paragraphs 9(xx) to 9(xxii) inclusive of Part VI of this document.

On 26 November 2007 Plastics Capital acquired a further 10 per cent. of Trimplex.

The Company will become the holding company of Plastics Capital and its subsidiaries on completion of the Share Exchange Agreement.

Products

Plastic Bearings

BNL is a solution provider to major multinational OEMs in all areas where engineered rotating parts made from plastic can add value to a customer product. Using specialist in-house expertise, purpose built bearing products are designed and prototyped in conjunction with customers' design teams to meet OEMs' product development programmes. They are then translated, using accurate CNC machines, into volume manufacturing through the construction of specialist injection moulding tooling and often through automated assembly lines.

BNL's bearings are used in a wide range of applications, including photocopiers, pool cleaners, ATM machines, poultry processing, rotating beacons, mail sorting equipment, spa baths, shower enclosures, mobile satellite antennas, security cameras, steering columns and roof racks.

Plastic bearings offer a number of key advantages to traditional bearings made from steel, including:

- reduced weight;
- lower inertia;
- cost benefits;
- increased functionality;
- no lubrication or maintenance required;
- lower friction rate with anti-static properties;
- greater resistance to corrosion and chemicals; and
- lower wear rates.

The majority of BNL's bearings and assemblies are made from injection moulded Acetyl Polyoxymethylene (POM). This is a semi-crystalline, high performance engineering polymer which delivers very good long term wear performance and which is dimensionally stable when subject to load, temperature and most fluids, making the material ideal for the bearings and the functions demanded of them. POM has a density which is one fifth that of steel, with the potential to reduce both the number of parts needed in a particular product and the weight of the product. POM possesses a natural lubricity, making the application of external lubricants unnecessary. In addition to POM, other engineering polymers can be used, generally for their resistance to specific environments, like PEEK (polyetheretherketone) in high temperatures and UHMWPE (ultra-high molecular weight polyethylene) in corrosive chemical applications.

Creasing Matrix

Creasing matrix is a consumable used in the manufacture of cardboard boxes, cards, point of sale material and the like, where folds need to be put into cardboard. Creasing matrix enables cardboard to be creased automatically and accurately by high speed box making and printing machines so enabling the eventual box to be folded satisfactorily into the desired shape.

There are four components to a creasing matrix, which are automatically assembled together. These are: a locator (extruded EVA – ethyl vinyl acetate), curved profile shoulders (extruded PVC or pressed paper), micro-thin polyester base film and self adhesive tape. All the constituent parts require precision engineering to ensure smooth running. Furthermore, a wide variety of matrix dimensions (channel depth and width) are required to accommodate different cardboard and paper thickness.

There are other ways to crease cardboard rather than the use of creasing matrix, but these either require the use of machined counters, which are costly and inflexible, or involve a considerable degree of manual processing which is laborious and time consuming. Manual methods are still widely in use in less developed countries, thereby providing opportunities for the Company to develop a market for its products in these territories.

Hose Mandrel

Hose mandrels are long, high-specification rods around which industrial rubber hoses are formed. Examples of such mandrel made hoses include hydraulic hoses, high-pressure water hoses, air-conditioning hoses and power steering hoses. The mandrel determines the critical inside diameter of the hose, and supports the rubber as the hose's steel wire reinforcement is applied during production. Once the rubber hose has been formed and vulcanised, the mandrel is removed, usually under high water pressure, to be re-used if possible. Mandrels can be made of steel, rubber, PP (polypropylene) and nylon (polyamide), as well as other materials. The type of mandrel material used has a significant impact on the hose manufacturer's production process, which is designed to suit the flexibility and other characteristics of the mandrel material. This results in barriers to switching mandrel type and provider.

The Directors believe that Bell is the global leader in the production of nylon mandrels, which have certain benefits over other types of mandrel. They are more flexible than metal and PP mandrels, giving the hose producer greater production efficiencies. In addition, they can be re-used more times than PP and rubber mandrels, are easier to join into long production lengths and are easier to extract from the hose. These characteristics help to reduce hose-makers' costs. Dimensions of Bell mandrels vary from 3mm to 50mm in diameter, and up to 2km in length, supplied in coils or on drums. Bell uses an unusual, specially-designed production technology that guarantees very low dimensional variability and a complete absence of internal voids or holes in the mandrels, neither of which are easily achievable in conventional free extrusion production processes and which are crucial to the satisfactory functioning of the hose manufacturer's production process.

Bell counts many leading producers of industrial rubber hose as its customers.

Other Products

The Group makes a number of other plastic products in smaller volume than the key products described above. These products generally either go to the same market or utilise related production processes as the key products. They include:

- a range of high-performance plastic films used by rubber hose manufacturers to provide highly abrasion-resistant coverings and chemical-resistant linings on industrial and hydraulic hoses. These films are manufactured according to customer specification of width, thickness, roll size and core type, in a variety of material grades to suit different applications;
- extruded plastic accessories, such as ejection rubbers, cutting sticks and knife guards, used by print and packaging customers, many of whom also use creasing matrix;
- a range of flooring accessories, primarily stair nosings, which provide a safety edge for staircase steps; and
- a variety of plastic profiles and coatings supplied to customer specification and used in applications ranging from greenhouses and racking systems to electric fencing.

Operations

The Group is made up of four key business units: BNL based in Knaresborough, North Yorkshire, Trimplex in Dartford, Kent, Channel in Wellingborough, Northamptonshire and Bell in Poole, Dorset. In addition, the Group has one smaller business unit called Sabreplas in Narborough, Leicester.

BNL

Founded in 1970, BNL has its headquarters in the UK and is supported by an assembly operation in Thailand and sales, distribution and design offices in the USA and Japan. In the year to 31 March 2007 over 80 per cent. of its output was exported overseas.

BNL employs a highly skilled and dedicated research and development team with design and product application expertise, facilitated by modern CAD/CAM systems. BNL has modern manufacturing facilities in Knaresborough with 31 modern moulding machines. 22 of the machines are fitted with robots and all are served with an automated material feed system. BNL benefits from a fully integrated IT infrastructure system customised to BNL's needs that supports its finance, manufacturing and distribution functions on a global scale.

By using automated assembly machinery, BNL is able to meet the consistent high quality demanded by its customers. BNL undertakes quality control checks at a number of stages of the manufacturing process, designed to check the balls, grease, torque and weight of the ball bearings. In July 2004, BNL was named "Plain Paper Copier Supplier of the Year" by Ricoh UK Products. This is in addition to achieving 'Class A Supplier Status' with Ricoh in 2004 for the third consecutive year, which is a status awarded to those suppliers who deliver 100 per cent. on time with zero defects. Ricoh has also recognised BNL with a special award for innovation and has approved BNL's Chemical Management System (CMS). BNL has also achieved ISO 9001:2000 and the new global automotive standard, ISO/TS 16949:2002. In June 2003 BNL was also accredited with ISO 14001 in recognition of its environmental performance.

In April 2007, BNL acquired Cobb Slater, a small competitor in certain applications for plastic bearings, as well as being a manufacturer in the field of technical mouldings and electrical security products. The bearings business of Cobb Slater has been integrated into BNL, whilst the remainder of the business has been sold on.

Trimplex

Founded in 1989, Trimplex primarily manufactures plastic creasing matrix, but also has some secondary product areas, specifically print accessories, flooring products and trade extrusions. Manufacturing of creasing matrix occurs through three in-line automated extrusion and assembly production steps. The production technology has been purpose designed and built from available machinery components using Trimplex's own engineering expertise and tool shop.

Trimplex manufactures creasing matrix to stock, from which it supplies a network of approximately 40 customers in 26 countries around the world. Customers are generally suppliers/stockists of consumable products to the printing and packaging industry, with whom Trimplex has long standing relationships.

Trimplex's main factory is in Dartford, Kent and a second factory is located in Narborough, Leicester which focuses on trade extrusions. In April 2007, the Group acquired Sabre Plastics, a plastics extrusion business based in Yorkshire. Sabre Plastics has been integrated into the Leicester based operations of Trimplex.

Channel

Channel pioneered the self locating creasing matrix system over 40 years ago. It primarily manufactures creasing matrix, and therefore complements the Trimplex business, but it also has some secondary products, specifically ejection rubbers and other printing accessories. It has a sales office in the USA and an interest in a distributor in San Marino, Italy.

Channel manufactures creasing matrix to order and to stock, from which it supplies a network of approximately 130 overseas customers based in approximately 70 countries around the world and approximately 1500 UK customers. Its customers are principally suppliers/stockists of consumable products to the printing and packaging industry with most of whom Channel has a long established relationship.

Its factory is located in Wellingborough, Northamptonshire. Small quantities of the paper based creasing matrix and materials for the manufacture of creasing matrix are also manufactured by its associate, Skor S.r.l., and sold to Channel.

As part of the Group's structured integration plan, a project is currently underway to assess the synergies the Board believes should be available between Channel and Trimplex.

Bell

Founded in 1984, Bell predominantly manufactures nylon mandrel used by its customers in the manufacture of industrial rubber hoses. It also manufactures protective plastic films for the rubber hose industry and plastic coverings for wire and wire ropes.

The nylon mandrel is manufactured on automated proprietary production lines, which comprise purpose-built and standard machinery modified to Bell's own design through internal know-how.

In addition, Bell manufactures two types of film used in the construction of rubber hoses: UHMWPE (ultra-high molecular weight polyethylene), which is made through a skiving process; and XLPE (cross-linkable polyethylene), which is extruded. These high-performance films offer solutions for applications where the rubber hose must have high resistance to chemical attack or to abrasion.

For the past 6 to 12 months Bell has also increased its focus on new product development, particularly in the field of mandrels, and has new types of plastic mandrel currently on trial with key customers. The Directors are confident that these will lead to an extended product offering in the near future.

Bell exports approximately 90 per cent. of its production calculated by sales, primarily to continental Europe, South Asia and the Far East. Its customers include a number of multinational rubber companies. Products are made to customer order, enabling Bell to accommodate its customers' varied dimensional and other requirements.

4. Information on Markets and Competition

Plastic Bearings

Although there is no recent independent research available, the Directors estimate that the total world wide market for standard and custom designed plastic bearings is £50-100 million as at the date of this document.) The Directors estimate that the total market for metal ball bearings currently exceeds £10 billion, which the Director's believe gives some indication of the potential scale of the market available to plastic bearings. The Directors believe that the main applications for BNL's bearings are currently in the following sectors:

- business machinery, such as photocopiers, printers and ATMs;
- water and leisure, such as rotating jets, pool cleaners and shower doors;
- electrical security applications, such as CCTV systems, rotating beacons and satellite antennae; and
- the automotive industry, in steering columns and roof racks,

which the Directors believe are all growth sectors.

The Directors believe that BNL has no direct competitor competing on a similar global scale in the custom designed plastic bearings market. However, the Directors believe that there are a few significant regional competitors, being KMS Bearings, Inc. based in Anaheim, USA, which has a presence primarily in the North American market; TOK Bearing Company Limited, a company based in Tokyo, Japan, focused on its domestic market; and finally, Apnyl, based in France, which is primarily active in the French and Spanish markets. In the view of the Directors, BNL is the leader in the custom designed plastic bearings market with an estimated global market share of 25-30 per cent.

Creasing Matrix

The Directors estimate that the global market for creasing matrix and related accessories is £15 million to £20 million. The potential market is significantly greater as manual processes still take place in less developed nations. Furthermore, the growth of packaging in less developed countries, as they industrialise, provides additional opportunity for growth in these geographical areas.

Although there are numerous stockists who claim to be manufacturers of creasing matrix, the actual number of true manufacturers is very limited. The Directors believe that Channel and Trimplex have a combined global market share of approximately 40 per cent. of the creasing matrix market. There is only one significant competitor in the creasing matrix manufacturing market which is CITO, a German company, with an estimated market share of approximately 50 per cent. CITO provides a wide range of equipment for creasing, cutting and offset printing.

Hose Mandrel and Film

Overall, the Directors believe that the market for industrial rubber hose is growing approximately in line with growth in GDP in the relevant market. As new factories are opened in Asia and Eastern Europe and existing producers seek to improve and expand their production, opportunities for growth in Bell mandrel sales are being created. Bell estimates that there are approximately 300 hose plants world wide of which approximately half use some form of mandrel for hose formation. Many hose producers will also have a requirement for protective films for the interior and exterior of hoses.

The decision of which mandrel material to use depends on a number of variables, including plant space and layout, technical sophistication, product mix, material familiarity, cost and in-house mandrel production capabilities. Switching mandrel type is a major technical decision for hose manufacturers and is not undertaken lightly. Because of nylon's relative strengths compared to other mandrel materials and Bell's ability to offer technical advice and support during the switching process, Bell is well positioned to gain new mandrel customers.

The Directors believe that other than Bell, there are no significant specialist producers of nylon mandrel supplying the hose industry. The key competition comes from in-house production of mandrels by the rubber hose manufacturer or from local, non-specialist producers making plastic mandrel as part of a wide range of other extrusions. There are two other significant protective film competitors in relation to UHMWPE: DeWal and Gurit, both of which are considered to be larger operations than Bell. Neither of these are however focused to the same extent on the rubber hose market. The Directors believe that Bell is the leading world wide producer of XLPE film.

5. Financial Information

The Company is recently formed and has not traded. The following table contains (*inter alia*) a summary of certain historical financial information relating to Plastics Capital and its subsidiaries for the period indicated which has been extracted from Parts III and VI of this document.

	IFRS Period ended 31 March 2007 £000's	*IFRS Period ended 31 March 2006 £000's*	*UK GAAP 15 months to 31 March 2005 £000's*
Revenue	16,660	6,875	1,250
Operating Profit	3,056	3,531	206
Profit on sale of land and buildings(1)	1,604	—	—
Negative Goodwill(2)	—	2,675	—
Operating profit less (1) & (2)	1,452	856	206

Net assets as at 31 March 2007 were £5,941,000.

Turnover has increased from £1,250,000 for the 15 months ended 31 March 2005 to £16,660,000 in the year ended 31 March 2007, with operating profits less (1) & (2) rising from £206,000 to £1,452,000 over the same period as a result of the acquisitions made by the Group and organic growth from the underlying business.

Plastics Capital acquired Channel on 31 August 2007 for £10,085,000. In addition, further bonus consideration is payable to the Channel vendors in the event that certain performance criteria are met, further details of which are set out in paragraph 9(xxiii) of Part VI of this document. This performance related bonus consideration is capped at £2.5 million.

Channel's turnover increased from £4,826,000 in the year ended 30 April 2006 to £4,984,000 in the year ended 30 April 2007, with operating profits rising from £1,371,000 to £1,484,000 over the same period.

The Company's first results announcement following Admission, being for the six month period to 30 September 2007, will be prepared in accordance with IFRS and will reflect the Group as enlarged by the acquisition of Channel.

Set out in Part III of this document are five Accountant's Reports which, in conjunction with Part IV, provide historical financial information on Plastics Capital and its subsidiaries. Attention should be drawn to the following matters that relate to certain of the principal acquisitions carried out to date by the Group:

1. BNL was acquired by Plastics Capital on 30 November 2005 and its original accounting reference date was 31 December. Section D of Part III sets out an Accountant's Report on BNL for the 12 months to 31 December 2005 and as such covers the 5 week period following acquisition by Plastics Capital. This is because it was not possible for the Directors to prepare financial information on BNL up to and including 30 November 2005 without incurring undue cost and utilising excessive amounts of management time. The Accountant's Report on Plastics Capital, set out in Section B of Part III, includes the consolidated financial results of Plastics Capital and its subsidiaries for the year ended 31 March 2006. This incorporates the results for BNL from the date of acquisition. The results of BNL for the 5 week period ended 31 December 2005 are therefore included in Section B of Part III and Section D of Part III of this document;

2. Part IV of this document sets out the unaudited financial information relating to Trimplex for the period from 1 May 2004 to 30 November 2005, being the date it was acquired by Plastics Capital. The accounting reference date for Trimplex was originally 30 April and as a result there is no financial information available for the month ended 30 April 2004. There is therefore no financial information for Trimplex for the month ended 30 April 2004 included in this document;

3. As set out in more detail on page 147 of Part IV, the financial information provided for Trimplex for the period from 1 May 2004 to 30 November 2005 is unaudited as KPMG LLP, the Group's auditors, have not been able to access the statutory audit files of RB Asset Management Limited which sold the Trimplex manufacturing business, which was eventually acquired by Plastics Capital; and

4. For the reasons set out in (3) above and on page 147 of Part IV there is no available audited financial information for Trimplex for the 7 month period ended 30 November 2005 and the Directors do not have access to the original accounting records. As a result of this it has not been possible for the Directors to prepare financial information under IFRS.

A derogation pursuant to Rules 4 of the AIM Rules has been obtained in relation to the matters detailed above.

6. Strategy, Current Trading and Future Prospects

Strategy

The Group's strategy to build shareholder value is twofold: to continue to grow its key business organically and to make related acquisitions.

Organic growth will be driven through new product development, ongoing penetration of new accounts and targeted sales to higher growth regions of the world. These activities are ongoing in all of Plastics Capital's subsidiary operations.

It is intended that growth by acquisition will be of two types:

- "bolt-on" acquisition targets that fit existing operations and can be integrated with relative ease and minimum disruption. There are a number of such targets that have been identified and approached to date but there are no binding heads of agreement entered into in respect of such targets; or
- "stand-alone" acquisition targets that will become self standing subsidiaries of the Company.

The Directors intend to apply the following specific criteria when assessing stand-alone acquisitions:

- established plastics products businesses;
- good margins;
- little direct competitive pressure;
- a stable pricing environment;
- high actual or achievable market share;
- a focus on niche segments;
- organic growth potential; and
- the capability to achieve £2m EBITDA per annum.

Several opportunities for acquisitions which meet the criteria set out above have been identified by the Board. Generally these are owner managed companies that lack critical mass and professional management disciplines and in which the owners are reaching retirement age and are looking to exit. The Board is confident in its ability to identify appropriate targets, to acquire them at appropriate multiples and subsequently to develop and integrate them into the Group.

Current Trading

Trading for the Group's first half year is in line with its annual profit budget, which reflects significant year on year growth. Primarily the growth is due to acquisitions completed in the first half year which will feed through in the second half year, but it is also due to organic sales growth.

The acquisitions completed since the last year end are trading in line with expectations. Cobb Slater's operations have been fully integrated into BNL and the integration of Sabre Plastics with Trimplex has been completed. The profit impact of these acquisitions and of the Channel acquisition should be felt in the second half of the financial year.

Sales growth has been strong, particularly at BNL, although the ongoing weakness of the US dollar and capacity bottlenecks have held back trading margins. The Group's hedging policy has partially compensated for the negative US dollar impact and additional production capacity was installed in the last 6 months.

Future Prospects

The Directors believe that the prospects for the Group are strong. Underpinning the prospects in terms of existing operations are the following:

- attractive new product development in the pipeline at BNL and Bell;
- the potential to achieve profit improvements by combining Channel and Trimplex under common ownership; and
- strong cash flows enabling the Group to pay down debt and service interest in the future.

Finally, in terms of acquisitions, the Group has a strong pipeline of attractive acquisition opportunities which it is progressing.

7. Reasons for the Placing and Admission and Use of Proceeds

Since its inception in 2002, Plastics Capital has undertaken the acquisition of 6 businesses. These acquisitions and the subsequent working capital requirements have been funded primarily through borrowings and a relatively small capital base.

The Directors believe that the historic capital structure, level of borrowings and significant interest payments currently restrict the Group's growth potential, whether that growth be organic or by acquisition.

Accordingly, the Directors intend that the net proceeds of the Placing will be applied, to repay, *inter alia,* all Vendor Loans totalling £3.35 million, all shareholder loans totalling £5.75 million and to repay £3.47 million of the facilities provided by Royal Bank of Scotland.

In addition, a premium of £0.74 million will be repayable on the redemption of certain shareholder loans details of which are set out in paragraph 9(vii) of Part VI of this document. It has been agreed that this premium will be satisfied by the issue of ordinary shares of 1p each and A ordinary shares of 1p each in the capital of Plastics Capital before the acquisition of Plastics Capital by the Company pursuant to the Share Exchange Agreement.

Of the shareholder loans totalling approximately £5.75 million, £2.22 million is owed to certain of the Directors or their connected parties as follows; £0.85 million to Faisal Rahamatallah, £0.59 million to Arun Nagwaney, approximately £41,000 to Jeremy Clarke, £0.70 million to Richard Vessey and £24,000 to Nicholas Ball.

In addition, Richard Vessey is owed £2.26 million representing part of a Vendor Loan provided to Plastics Capital at the time of the acquisition of Bell.

It is intended that approximately £0.3 million will be utilised to purchase the remaining 10 per cent. of Trimplex not already owned by Plastics Capital.

Finally, the remaining approximately £1.8 million of the net proceeds will be used to augment the Company's working capital facilities.

As detailed in the paragraph 11 titled "The Placing" below, £2.44 million is, in aggregate, being subscribed by certain of the Directors in the Placing.

The Directors believe that the Company has the management expertise and systems in place to acquire new companies to integrate and manage as subsidiaries. As stated, further acquisition targets have been identified and these opportunities are currently being evaluated by the Directors. Coupled with the Group's historical acquisition programme, this demonstrates that opportunities to acquire viable businesses occur regularly. The proceeds of the Placing, by reducing the Group's indebtedness and increasing its capital base, should enable the Group to fund further acquisitions, in whole or in part, subject to such acquisitions meeting the Directors' criteria.

The Directors believe that Admission should:

- raise the profile of the Company both domestically and internationally;
- provide the Company with an increased ability to issue Ordinary Shares as consideration for acquisitions;
- assist the Company in raising, where necessary, additional finance for the future development and expansion of the Company; and
- enable the Company to recruit, motivate, reward and retain Directors and employees through the use of performance-linked share options over Ordinary Shares.

8. Borrowing Facilities

Following Admission, the borrowing facilities of Plastics Capital can be summarised as follows:

Facility			*Amount expected to be drawn at Admission*
• Term loan facility	–	£13.4 million	£9.9 million
• Acquisition facility	–	£3 million	£nil
• Working capital facility	–	£1.3 million	£nil

On 31 August 2007, Plastics Capital entered into the term loan facility with Royal Bank of Scotland which was partly used to fund the acquisition of Channel. On Fourth Admission, Plastics Capital will repay £3.47 million of the term loan facility, further details of which are set out in paragraph 9(xxi) of Part VI.

9. Directors

The Board comprises Faisal Rahmatallah (Chairman), Nicholas Ball (Finance Director), Arun Nagwaney (Development Director), Jeremy Clarke (Director), Richard Vessey (Non Executive Director) and Andrew Walker (Non Executive Director), brief biographies of whom are set out below. Details of the service contracts, consultancy agreements and letters of appointment relating to the Directors are set out in paragraph 6 of Part VI of this document. Further details of the Directors' directorships, both current and in the past five years, are set out in paragraph 5 of Part VI of this document.

Faisal John Rahmatallah, (age 51), Chairman

Faisal is a founder shareholder of Plastics Capital and Director of the Company. Pursuant to a consultancy agreement dated 26 November 2007 with the Company, further details of which are set out in paragraph 6 of Part VI of this document, he is obliged to spend a minimum of 30 hours a week at the Company. He has worked for and with manufacturing companies for 16 of the last 25 years. He has spent 7 years working in private equity with Capricorn Ventures International and prior to that was a partner at Deloitte & Touche, and was a managing director of a specialist consulting subsidiary of Deloitte & Touche. He is a graduate of Oxford University and has an MBA from Harvard Business School. Faisal is also chairman of Broker Network Holdings plc, an AIM listed company.

Nicholas Martin Ball, (age 37), Finance Director

Nick, who is the Group Finance Director, joined Plastics Capital in October 2005. Previously he spent 10 years working at Deloitte & Touche, initially in Audit and then in Corporate Finance, where he worked principally on financial due diligence for manufacturing businesses and lead advisory work for the private equity industry. During this time he also spent a year on a bank secondment working within leveraged finance at ScotiaCapital. He is a graduate of Bath University and is an ACA accountant.

Arun Nagwaney, (age 36), Development Director

Arun is a founder shareholder of Plastics Capital and Director of the Company. Pursuant to a consultancy agreement dated 26 November 2007 with the Company, further details of which are set out in paragraph 6 of Part VI of this Document, he is obliged to spend a minimum of 30 hours a week at the Company. He has worked in or for major manufacturing companies for the last 10 years. Prior to co-founding Plastics Capital, he was a Principal with Capstone, the operational support organisation to KKR, and prior to that Associate Principal with McKinsey & Company. He is an engineering graduate of Cambridge University and has a PhD in Engineering from Imperial College London. Arun is also Deputy-Chairman of Beta Systems Software AG, a Prime Standard (German stock exchange) listed company.

Jeremy Alan John Clarke, (age 40), Director

Jeremy, who is a founder shareholder of Plastics Capital and Director of the Company, has been Managing Director of Bell since 2003 and has over 13 years of experience in manufacturing. Prior to co-founding the Company, he spent 8 years with ICI as an engineer and manager in their plastics and chemicals businesses, and later spent 2 years helping major industrial businesses as a management consultant with McKinsey & Company. He has a first-class degree in Engineering from Cambridge University and an MBA from Warwick Business School.

Richard Charles Vessey, (age 59), Non Executive Director

Richard is a founder shareholder of Plastics Capital and a non executive Director of the Company and has been involved with manufacturing and selling plastics related products for over 30 years. During that time he worked for Wavin and Birmid Qualcast, before establishing Bell. Since then he has successfully developed other ventures including Im-Pak, a plastics process innovator. He has a degree in Engineering from Imperial College London and has an MBA from Harvard Business School.

Andrew John Walker, (age 56), Non Executive Director

Andrew recently joined the Company as a non executive Director. Andrew has extensive experience of executive roles in a number of large multinational businesses. Andrew currently sits on the board of eight public companies. He was Group Chief Executive of McKechnie plc for four and a half years until 2001 and prior to that he was the Group Chief Executive of South Wales Electricity plc. From 2001 to date, Andrew has devoted his time to non executive roles at, amongst others, Ultra Electronic Holdings plc, Halma plc, Bioganix plc and Manganese Bronze Holdings plc. He has a degree in Engineering from Cambridge University.

10. Key Management and Employees

Aidan Andrew Douglas, (age 40), Business Unit Managing Director for Trimplex

Aidan joined Plastics Capital in November 2005 and has been the Managing Director of Trimplex for two years. Previously he spent five years at McKinsey & Company where he gained experience working on a variety of projects. Aidan also has six years of operating experience from his time spent with Diageo and GEC Alsthom. He is a chartered engineer, has an MBA from London Business School and a first class degree in Electrical Engineering from Imperial College, London.

Neil Keith Partlett, (age 43), Business Unit Managing Director for BNL

Neil has been the Managing Director of BNL since February 2000, including when BNL was owned by Sarna Kunststoff Holding AG, a Swiss public limited company. He has ten years of operations experience with ICI. He has a first class degree in Chemistry and Food Science and a PhD in Chemistry, both from Reading University, and a Diploma in Management Studies.

Mark Anthony Riley, (age 46), Business Unit Managing Director for Sabreplas

Mark joined Plastics Capital in March 2007 and has been responsible for the Narborough site of Trimplex and for Sabre Plastics since it was acquired in May 2007. He is leading the project to consolidate these two operations onto the site at Narborough. Mark has over 20 years of plastics extrusion experience gained in various technical and manufacturing management roles at Gradus Limited, which is a UK market leader in flooring products and accessories. He has a postgraduate qualification in manufacturing and a management qualification from the Open University.

Andrew Grant Robinson, (age 36), Business Unit Managing Director for Channel

Andrew has been Managing Director of Channel since 2002, having taken over from his father. For seven years previously he was Sales Director, responsible for developing and maintaining Channel's worldwide distribution network. His early career was also in sales for engineering companies.

11. The Placing

Under the EIS Placing, the First VCT Placing, the Second VCT Placing and the Ordinary Placing, the Company is proposing to issue a total of 16,200,000 new Ordinary Shares. The Placing Shares, including 1,349,745 Sale Shares being sold by the Selling Shareholder, will represent approximately 65 per cent. of the Enlarged Issued Share Capital immediately following Fourth Admission, on the assumption that all of the Subscription Shares are issued.

Under the Placing Agreement (details of which are set out in paragraph 8 of Part VI of this document), Charles Stanley has conditionally agreed, as agent for the Company and the Selling Shareholder, to use its reasonable endeavours to procure placees to subscribe for and/or purchase (as the case may be) the Placing Shares.

The Placing Shares comprise 16,200,000 Subscription Shares being issued by the Company (comprising 1,926,000 EIS Qualifying Shares, 9,034,000 VCT Qualifying Shares and 5,240,000 Non-VCT Qualifying Shares) and 1,349,745 Sale Shares being sold by the Selling Shareholder to be placed with placees. The Company will, through Charles Stanley, make the applications for Admission in respect of the Existing Ordinary Shares, the EIS Qualifying Shares, the VCT Qualifying Shares, the Consideration Shares and the Non-VCT Qualifying Shares so as to enable Admission and trading in the Existing Ordinary Shares and the EIS Qualifying Shares to commence at 8.00 a.m. on 3 December 2007, Admission and trading in the First VCT Qualifying Shares to commence at 8.00 a.m. on 4 December 2007, Admission and trading in the Second VCT Qualifying Shares to commence at 8.00 a.m. on 5 December 2007 and Admission and trading in the Consideration Shares and the Non-VCT Qualifying shares to commence at 8.00 a.m. on 6 December 2007.

As noted above, the Placing Shares are to be admitted in four stages: First Admission, Second Admission, Third Admission and Fourth Admission. The Directors have been advised that as a result of the Placing Shares being issued in four separate stages, VCTs should be able to participate in the VCT Placings which would not be the case if all of the Placing Shares were admitted to trading simultaneously, as the gross assets limit for VCT investment would be exceeded by receipt of the combined proceeds of the EIS Placing, the VCT Placings and the Ordinary Placing.

Charles Stanley may terminate the Placing in certain circumstances prior to First Admission only, including in the event of a breach of warranty or *force majeure*.

The First VCT Placing, the Second VCT Placing and the Ordinary Placing are each conditional upon the following matters:

(a) any supplementary admission document required to be published by the AIM Rules being so published in accordance with the provisions of the AIM Rules before (in the case of the First VCT Placing) Second Admission, (in the case of the Second VCT Placing) Third Admission, and (in the case of the Ordinary Placing) Fourth Admission;

(b) the Company allotting (in the case of the First VCT Placing) the First VCT Qualifying Shares, (in the case of the Second VCT Placing) the Second VCT Qualifying Shares, and (in the case of the Ordinary Placing) the Non-VCT Qualifying Shares prior to and conditional only on (in the case of the First VCT Placing) Second Admission, (in the case of the Second VCT Placing) Third Admission and (in the case of the Ordinary Placing) Fourth Admission, in each case in accordance with the terms of the Placing Agreement;

(c) subject (in the case of the First VCT Placing) to the EIS Placing having become unconditional in all respects, (in the case of the Second VCT Placing) to the First VCT Placing having become unconditional in all respects, and (in the case of the Ordinary Placing) to the Second VCT Placing having become unconditional in all respects, the Registrars having registered (without registration fee) as holders of the relevant shares such persons entitled thereto as the Registrars are able to register on the basis of the information provided to them by Charles Stanley; and

(d) (in the case of the First VCT Placing) Second Admission, (in the case of the Second VCT Placing) Third Admission and (in the case of the Ordinary Placing) Fourth Admission taking place by not later than 8.00 a.m. on each of 4 December, 5 December and 6 December 2007 respectively.

Charles Stanley and the Company may agree in writing to extend the time and/or date by which any of the conditions are required to be fulfilled to no later than 3.00p.m. on 21 December 2007.

Investors should be aware that First Admission might occur but thereafter Second Admission, Third Admission and Fourth Admission might not take place, or that First Admission and Second Admission might occur but thereafter Third Admission and Fourth Admission might not take place, or that First Admission, Second Admission and Third Admission might occur but thereafter Fourth Admission might not take place. It should also be noted that the Share Exchange Agreement is conditional upon Fourth Admission and in the event that Fourth Admission does not occur the conditions in the Share Exchange Agreement will not have been be satisfied, and unless such condition(s) are waived, the Company will not acquire Plastics Capital and its subsidiaries.

The aggregate proceeds of the Placing will be approximately £16.2 million before expenses, of which £14.7 million net of expenses will be receivable by the Company. Charles Stanley has received conditional commitments from institutional and other investors for 17,549,745 Placing Shares at the Placing Price pursuant to the Placing.

The Subscription Shares and the Consideration Shares will rank *pari passu* with the Existing Ordinary Shares, including the rights to all dividends and other distributions declared paid or made after the date of Admission. The Placing has not been underwritten.

On Fourth Admission, the Company will have 26,850,000 Ordinary Shares in issue and a market capitalisation of approximately £26.85 million at the Placing Price. Applications will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is anticipated that trading in the Existing Ordinary Shares and the EIS Qualifying Shares will commence at 8.00 a.m. on 3 December 2007, that trading in the First VCT Qualifying Shares will commence at 8.00 a.m. on 4 December 2007, that trading in the Second VCT Qualifying Shares will commence at 8.00 a.m. on 5 December 2007 and that trading in the Consideration Shares and the Non-VCT Qualifying Shares will commence at 8.00 a.m. on 6 December 2007.

The following Directors, including their connected parties, have agreed to participate in the Placing as follows:

Director	*£*
Faisal Rahamatallah	587,353
Nicholas Ball	24,000
Arun Nagwaney	607,000
Richard Vessey	1,167,405
Andrew Walker	50,000
Total	2,435,758

Details of the Directors' interests, and those of their connected parties, in the share capital of the Company are set out in paragraph 5 of Part VI of this Document.

12. CREST

Application has been made for the Ordinary Shares in issue following Admission to be admitted to CREST with effect from Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the individual shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

It is expected that, subject to the satisfaction of the conditions of the Placing, the Placing Shares will be registered in the names of the placees subscribing for them and issued or transferred whether:

(a) in certified form, where the placee so elects, with the relevant share certificate expected to be despatched by post, at the placee's risk, in the case of the EIS Qualifying Shares, the VCT Qualifying Shares, the Non-VCT Qualifying Shares and the Sale Shares by 14 December 2007;

(b) in CREST, where the placee so elects and only if the placee is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Placing Shares in the case of the EIS Qualifying Shares expected to take place on 3 December 2007, in the case of the First VCT Qualifying Shares expected to take place on 4 December 2007, in the case of the Second VCT Qualifying Shares expected to take place on 5 December 2007 and in the case of the Non-VCT Qualifying Shares and the Sale Shares expected to take place on 6 December 2007.

Pending despatch of definitive share certificates, the Registrars will certify instruments of transfer against the register. No temporary documents of title will be issued.

13. Lock-in and Orderly Market Arrangements

Immediately following Fourth Admission, the Directors, their connected parties and the other former shareholders of Plastics Capital (other than Eclipse) will be interested, in aggregate, in 9,334,455 Ordinary Shares, representing approximately 35 per cent. of the Enlarged Issued Share Capital. These persons have undertaken that, subject to certain limited exceptions, they will not sell or otherwise dispose of, or agree to sell or dispose of, any of their respective interests in the Ordinary Shares held by them immediately following Fourth Admission at any time prior to the first anniversary of Fourth Admission, and that, for a further period of 6 months from the first anniversary of Fourth Admission, they will only sell them through Charles Stanley on an orderly market basis.

In addition, Eclipse will be interested, in aggregate, in 2,401,558 Ordinary Shares, representing approximately 9 per cent. of the Enlarged Issued Share Capital. Eclipse has undertaken not to dispose of any interest in Ordinary Shares for a period of 12 months following Fourth Admission in respect of 65 per cent. of its holding in the Company. Eclipse has further undertaken that, for a further period of 6 months from the first anniversary of Fourth Admission, it will only dispose of Ordinary Shares through Charles Stanley on an orderly market basis. Eclipse is entitled to dispose of an amount up to the remaining balance of 35 per cent. of its holding within the first 12 months following Fourth Admission, provided that any such disposal is effected through Charles Stanley on an orderly market basis.

Under the amended and restated facilities agreement entered into by Plastics Capital with Royal Bank of Scotland, as amended by a consent letter dated 22 November 2007 (details of which are set out in paragraph 9(xxi) of Part VI of this document), any disposal by the Directors or their connected persons (within the meaning of section 252 of the Companies Act 2006) of Ordinary Shares held by them before the first anniversary of Fourth Admission will constitute an event of default for the purposes of the amended and restated facilities agreement, enabling Royal Bank of Scotland to declare that all amounts owing to it under the amended and restated facilities agreement by the Company are payable on demand.

14. Dividend Policy

The Board intends to adopt a dividend policy appropriate to the Company's financial performance. This will take into account its ability to operate and grow and the need to retain a prudent level of cash resources and the Board will have regard to the availability of distributable reserves.

15. LTIP and Management Incentive Arrangements

The Board believes that the retention of senior management will be a key driver to the success of the Company. Consequently, the Company has adopted the LTIP, details of which are set out in paragraph 4 of Part VI of this document. In addition, all of the Company's senior management, including the executive Directors, are entitled to participate in the Company's discretionary annual bonus scheme, the terms of which are overseen by the remuneration committee.

Nicholas Ball and Aidan Douglas hold EMI options over 10,000 and a maximum of 41,322 ordinary shares of 1 pence each in Plastics Capital respectively, further details of which are set out in paragraph 4 of Part VI of this document.

On Fourth Admission, the Company will grant an option to Andrew Walker to subscribe for 50,000 Ordinary Shares at the Placing Price, further details of which are set out in paragraph 4 of Part VI of this document.

16. Corporate Governance

The Board intends to comply with the principles of good governance and the recommendations of best practice as set out in the Combined Code so far as is practicable and appropriate for an AIM company of its size and, in this connection, the Board shall take into account the guidance issued by the Quoted Companies Alliance.

The Board intends to hold board meetings regularly throughout the year. The Board will be responsible for formulating, reviewing and approving strategy, budgets, acquisitions, capital expenditure and senior personnel appointments. The executive directors and senior management will meet regularly to consider operational matters.

An audit committee and nomination committee, each consisting of Richard Vessey, Faisal Rahmatallah and Andrew Walker, have been established, and a remuneration committee, which has been in place since November 2004 will remain in place following Admission, consisting of Richard Vessey and Faisal Rahmatallah. The audit committee will meet at least twice a year and will be responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored and reported on, and for meeting the auditors and reviewing their reports relating to accounts and internal controls. The remuneration committee will meet at least once a year and will review the performance of all directors save for Richard Vessey and Andrew Walker and set the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of shareholders. The remuneration committee will also determine the payment of bonuses to all directors save for Richard Vessey and Andrew Walker and make recommendations to the trustees of the LTIP regarding share awards to employees. The nomination committee will meet at least once a year and as required for the purpose of considering new or replacement appointments to the Board.

The Company has adopted a dealing code for all directors and employees in terms no less exacting than the Model Code for Directors' Dealings as set out in the Listing Rules of the UK Listing Authority and will take all reasonable steps to ensure compliance by the Board and any relevant employees.

17. Taxation

Your attention is drawn to the taxation information set out in paragraph 10 of Part VI of this document.

18. Taxation Reliefs for Investors

The Company has received advance assurance from HM Revenue & Customs that the VCT Qualifying Shares are capable of constituting a "qualifying holding" for the purpose of investment by VCTs and that the EIS Qualifying Shares will rank as "eligible shares" for the purpose of the Enterprise Investment Scheme ("EIS"). However, this will depend on the individual circumstances of each investor.

The status of the VCT Qualifying Shares as a "qualifying holding" for VCT purposes will be conditional, *inter alia*, on the Company continuing to satisfy the requirements to constitute a "qualifying company" and the VCT Qualifying Shares being held as a "qualifying holding" for VCT purposes throughout the relevant period.

Although the Company presently expects to satisfy the relevant conditions contained in the VCT legislation, neither the Company nor the Directors make any warranty or give any undertakings that the Company will continue to be capable of constituting a "qualifying holding" throughout the relevant period, or that any VCT relief granted will not be withdrawn.

The availability of EIS reliefs will be dependent, *inter alia*, on the personal circumstances of the individual investor and the Company continuing to satisfy the requirements for a qualifying period from the date of issue of the EIS Qualifying Shares. The Company does not make any representations as to whether any such investment will be or will continue to be one in respect of which reliefs under the EIS legislation will be available, or that any EIS relief granted will not be withdrawn.

Investors considering taking advantage of EIS relief and VCT investors considering whether an investment in the Company would constitute a "qualifying holding" should seek independent professional advice.

19. Further Information

Your attention is drawn to the further information set out in Parts II, III, IV, V and VI of this document. You are advised to read the whole of this document and, in particular, your attention is drawn to the risk factors in Part II, which you are advised to carefully consider.

PART II

RISK FACTORS

The investment described in this document may not be suitable for all recipients of this document. Prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000, who specialises in investments of this kind, before making any decision. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of its personal circumstances and the financial resources available to it.

The Directors consider that the factors and risks described below should be carefully considered, together with all other information contained in this document.

If any of the following risks actually materialise, the Group's business, financial conditions, prospects and share price could be materially and adversely affected to the detriment of the Group and its shareholders and investors may lose all or part of their investment. Additional risks and uncertainties which are not known to the Directors at the date of this document, or that the Directors currently deem immaterial, may also have a material adverse effect on the Company if they materialise.

Management and key personnel

In common with many businesses, the success of the Company after Admission will, to a significant extent, be dependent on the expertise and experience of the executive Directors, the loss of one or more of whom could have a material adverse effect on the Company. Whilst the Company has entered into service agreements with the Directors which will become effective on Admission, the retention of their services cannot be guaranteed. Despite key man insurance policies being in place for certain Directors and senior management, no assurance can be given that any amounts recoverable under such policies will adequately compensate for the loss of key personnel.

Competition

The Group operates in a competitive industry. The Company's competitors could have greater financial resources or experience in particular sectors or markets where the Company intends to offer its products. If the Company is not able to compete successfully against existing or future competitors, its competitive position, business, financial condition and results of operations may be adversely affected.

Regulation

There may be a change in the regulatory environment which may materially adversely affect the Company's ability to implement successfully the strategy set out in this document.

Intellectual property rights

The Company's success will depend in part on its ability to protect its intellectual property. To the extent the Group does not have issued patents on any of its products or technology, it relies on a portfolio of intellectual property rights, including trade secrets, contractual provisions and licenses to protect its intellectual property. However, such intellectual property rights may be difficult to protect. Monitoring and defending the Group's intellectual property rights can entail significant expense, and the outcome is unpredictable. The Group may initiate claims or litigation against third parties for infringement of its proprietary rights or to establish the validity of its proprietary rights. Any such litigation, whether or not it is ultimately resolved in the Company's favour, could result in significant expense to the Company and divert the efforts of the Company's technical and management personnel. If the Company fails to protect its intellectual property rights adequately, its competitors might gain access to its technology and its business would be harmed.

Any of the Group's intellectual property rights might be challenged by others or invalidated by administrative processes or litigation. Additionally, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which it markets its products or services. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United Kingdom, and domestic and international mechanisms for enforcement of intellectual property rights may be inadequate. Accordingly, despite the Company's best efforts, it may be unable to prevent third parties from infringing upon or misappropriating its intellectual property or otherwise gaining access to the Company's technology.

Potential litigation

The Group may from time to time in the future be involved in legal actions in connection with the activities it carries out (detail on the Group's current litigation is set out in paragraph 14 of Part VI (Additional Information) of this document). Any litigation could have adverse financial consequences for the Group, and the Group may not have adequately reserved for the potential losses associated with litigation payments. Litigation also involves a diversion of management's time from the day-to-day running of the business. Any negative outcome of litigation in which the Group may be involved might also adversely affect the Group's reputation, which could have a material adverse effect upon the Group's financial condition and results of operations. Management's policy is to only engage in litigation if other potential avenues of satisfactory settlement have been pursued without success and where the probability and quantum of a satisfactory settlement outweighs the cost of likely litigation, after having taken appropriate legal advice.

Exchange rate fluctuations

The Group invoices customers in a number of different currencies, including Yen, Sterling, Euro and US Dollars. Similarly, the Group's costs are paid in a number of different currencies. As a result, the Group is subject to foreign currency exchange risk. The Directors believe, however, that these risks are mitigated by the fact that the majority of the Group's sales costs and borrowings are matched in terms of currencies. The remaining risk of exchange rate fluctuation is mitigated in the near term through currency forwards and options.

General economic conditions

A factor affecting the demand for the Group's product, both globally and regionally, is the general level of economic growth and in particular the level of industrial activity. Accordingly, the demand for the Group's product is likely to be adversely affected by an economic slowdown which could have a material adverse effect on the profitability of the Group's businesses.

Supply of raw materials / commodity prices

The Group purchases raw materials of commodity plastics which are affected by supply and demand fluctuations within their own specific environments. The price of these products can fluctuate significantly and, as a result, can affect the Group's profit margins. To mitigate this risk, the Group's positioning within most of its markets frequently allows it to pass on the price increase to its customers. It must be noted that raw materials make up a relatively modest proportion of the cost structure of the Group.

Access to further capital

The Company may require additional funds to respond to business challenges, enhance existing products and services and further develop its sales and marketing channels and capabilities. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Company is unable to obtain adequate financing or financing on terms satisfactory to it, when the Company requires it, its ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

AIM quoted investment

The price which investors may realise for the Ordinary Shares, when they are able to do so, may be influenced by a large number of factors, some of which are specific to the Company and others of which are extraneous.

Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Prospective investors should be aware that the value of the Ordinary Shares could go down as well as up and investors may not recover their original investment, especially as the market in the Ordinary Shares may have limited liquidity.

It may be more difficult for an investor to realise his investment on AIM than to realise an investment in a company whose shares are quoted on the Official List of the UK Listing Authority.

Potential investors should note that if First Admission occurs there is no guarantee that the Second Admission, Third Admission and Fourth Admission (or any of such successive Admissions) will take place. Further, certain key sections of this document assume that the Company will be in receipt of the aggregate net proceeds of all of the Placings and that the Company has acquired Plastics Capital and its underlying operating subsidiaries. However, there can be no certainty that even if First Admission and subsequent Admissions (other than Fourth Admission) occur, all of the Placings and the Share Exchange Agreement will become unconditional.

VCT and EIS relief

The Company has obtained advanced clearance from HM Revenue & Customs that the Group's business qualifies as a qualifying company for the purposes of VCT relief and EIS relief. Although qualifying subscribers are expected to obtain tax relief on their investments under VCT and EIS relief, neither the Company nor the Directors can provide any warranty or guarantee in this regard and investors should not rely on the availability of these reliefs in deciding whether to invest in the Group.

In addition, neither the Company nor the Directors give any warranties or undertakings that any VCT and EIS relief that is granted will not be withdrawn. Investors must take their own advice and rely on it.

The Finance Act 2007 introduced a limit on the amounts companies can raise from investors who are seeking to benefit from the reliefs under EIS or available to VCTs. The limits introduced restrict such investments to £2,000,000 in any twelve month period. Whilst the Company will endeavour to ensure that all investors are able to claim the maximum potential relief in relation to their investment, in the event that the total funds raised from investments affected by the new rules would exceed £2,000,000, the shares which will be issued which qualify for relief will be limited so that the restriction is not breached. In that event, each investor to whom the restriction would apply will receive a proportionate amount of their Ordinary Shares in the form of Ordinary Shares which qualify for relief. The remainder of the investment would be satisfied by the issue of Ordinary Shares which do not qualify for relief.

Please note that any shares issued on or after 19 July 2007 to the managers of an approved EIS Fund (as defined in section 251 of the Income Tax Act 2007) which closed before that date do not count towards the £2,000,000 total. Investment made by a VCT of money raised before 6 April 2007 do not count towards the £2,000,000 total.

Reputation

The Group's subsidiaries operate in markets where the maintenance of their reputations and quality of services and personnel are vital to the continued success of the businesses.

Acquisition policy

The Group operates a buy and build strategy and the Board plans to expand the Company by further acquisitions of targeted businesses. There can be no certainty that the Company will be able to implement its acquisition policy in the manner contemplated in Part I of this document or that the Company will be able to agree appropriate terms with the vendors of target businesses. The Company may have invested significant management time and incurred significant advisers fees on transactions that do not complete. There is a risk that the integration of any business acquired will be unsuccessful or that key employees or clients may be lost. The Directors will attempt to mitigate this risk by carrying out extensive due diligence, including communicating with the customers of potential acquisition target businesses. The Board will also endeavour to ensure that levels of remuneration and benefits are appropriate to retain the key staff of target businesses.

Integration of acquisitions

Following the acquisitions of targeted businesses, it may be necessary for the Company to make changes to the structure of the enlarged Company's businesses in order to optimise the potential benefits available from the integration of the acquired businesses. Accordingly, the enlarged Company may face unforeseen difficulties or incur additional costs as those changes are carried out. Whilst the Directors believe that this is unlikely, issues may come to light during the course of integrating the acquisitions into the enlarged Company that may have an adverse effect on the financial condition and results of operations of the enlarged Company. The Company can offer no assurance that it will realise the potential benefits of the acquisitions and that they will perform in line with the Directors' current expectations.

Banking facility

There are certain conditions attaching to the Company's revised bank facility with Royal Bank of Scotland which will determine the extent of the facility available at any point in time. If those conditions are not met, the Company may not have available funds sufficient to enable it to conduct its business in the manner envisaged.

PART III

AUDITED FINANCIAL INFORMATION RELATING TO THE COMPANY

SECTION A

ACCOUNTANT'S REPORT ON COMPANY

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

Private & confidential
The Directors
Plastics Capital plc
St Mary's House
42 Vicarage Crescent
London
SW11 3LD

27 November 2007

Dear Sirs

Accountant's report on the historical financial information of Plastics Capital plc as at 2 October 2007

Plastics Capital plc

We report on the financial information set out on pages 32 to 33. This financial information has been prepared for inclusion in the AIM Admission Document dated 27 November 2007 of Plastics Capital plc on the basis of the accounting policies set out in note 1. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purposes of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with applicable accounting standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with the Statements for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 27 November 2007, a true and fair view of the state of affairs of Plastics Capital plc as at the date stated in accordance with the basis of preparation set out in note 1 and in accordance with the applicable United Kingdom accounting standards as described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical financial information of Plastics Capital plc for the period ended 2 October 2007

The financial information set out below of Plastics Capital plc (the "Company") for the period ended 2 October 2007 has been prepared by the directors of the company on the basis set out in note 1.

Balance Sheet

	Note	*2 October 2007 £000*
Current assets		
Cash at bank and in hand		—
Net assets		—
Capital and reserves		
Called up share capital	2	—
Equity shareholders' fund		—

Note: the Company has issued share capital and cash of 2 pence.

1 Notes

Basis of preparation

The financial information has been prepared in accordance with applicable accounting standards.

Background

The Company was incorporated on 2 October 2007 as Plastics Capital Trading plc. On 21 November 2007 the Company changed its name to Plastics Capital plc. The Company has not commenced trading and no audited financial statements have been prepared. The Directors of the Company have not declared or paid any dividends since the date of incorporation.

Accounting policies

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

Basis of accounting

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

Cash flow statement

The Company has taken advantage of the exemption under FRS 1 (Revised) "Cash flow statements" not to publish a cash flow statement, as the Company qualifies as a small company under section 246 of the Companies Act 1985.

2 Called up share capital

	2 October 2007
Authorised	
Equity: 15,000,000 ordinary shares of 1 pence each	£150,000
10,000,000 A Ordinary Shares of 1 pence each	£100,000
	£250,000
Allotted, called up and full paid	
Equity: 2 ordinary share of 1 pence each	2 pence

3 Post balance sheet event

On 21 November 2007, Plastics Capital Trading plc changed its name to Plastics Capital plc.

On 23 November 2007, the authorised share capital was increased to £400,000 by the creation of an additional 10,000,000 Ordinary Shares and 5,000,000 Redeemable Preference Shares. On 23 November 2007 10,000,000 A Ordinary Shares were redesignated and reclassified as 10,000,000 Ordinary Shares. 4,999,998 Redeemable Preference Shares were allotted and issued to Faisal Rahmatallah and paid up so as to enable the Company to obtain a certificate under section 117 of the Act.

At the date of this Document the authorised, issued and fully paid share capital of the Company was:

	Authorised		*Issued and fully paid*	
	Number of Shares	*£000*	*Number of Shares*	*£000*
£0.01 Ordinary Shares	35,000,000	350	2	—
£0.01 Redeemable Preference Shares	5,000,000	50	4,999,998	50
		400		50

4 Auditors

The company has not yet been subject to statutory audit.

SECTION B

ACCOUNTANT'S REPORT ON PLASTICS CAPITAL TRADING LIMITED

IFRS Financial information on Plastics Capital Trading Limited

The following is the full text of a report on the IFRS financial information of the Plastics Capital Trading Limited and its subsidiary undertakings from KPMG LLP, the Reporting Accountants to the Directors.

KPMG

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

The Directors
Plastics Capital plc
St Mary's House
42 Vicarage Crescent
London
SW11 3LD

27 November 2007

Dear Sirs

Plastics Capital Trading Limited ("Plastics Capital") and its subsidiary undertakings ("the Plastics Capital Group") consolidated financial information for the 2 years ended 31 March 2006 and 31 March 2007

We report on the financial information set out on pages 36 to 68. This financial information has been prepared for inclusion in the AIM Admission Document dated 27 November 2007 of Plastics Capital plc on the basis of the accounting policies set out in note 1. The financial information has been prepared in anticipation of the Company's transition to International Financial Reporting Standards endorsed for use by entities required to comply with Regulation EC 1606/2002 ("IFRS").

This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document, a true and fair view of the state of affairs of Plastics Capital Trading Limited as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical financial information on Plastics Capital Trading Limited for the two years ended 31 March 2006 and 2007

The financial information set out below of Plastics Capital Trading Limited, and together with its subsidiary undertakings, ("the Plastics Capital Group") for the two years ended 31 March 2006 and 2007 has been prepared by the directors of the Company on the basis set out in note 1. In this IFRS historical information "IFRS" means International Financial Reporting Standards adopted for use in the EU.

Plastics Capital Group Income Statement

for the 2 years ended 31 March 2007 and 31 March 2006

	Note	*2007* *£'000*	*2007* *£'000*	*2006* *£'000*	*2006* *£'000*
Revenue		16,660		6,875	
Cost of sales		(9,695)		(3,795)	
Gross profit before profit on sale of land and buildings and negative goodwill credit			6,965		3,080
Other operating income	3	—		6	
Profit on sale of land and buildings	3	1,604		—	
Negative goodwill credit	3	—		2,675	
Total other operating income			1,604		2,681
Distribution expenses			(1,986)		(808)
Administrative expenses			(3,527)		(1,422)
Operating profit			3,056		3,531
Financial income	8	214		96	
Financial expenses	8	(2,141)		(897)	
Net financing costs			(1,927)		(801)
Profit before tax			1,129		2,730
Taxation	9		92		5
Profit for the year			1,221		2,735
Attributable to:					
Equity holders of the parent			1,147		2,729
Minority interest	21		74		6
Profit for the year			1,221		2,735
Earnings per share – basic	22		117p		353p
– diluted			114p		343p
Illustrative earnings per share (based on share capital of Plastics Capital plc after Fourth Admission)			4.6p		10.3p

Plastics Capital Group Statement of Recognised Income and Expense
for the 2 years ended 31 March 2006 and 31 March 2007

	Note	*2007* *£'000*	*2006* *£'000*
Foreign exchange translation differences	21	(181)	—
Net income and expense recognised directly in equity		(181)	—
Profit for the year		1,221	2,735
Total recognised income and expense		1,040	2,735
Total recognised income and expense for the period is attributable to:			
Equity holders of the parent	21	966	2,729
Minority interest	21	74	6
		1,040	2,735

Plastics Capital Group Balance Sheet
at 31 March 2007 and 31 March 2006

	Note	*2007* *£'000*	*2006* *£'000*
Non-current assets			
Property, plant and equipment	10	1,722	2,913
Intangible assets	11	10,344	10,797
		12,066	13,710
Current assets			
Inventories	13	1,545	1,700
Trade and other receivables	14	4,204	3,646
Other financial assets	15	—	93
Cash and cash equivalents	16	995	433
		6,744	5,872
Total assets		18,810	19,582
Current liabilities			
Interest-bearing loans and borrowings	17	791	2,079
Trade and other payables	18	2,040	1,904
Corporation tax liability		401	103
		3,232	4,086
Non-current liabilities			
Interest-bearing loans and borrowings	17	8,420	9,324
Other financial liabilities	19	12	—
Deferred tax liabilities	12	1,205	1,342
		9,637	10,666
Total liabilities		12,869	14,752
Net assets		5,941	4,830
Equity attributable to equity holders of the parent			
Share capital	21	10	10
Share premium	21	1,408	1,408
Capital Redemption reserve	21	1	1
Translation reserve	21	(181)	—
Retained earnings	21	3,650	2,495
		4,888	3,914
Minority interest	21	1,053	916
Total equity		5,941	4,830

Plastics Capital Group Cash Flow Statement
for the 2 years ended 31 March 2007 and 31 March 2006

	Note	*2007* *£'000*	*2006* *£'000*
Cash flows from operating activities before tax			
Profit for the year		1,129	2,730
Adjustments for:			
Depreciation and amortisation		1,043	(2,292)
Financial income		(214)	(96)
Financial expense		2,141	897
Gain on disposal of property, plant and equipment		(1,592)	—
Equity settled share based payment expenses		8	3
		2,515	1,242
Operating profit before changes in working capital and provisions			
Decrease/(increase) in trade and other receivables		(539)	557
Increase/(decrease) in inventories		155	(50)
(Decrease)/increase in trade and other payables		(20)	420
Cash generated from operations		2,111	2,169
Interest paid		(507)	(324)
Income tax paid		(217)	(409)
Net cash inflow from operating activities		1,387	1,436
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		—	(3,497)
Refund of consideration in respect of acquisitions		49	—
Acquisition of property, plant and equipment		(379)	(196)
Interest received		17	6
Acquisition of intangible assets		(53)	—
Proceeds from disposal of property, plant and equipment		2,669	—
Net cash inflow/(outflow) from investing activities		2,303	(3,687)
Cash flows from financing activities			
Proceeds from the issue of share capital		70	662
Net Proceeds from new loan		4,438	5,857
(Drawdown)/repayment of on invoice discounting facility		(900)	223
Repayment of borrowings		(6,736)	(4,560)
Net cash (outflow)/inflow from financing activities		(3,128)	2,182
Increase/(decrease) in cash and cash equivalents		562	(69)
Cash and cash equivalents at 1 April		433	502
Cash and cash equivalents at 31 March		995	433

Notes
(*forming part of the financial statements*)

1 Accounting policies

The financial information set out herein is in respect of Plastics Capital Trading Limited and its subsidiaries ("the Plastics Capital Group") for the two years ended 31 March 2006 and 2007 has been prepared by the directors of the company.

Plastics Capital Trading Limited is a company incorporated and domiciled in the UK.

Following admission to trading on AIM, Plastics Capital plc intends to prepare its first financial statements for the period from 1 April 2007 to 31 March 2008 ("the 2008 financial statements") in compliance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRS").

As Plastics Capital plc is seeking admission, the AIM admission document includes financial information in respect of Plastics Capital Trading Limited for the two years ended 31 March 2006 and 2007 ("the 2006 and 2007 restated financial information") prepared on the basis expected to be applicable, insofar as this is currently known, to comparative information prepared for inclusion in the 2008 financial statements.

The financial information presented herein in respect of Plastics Capital Trading Limited for the two years ended 31 March 2006 and 2007 is derived from the statutory accounts for the financial years then ended. The statutory accounts for that period have been reported on by Plastic Capital Trading Limited's auditors. The reports of the auditors were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The Annual reports, including the auditors' reports, can be obtained free of charge on request to Plastics Capital Trading Limited at its registered office.

When the 2008 financial statements are prepared, they will be the first consolidated financial statements prepared by Plastics Capital plc in accordance with Adopted IFRS and as such will apply the requirements and options in IFRS 1 (First time Adoption of International Financial Reporting Standards) as they relate to the 2008 financial statements, based on the date of transition to Adopted IFRS applicable in those financial statements.

As described below, in preparing the 2006 and 2007 financial information, the directors of Plastics Capital Trading Limited have applied Adopted IFRS (including IFRS 1) as if Plastics Capital Trading Limited were a first time adopter in that financial information and the assumptions they have made about the standards and interpretations expected to be effective and the policies they expect to adopt in the 2008 financial statements.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial information and estimates with a significant risk of material adjustment in the next year are discussed in note 28.

Transition to Adopted IFRS

Plastics Capital Trading Limited is preparing this financial information in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRS has affected the reported financial position, financial performance and cash flows of the Plastics Capital Group is provided in note 29.

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have not been adopted by the Plastics Capital Group

IFRS 7 *Financial Instruments: Disclosures*

IAS 1 *Presentation of Financial Statements – Capital disclosures*

IFRIC 8 *Scope of IFRS 2 – Share-based payment*

IFRIC 9 *Reassessment of embedded derivatives*

The application of these standards and interpretations are not anticipated to have a material effect on the this financial information.

The Plastics Capital Group is preparing this financial information in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Plastics Capital Group is provided in note 31.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 April 2005 have not been restated.
- Cumulative translation differences – Cumulative translation differences for all foreign operations have been set to zero at 1 April 2005.

The carrying amount of capitalised goodwill at 31 March 2005 that arose on business combinations accounted for using the acquisition method under UK GAAP was frozen at this amount and tested for impairment at 1 April 2005.

Share based payment

IFRS 2 'Share-based payments' has been applied to equity settled employee options granted after 7 November 2002 that had not vested by 1 April 2005.

Measurement convention

The financial statements are prepared on the historical cost basis.

Basis of consolidation

Subsidiaries are entities controlled by the Plastics Capital Group. Control exists when the Plastics Capital Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial information of subsidiaries is included in the consolidated financial information from the date that control commences until the date that control ceases.

Intragroup transactions and balances are eliminated on consolidation.

Foreign currency

Transactions in foreign currencies are translated to the respective financial currencies of the group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations, are taken directly to the translation reserve. They are released into the income statement upon disposal.

The Plastics Capital Group has taken advantage of relief available in IFRS 1 to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to Adopted IFRSs 1 April 2005.

Financial assets

The Plastics Capital Group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired – fair value through profit and loss; loans and receivables; held-to-maturity investments; available-for-sale. The Plastics Capital Group currently only has financial assets classified as loans and receivables, the accounting policy for which is as follows:

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), but also incorporate other types of contractual monetary asset. Loans and receivables are recognised initially at fair value plus any attributable transaction costs. They are carried at amortised costs using the effective interest method.

Financial liabilities

The Plastics Capital Group classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired – fair value through profit or loss; other financial liabilities. The Plastics Capital Group currently only has financial liabilities classified as "other financial liabilities", the accounting policy for which is as follows:

Other financial liabilities: Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are recognised at amortised cost.
- Bank and other borrowings are initially measured at fair value being the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premia payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

The fair value of interest rate cap and collar arrangements is the estimated amount that the Plastics Capital Group would receive or pay to terminate the arrangement at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Classification of financial instruments issued by the Plastics Capital Group

Financial instruments issued by the group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Warrants

Issued warrants are credited to shareholders' funds. Warrants issued with debt are valued by comparing the net proceeds of the debt with an amount found by discounting the gross cash flows of the debt at a commercial interest rate of a debt without warrants attached.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Leases in which the Plastics Capital Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates applied are as follows:

- buildings 3%
- plant and machinery 10 – 20%
- fixtures and fittings 10 – 20%
- motor vehicles 25%

Intangible assets and goodwill

Subject to the transitional relief in IFRS 1, all business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries and trade and assets. In respect of business acquisitions that have occurred since 1 April 2005, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

In respect of acquisitions prior to 1 April 2005, goodwill is included on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised. On transition, certain items recognised as other intangibles under IFRS (but not all such items) have been separately accounted for with appropriate adjustments against goodwill and amortisation of goodwill has ceased as required by IFRS 1.

Negative goodwill arising on an acquisition is recognised in the income statement in full in the year of acquisition.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Intangibles assets recognised by the Plastics Capital Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	*Useful economic life*	*Valuation method*
Trademarks	5 – 20 years	Relief from royalty
Intellectual property rights	7 years	Replacement cost
Distributor and customer relationships	10 years	Excess earnings
Order book	1 year	Excess earnings
Technology	5 – 7 years	Relief from royalty

Inventories

Inventories are stated at the lower of cost and net realisable value.

In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Plastics Capital Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Research and development

Research expenditure is charged to the Consolidated Income Statement in the period in which it is incurred.

Internal development expenditure is charged to the Consolidated Income Statement in the year in which it is incurred unless it meets the recognition criteria of IAS 38 'Intangible Assets'. Regulatory and other uncertainties generally mean that such criteria are not met. Where, the recognition criteria are met, intangible assets are capitalised and amortised over their useful economic lives from product launch.

Intangible assets relating to products in development (both internally generated and externally acquired) are subject to impairment testing at each balance sheet date or earlier upon indication of impairment. Any impairment losses are written off immediately to the Consolidated Income Statement.

Impairment

The carrying amounts of the Plastics Capital Group's assets, other than inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement unless recorded at revalued amount.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a *pro rata* basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Goodwill and intangible assets that are not yet available for use were tested for impairment as at 1 April 2005, the date of transition to Adopted IFRSs, even through no indication of impairment existed.

Calculation of recoverable amount

The recoverable amount of the Plastics Capital Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Share-based payment transactions

The share option programme allows Plastics Capital Group employees to acquire shares of Plastics Capital Trading Limited. The fair value of options granted is recognised as an employee expense in the income statement with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

Provisions

A provision is recognised in the balance sheet when the Plastics Capital Group has a present legal or constructive obligation as a result of a past event, if it can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Revenue

Turnover represents invoiced sales, excluding value added tax, in respect of the sale of goods.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Taxation

Tax for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax on the following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Adopted IFRSs not applied

The following Adopted IFRSs were available for early application but have not been applied by the Plastics Capital Group in this financial information:

IFRS 7 'Financial Instruments: Disclosures' was issued in August 2005. It revises and enhances previous disclosures required by IAS 32 'Financial Instruments: disclosure and Presentation'. It is effective for annual periods beginning on or after 1 January 2007. The adoption of IFRS 7 will have no impact upon the results or net assets.

All other new standards, amendments and interpretations that are available for early adoption are not expected to have an impact on the Plastics Capital Group.

2 Acquisitions of subsidiaries

On 30 November 2005 Plastics Capital Trading Limited acquired all of the ordinary shares and redeemable preference shares of BNL (UK) Limited (formerly Sarnatech BNL Limited) and subsidiaries. The BNL Group is engaged in the design, moulding and manufacture of plastic bearings and associated assemblies. In the 4 months to 31 March 2006 the subsidiary produced a net loss of £104,000 which has been reflected in the consolidated net profit for the year.

Effect of acquisition

The acquisition had the following effect on the Plastics Capital Group's assets and liabilities:

	Acquiree's book values £'000	*Fair value adjustments £'000*	*Acquisition amounts £'000*
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	2,271	—	2,271
Technology	—	1,293	1,293
Intellectual property rights	—	1,175	1,175
Customer relationships	—	975	975
Inventories	1,000	—	1,000
Trade and other receivables	2,236	(204)	2,032
Cash and cash equivalents	187	—	187
Trade and other payables	(4,727)	—	(4,727)
Deferred tax liability	—	(1,033)	(1,033)
Net identifiable assets and liabilities	967	2,206	3,173
Consideration paid:			
Cash			56
Deferred consideration – (loan)			404
Costs of acquisition			38
			498
Negative goodwill			2,675
Cash consideration paid including costs of acquisition of £38,000			(94)
Cash (acquired)			187
Net cash inflow			93

The negative goodwill arising on acquisition has been credited in full to the consolidated income statement in the year of acquisition.

The fair value adjustments represents a group relief balance no longer claimable from the previous owners, irrecoverable tax receivables written off and the inclusion of intangible assets identified on acquisition. The consideration has been adjusted for a refund of £96,000 arising as a result of the write off of irrecoverable tax receivables. This has been recognised in the year ended 31 March 2007.

The deferred consideration loan notes are included within financial instruments disclosed in note 23.

On 30 November 2005 Plastics Capital acquired 80% of the ordinary shares in Trimplex Limited and subsidiaries. The Trimplex Group is involved in the manufacture of specialist products for the print and packaging industries. In the 4 months to 31 March 2006 the subsidiary contributed a profit of £31,000 to the consolidated net profit for that year.

Effect of acquisition

The acquisition had the following effect on the Plastics Capital Group's assets and liabilities:

	Acquiree's book values £'000	*Fair value adjustments £'000*	*Acquisition amounts £'000*
Acquiree's net assets at the acquisition date:			
Property, plant and equipment	555	—	555
Technology	—	382	382
Distributor and customer relationships	—	742	742
Trademarks	—	87	87
Investments	302	—	302
Stocks	506	—	506
Trade and other receivables	1,566	(8)	1,558
Cash and cash equivalents	109	—	109
Trade and other payables	(773)	17	(756)
Deferred tax liability	(42)	(364)	(406)
Net identifiable assets and liabilities	2,223	856	3,079
Minority interest			(910)
			2,169
Consideration paid:			
Cash			3,557
Deferred consideration (loan notes)			273
Costs of acquisition			143
			3,973
Goodwill			1,804
Cash consideration paid including costs of acquisition of £143,000			(3,700)
Cash (acquired)			109
Net cash outflow			3,591

An assessment of the other assets and liabilities acquired resulted in a number of adjustments required across balance sheet categories. These adjustments include the recognition of additional corporation tax payable in relation to pre acquisition trading and the inclusion of intangible assets identified on acquisition.

The deferred consideration loan notes are included within the financial instruments disclosed in note 23.

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire Trimplex Limited and subsidiaries. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce at Trimplex Limited and subsidiaries. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

If the two acquisitions above had occurred on 1 April 2005 Plastics Capital Group revenue would have been an estimated £15.5m and net profit would have been an estimated £5.5m.

3 Other operating income

	2007 *£'000*	*2006* *£'000*
Other operating income	—	6
Profit on sale of land and buildings	1,604	—
Negative goodwill credit	—	2,675
	1,604	2,681

On 14 September 2006 the group entered into a sale and operating leaseback agreement for the sale of land and buildings. The net proceeds received were £2.7m.

The negative goodwill credit arose on the acquisition of BNL (UK) limited and subsidiaries which is set out in note 2.

4 Expenses and auditors' remuneration

Included in profit from operations are the following:

	2007 *£'000*	*2006* *£'000*
Depreciation of assets-owned assets	456	188
Amortisation of intangible assets (recognised in administrative expenses)	576	191
Negative goodwill credited to income statement	—	2,675
Net gain on disposal of property, plant and equipment	(1,592)	—
Hire of plant and machinery	55	6
Equity settled share based payments	8	3
Research and Development	75	64
Other operating lease rentals	286	77
Auditors' remuneration:		
Audit of the statutory financial statements	10	12
Amounts receivable by auditors and their associates in respect of:		
Audit of statutory financial statements of subsidiaries pursuant to legislation	20	8
Other services relating to taxation	1	—
Other services pursuant to legislation	2	—
All other services	4	—

Amounts paid to Plastics Capital Trading Limited's auditor in respect of services to that company, other than the audit of the Plastics Capital Trading Limited's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

5 Staff numbers and costs

The average number of persons employed by the Plastics Capital Group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2007	*2006*
Directors and management	4	6
Administrative	21	18
Sales and distribution	24	29
Production and engineering	150	138
	199	191

The aggregate payroll costs of these persons were as follows:

	2007 £'000	*2006 £'000*
Wages and salaries	5,031	1,779
Share based payments	8	3
Social security costs	623	223
Other pension costs	151	58
	5,813	2,063

Other pension costs relate to defined contribution pension plans.

6 Directors' emoluments

	2007 £'000	*2006 £'000*
Directors' emoluments	252	372
Company contributions to money purchase pension plans	5	9
	257	381

The aggregate emoluments of the highest paid director was £94,000 (2006; £137,000).

Directors amounts include £75,000 (2006: £200,000) of fees charged by Directors to Plastics Capital Limited in respect of their services incurred in respect of ongoing acquisitions.

	Number of directors 2007	*2006*
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

7 Segment information

The Plastics Capital Group's primary reporting format for reporting segment information is business segments:

	Injection moulding 2007 £'000	*Extrusion 2007 £'000*	*Unallocated 2007 £'000*	*Elimination 2007 £'000*	*Consolidation 2007 £'000*
Revenue					
External Sales	10,516	6,144	—	—	16,660
Group management charges	—	—	1,094	(1,094)	—
Total revenue	10,516	6,144	1,094	(1,094)	16,660
Segment result	2,036	952	197	(129)	3,056
Segment Assets	7,948	6,437	12,999	(8,574)	18,810
Segment liabilities	2,225	(1,254)	12,656	(758)	12,869
Capital Expenditure	320	177	6	—	503
Depreciation	389	75	4	—	468
Amortisation	402	174	—	—	576

	Injection moulding 2006 £'000	*Extrusion 2006 £'000*	*Unallocated 2006 £'000*	*Elimination 2006 £'000*	*Consolidation 2006 £'000*
Revenue					
External Sales	3,153	3,722	—	—	6,875
Group management charges	—	—	974	(974)	—
Total revenue	3,153	3,722	974	(974)	6,875
Segment result	2,419	823	426	(137)	3,531
Segment Assets	9,303	5,936	12,714	(8,371)	19,582
Segment liabilities	5,034	(1,076)	11,491	(697)	14,752
Capital Expenditure	942	3,029	6	—	3,977
Depreciation	147	44	1	—	192
Amortisation	135	56	—	—	191

The profit on sale of land and buildings and negative goodwill credit (note 3) relate to the Injection Moulding business segment.

Inter-segment transfers are priced consistently with sales to external customers, except that an appropriate discount is applied to encourage use of Plastics Capital Group resources at a rate accepted to local tax authorities. This policy was applied consistently throughout the current and prior period.

Unallocated items in the tables above represent revenues, costs, assets and liabilities in respect of the holding company which are not attributable to the primary segments identified.

The Plastics Capital Group's secondary reporting format for reporting segment information is geographic segments:

	External revenue by location of customers		*Total assets by location of assets*		*Capital expenditure by location of assets*	
	2007 £'000	*2006 £'000*	*2007 £'000*	*2006 £'000*	*2007 £'000*	*2006 £'000*
United Kingdom	4,170	1,438	17,088	18,062	500	3,973
Europe	3,837	1,759	—	99	—	4
USA	3,762	1,139	977	884	3	—
Asia	2,995	1,699	745	537	—	—
Rest of the World	1,896	840	—	—	—	—
	16,660	6,875	18,810	19,582	503	3,977

8 Finance income and expense

	2007 £'000	2006 £'000
Finance income:		
Exchange gains	197	—
Interest income	17	3
Gains on derivatives used to manage interest rate and foreign exchange risk	—	93
	214	96
Finance expense:		
Bank interest	760	409
Net foreign exchange loss	64	90
Warrant costs on equity shares issued	—	196
Loss on early repayment of debt	846	—
Loan note interest	366	202
Losses on derivatives used to manage interest rate and foreign exchange risk	105	—
Financial expenses	2,141	897

9 Taxation

	2007 £'000	2006 £'000
Current tax expense		
Current year	69	104
Adjustments for prior years	(1)	—
	68	104
Deferred tax expense		
Origination and reversal of temporary differences	(155)	(109)
Adjustments for prior periods	(5)	—
	(160)	(109)
Total tax in income statement	(92)	(5)

Reconciliation of effective tax rate

	%	2007 £'000	%	2006 £'000
Profit before tax		1,129		2,730
Expected tax charge based on the UK corporation tax rate	30%	339	30%	819
Non-deductible expenses	14%	162	3%	71
Overseas tax not at UK standard rate	0.3%	3	(0.2%)	(8)
Non taxable income	(52%)	(590)	(32%)	(887)
Adjustment in respect of prior years	(0.5%)	(6)	—	—
Total tax in income statement	(8.1%)	(92)	(0.2%)	(5)

Factors affecting the tax charge for future periods

The UK Corporation tax rate will change from 30% to 28% from 1 April 2008. This means that UK deferred tax liabilities will be provided at this proposed rate of 28%. If the rate was applied to the deferred tax liability at 31 March 2007, the liability would be reduced by £80,000.

10 Property, plant and equipment

	Land and buildings £'000	*Plant and machinery £'000*	*Fixtures & fittings £'000*	*Motor Vehicles £'000*	*Total £'000*
Cost					
Balance at 1 April 2005	—	267	—	—	267
Additions through acquisitions	1,098	1,488	133	107	2,826
Additions	—	185	8	—	193
Balance at 31 March 2006	1,098	1,940	141	107	3,286
Balance at 1 April 2006	1,098	1,940	141	107	3,286
Additions	—	339	28	13	380
Disposals	(1,098)	—	—	(62)	(1,160)
Balance at 31 March 2007	—	2,279	169	58	2,506
Depreciation and impairment					
Balance at 1 April 2005	—	181	—	—	181
Depreciation charge for the year	14	148	21	9	192
Balance at 31 March 2006	14	329	21	9	373
Balance at 1 April 2006	14	329	21	9	373
Depreciation charge for the year	1	371	55	41	468
Disposals	(15)	—	—	(42)	(57)
Balance at 31 March 2007	—	700	76	8	784
At 1 April 2005	—	86	—	—	86
At 31 March 2006	1,084	1,611	120	98	2,913
At 31 March 2007	—	1,579	93	50	1,722

Plant & machinery and motor vehicles with a carrying value of £Nil (2006: £112,000) were held under finance leases.

11 Intangible assets

	Goodwill £'000	Technology £'000	Intellectual Property Rights £'000	Distributor and customer Relationships £'000	Trademarks £'000	Total £'000
Cost						
Balance at 1 April 2005	4,529	—	—	—	—	4,529
Additions through business combinations (note 2)	1,804	1,676	1,175	742	1,062	6,459
Balance at 31 March 2006	6,333	1,676	1,175	742	1,062	10,988
Balance at 1 April 2006	6,333	1,676	1,175	742	1,062	10,988
Acquisitions – externally purchased	—	—	—	76	—	76
Adjustment to fair values of acquired net assets	47	—	—	—	—	47
Balance at 31 March 2007	6,380	1,676	1,175	818	1,062	11,111
Amortisation and impairment						
Balance at 1 April 2005	—	—	—	—	—	—
Amortisation for the year	—	88	56	25	22	191
Balance at 31 March 2006	—	88	56	25	22	191
Balance at 1 April 2006	—	88	56	25	22	191
Amortisation for the year	—	262	168	80	66	576
Balance at 31 March 2007	—	350	224	105	88	767
At 1 April 2005	4,529	—	—	—	—	4,529
At 31 March 2006	6,333	1,588	1,119	717	1,040	10,797
At 31 March 2007	6,380	1,326	951	713	974	10,344

Goodwill is allocated to the following cash generating units ("CGU's"):

	2007 £'000	2006 £'000
Bell Plastics	4,529	4,529
Trimplex	1,851	1,804
	6,380	6,333

Management have performed impairment reviews on the carrying value of goodwill at 1 April 2005, 31 March 2006 and 31 March 2007. The recoverable amounts of all the above CGUs have been determined from value in use calculations based on cash flow projections covering a five year period to 31 March 2012. Other major assumptions are as follows:

Growth rate	3%
Discount rate	12%

In assessing the expected future cash flows of the Plastics Capital Group management have taken into consideration current market conditions and made reasonable assumptions on this basis. All of the Plastics Capital Group's businesses have grown in excess of 3% per annum since acquisition and management have therefore concluded it reasonable to use a growth rate of 3% in the impairment reviews.

Management have concluded that no impairment of goodwill has occurred

The recoverable amount for the Bell CGU exceeds its carrying amount by £1.2m. If either the discount rate increased to 14% or the growth rate was nil, the carrying amount and recoverable amount would be nil.

The recoverable amount to the Trimplex CGU exceeds its carrying amount by £2.7m. If either the discount rate increased to 17% or the growth rate became (5.5%), the carrying amount and recoverable amount would be the same.

12 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Liabilities	
	2007	*2006*
	£'000	*£'000*
Intangible assets	1,192	1,339
Accelerated capital allowances	17	18
Other temporary differences	(4)	(15)
Tax liabilities	1,205	1,342

Movement in deferred tax during the year

	1 April 2006	*Recognised in income*	*On acquisition Of subsidiaries*	*31 March 2007*
	£'000	*£'000*	*£'000*	*£'000*
Intangible assets	(1,339)	170	(23)	(1,192)
Accelerated capital allowances	(18)	1	—	(17)
Other temporary differences	15	(11)	—	4
	(1,342)	160	(23)	(1,205)

Movement in deferred tax during the prior year

	1 April 2005	*Recognised in income*	*On acquisition Of subsidiaries*	*31 March 2006*
	£'000	*£'000*	*£'000*	*£'000*
Intangible assets	—	100	(1,439)	(1,339)
Accelerated capital allowances	(12)	(6)	—	(18)
Other temporary differences	—	15	—	15
	(12)	109	(1,439)	(1,342)

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

13 Inventories

	2007	*2006*
	£'000	*£'000*
Raw materials and consumables	582	634
Work in progress	235	206
Finished goods	728	860
	1,545	1,700

The cost of inventory recognised within the income statement was £5,964,000 (2006: £2,365,000).

Inventories are stated net of provisions amounting to £99,000 (2006: £49,000).

14 Trade and other receivables

	2007	*2006*
	£'000	*£'000*
Trade receivables (net of provisions)	3,672	3,202
Other receivables and prepayments	532	444
	4,204	3,646

The provision for bad and doubtful debts included within the trade receivables balance above is £23,000 (2006: £4,000). Impairment losses in the year are £1,000 (2006:£25,000)

15 Other financial assets

	2007 £'000	2006 £'000
Derivatives	—	93

16 Cash and cash equivalents

	2007 £'000	2006 £'000
Cash and cash equivalents per balance sheet and cash flow statement	995	433

17 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Plastics Capital Group's interest-bearing loans and borrowings. For more information about the Plastics Capital Group's exposure to interest rate and foreign currency risk, see note 20.

	2007 £'000	2006 £'000
Non-current liabilities		
Secured bank loans	3,451	4,124
Vendor loan notes	3,004	2,827
Mezzanine loans	—	534
Loan notes	1,965	1,839
	8,420	9,324
Current liabilities		
Current portion of secured bank loans	791	1,934
Current portion of finance lease liabilities	—	35
Directors loan (note 26)	—	110
	791	2,079

Sale and leaseback of land and buildings

On 14 September 2006 the Plastics Capital Group entered into a sale and operating leaseback agreement for the sale of the land and buildings owned by BNL (UK) Limited. £1.1 million of the proceeds was used to repay the Property loan, with GE, in full.

Refinancing

On 19 February 2007 the Plastics Capital Group repaid £4,412,000 of bank loans. As part of this refinancing a new bank loan from RBS, of £4,700,000, was drawn down.

Deferred debt issue costs

Included within bank loans are £265,000 (2006: £846,000) of costs capitalised as part of the refinancing in the year. The £846,000 of costs capitalised at 31 March 2006 relating to the old financing arrangements have been written of to interest costs in the income statement.

Security

Security can be analysed as follows:

	2007 £'000
Property, plant and equipment	1,722
Inventories	1,545
Trade and other receivables	4,204
	7,471

The RBS loans are secured by fixed and floating charges over the property, plant and equipment, inventories and trade receivables of the group.

	BNL (UK) Limited £'000	Remaining Group £'000	2006 Total £'000
Property, plant and equipment	2,258	655	2,913
Inventories	732	968	1,700
Trade and other receivables	1,055	2,147	3,202
	4,045	3,770	7,815

The Investec loans of £4.6m are secured by way of fixed and floating charges over the property, plant and equipment, inventories and trade receivables of the group excluding BNL (UK) Limited.

The GE loans and related facilities of £2.9m are secured over the property, plant and equipment, inventories and trade receivables of BNL (UK) Limited.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease payments 2007 £'000	Interest 2007 £'000	Principal 2007 £'000	Minimum lease payments 2006 £'000	Interest 2006 £'000	Principal 2006 £'000
Less than one year	—	—	—	37	2	35

18 Trade and other payables

	2007 £'000	2006 £'000
Trade payables	1,393	1,103
Non-trade payables and accrued expenses	647	801
	2,040	1,904

19 Other financial liabilities

	2007 £'000	2006 £'000
Derivatives	12	—

20 Share based payments

The Company had the following share based payments schemes in place at 31 March 2006 and 31 March 2007.

Grant date/Employees entitled/nature of scheme	*Number of instruments*	*Vesting conditions*	*Contractual life of options*
Equity-settled award to BNL (UK) Limited executive management team granted by BNL (UK) Limited on 22 May 2006	61,645	Options vest over period of three years	22 May 2016
Equity-settled award to BNL (UK) Limited executive management team granted by BNL (UK) Limited on 7 January 2007	10,274	Options vest over period of three years	7 January 2017
Equity-settled award to Plastics Capital Trading Limited executive management team granted by Plastics Capital Trading Limited on 1 September 2005	20,860	Options vest over period of three years	1 September 2015
Equity-settled award to Plastics Capital Trading Limited executive management team granted by Plastics Capital Trading Limited on 15 December 2005	41,322	Options vest over period of three years	15 December 2015

The number and weighted average exercise prices of share options in are as follows:

	2007 Weighted average exercise price £	*2007 Number of options No.*	*2006 Weighted average exercise price £*	*2006 Number of options No.*
Outstanding at the beginning of the year	1.94	62,182	—	—
Granted during the year	0.13	71,919	1.94	62,182
Outstanding at the end of the year	2.07	134,101	1.94	62,182
Exercisable at the end of the year	0.42	9.438	—	—

The options outstanding at the year end have an exercise price in the range of 12.63p to £2.42 and weighted average contractual life of 10 years.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on The Black Scholes model. The main assumptions are as follows:

	Plastics Capital Limited scheme		*BNL (UK) Limited scheme*	
	2007	*2006*	*2007*	*2006*
Weighted average share price	—	100p/242p	12.63p	—
Exercise price	—	100p/242p	12.63p	—
Expected volatility	—	40%	40%	—
Option life	—	5 years	5 years	—
Expected dividends	—	—	—	—
Risk free interest rate	—	4.8%	4.8%	—
Fair value per option	—	24.7p	5p	—

21 Capital and reserves

Statement of change in equity

	Share capital £'000	*Share premium £'000*	*Translation reserve £'000*	*Warrant reserve £'000*	*Capital Redemption reserve £'000*	*Retained earnings £'000*	*Total £'000*	*Minority interest £'000*	*Total equity £'000*
Balance at 1 April 2005	6	537	—	214	—	67	824	—	824
Total recognised income and expense	—	—	—	—	—	2,729	2,729	6	2,735
On acquisition of Trimplex Limited	—	—	—	—	—	—	—	910	910
Own shares acquired	—	—	—	—	1	(303)	(302)	—	(302)
Issue of new shares	4	—	—	—	—	—	4	—	4
Premium on shares issues, less expenses	—	871	—	—	—	—	871	—	871
Exercise of warrants	—	—	—	(214)	—	(1)	(215)	—	(215)
Equity-settled share based payment transactions	—	—	—	—	—	3	3	—	3
Balance at 31 March 2006	10	1,408	—	—	1	2,495	3,914	916	4,830
Balance at 1 April 2006	10	1,408	—	—	1	2,495	3,914	916	4,830
Equity-settled share based payment transactions	—	—	—	—	—	8	8	—	8
Total recognised income and expense for the year	—	—	(181)	—	—	1,147	966	74	1,040
Shares issued by subsidiary	—	—	—	—	—	—	—	63	63
Balance at 31 March 2007	10	1,408	(181)	—	1	3,650	4,888	1,053	5,941

The aggregate current and deferred tax relating to items that are charged or credited to equity is £Nil (*2006 : £Nil*).

21 Capital and reserves (continued)

Share capital

	Ordinary shares of 1p each		*'A' ordinary shares of 1p each*	
	2007	*2006*	*2007*	*2006*
In thousands of shares				
On issue at 1 January	697	641	349	—
Issued for cash	—	158	—	349
Purchase of own shares	—	(102)	—	—
On issue at 31 December – fully paid	697	697	349	349

	2007	*2006*
	£'000	*£'000*
Authorised		
1,000,000 ordinary shares of 1p each	10	10
500,000 A ordinary shares of 1p each	5	5
	15	15
Allotted, called up and fully paid		
Ordinary shares of 1p each	7	7
348,854 A ordinary shares of 1p each	3	3
	10	10

During the year ended 31 March 2006 55,455 of ordinary shares were issued and 348,854 A ordinary shares were issued, 102,494 repurchased out of distributable profits. The ordinary shares were issued at a premium.

On 30 November 2005, the warrants were exercised resulting in 111,507 of additional ordinary shares issues, £211,843 was credited to the share premium account.

On 30 November 2005, 102,494 of ordinary shares were repurchased from distributable profits resulting in £303,000 charged to the profit and loss reserve and £1,052 to a capital redemption reserve representing the nominal value of the shares repurchased.

The following describes the nature and purpose of each reserve within owners' equity

Reserve	*Description and purpose*
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement
Translation reserve	The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
Warrant reserve	The warrant reserve comprises the equity component of compound instruments together with share warrants/, that are equivalent in accounting terms to share warrants issue by the Company.
Share scheme reserve	Gains/losses on recognising share options at fair value

22 Earnings per share

	2007 £'000	2006 £'000
Numerator		
Profit for the year	1,221	2,735
Earnings used in basic and diluted EPS	1,221	2,735
Denominator		
Weighted average number of shares used in basic EPS	1,046,314	775,492
Effects of:		
– employee share options	24,992	22,499
Weighted average number of shares used in diluted EPS	1,071,306	797,991

Certain employee options have not been included in the calculation of diluted EPS because their exercise is contingent on the satisfaction of certain criteria that had not been met at the end of the year. In addition, certain employee options have also been excluded from the calculation of diluted EPS as their exercise price is greater than the weighted average share price during the year (i.e. they are out-of-the-money) and therefore would not be advantageous for the holders to exercise those options.

23 Financial instruments

The group is exposed through its operations to one or more of the following financial risks:

- Fair value or cash flow interest rate risk
- Foreign currency risk
- Liquidity risk
- Market price risk
- Credit risk

Policy for managing these risks is set by the Board following recommendations from the Finance Director. Certain risks are managed centrally, while others are managed locally following guidelines communicated from the centre. The policy for each of the above risks is described in more detail below.

i) ***Market risk***

a) *Fair value and cash flow interest rate risk*

As the Plastics Capital Group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The Plastics Capital Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. There is no group policy to maintain a certain amount of debt in fixed rate instruments however at 2007, approximately 25% of its borrowings were in fixed rate instruments.

Amortising interest rate cap and floor arrangements are in place at group level. These are taken out to protect against interest rate movement on the Euribor and US base rate for the foreign currency loans. The interest rate hedges are for the life of the loan and cover approximately 66% of the loans value.

The Plastics Capital Group has taken out foreign currency loans as part of its strategy to hedge against foreign currency movement.

During 2007 and 2006, the group's borrowings were denominated in Euro, US Dollar, Japanese Yen and Sterling and subject to fixed and floating rate charges as follows:

	2007		
	Floating rate £'000	*Fixed rate £'000*	*Total £'000*
Sterling	2,481	2,222	4,703
$US	1,127	—	1,127
Euro	3,005	—	3,005
Other	376	—	376
	6,989	2,222	9,211

	2006		
	Floating rate £'000	*Fixed rate £'000*	*Total £'000*
Sterling	4,101	2,269	6,370
$US	455	—	455
Euro	4,578	—	4,578
Other	—	—	—
	9,134	2,269	11,403

b) *Foreign currency risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which may give rise to gains or losses on retranslation into Sterling.

The Plastics Capital Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar, Euro and Japanese Yen. Approximately 50% of the Plastics Capital Group's sales are in foreign currencies however the Plastics Capital Group's core operations are run from the UK. The Plastics Capital Group has two operations located in the USA and Japan but these have minimal assets and liabilities

The group's policy is to hedge 100% of its anticipated net cash flows in each major foreign currency (Euro, US Dollar and Japanese Yen) for the subsequent 12 months.

Plastics Capital Group treasury will enter into a matching forward contract and options with a reputable bank to cover the foreign currency risk.

ii) ***Liquidity risk***

The liquidity risk of each group entity is managed centrally by the group treasury function.

All surplus cash is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the group's forecast cash requirements.

The group maintains a draw down facility with a major banking corporation to manage any unexpected short-term cash shortfalls.

iii) ***Credit risk***

The Plastics Capital Group is mainly exposed to credit risk from credit sales. It is group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings, taking into account local business practices, are then factored into any contracts. Each local business practice also have credit insurance in place. The Plastics Capital Group does not have any significant concentration of credit risk.

The Plastics Capital Group does not enter into complex derivatives to manage credit risk.

c) *Maturity of debt*

	Within 1 year £'000	*Between 1-2 years £'000*	*Between 2-3 years £'000*	*Between 3-4 years £'000*	*Total £'000*
2007					
Bank loan	867	1,051	1,300	1,289	4,507
Loan notes net of deal costs	—	546	—	4,423	4,969
Capitalised deal costs	(76)	(76)	(76)	(37)	(265)
	791	1,521	1,224	5,675	9,211

The bank loan is provided by RBS and is split into a Euro loan, Dollar loan and Yen loan all of which are repayable in their respective currencies. Further details are disclosed above. Each tranche of the loan accrues interest at base rate +2.25%.

The loan notes comprises the following:

- Vendor loan notes of £2,199,791 accrue interest at LIBOR +4% until October 2007. The interest rate margin increases by increments of 1% every October thereafter until the balance is repaid in December 2010.
- Investec loan notes of £481,030 attract a fixed rate of interest at 5% for the fiscal year ("FY") 2008. The fixed rate increase by increments of 1% every financial year thereafter until the balance is repaid in December 2010. There is an interest free period from December 2005 to April 2007. The interest payable has been spread over the whole term giving an effective interest rate of 15.25%.
- Founding shareholders loan notes of £148,406 attract a fixed rate of interest at 5% for FY 2008. The fixed rate increase by increments of 1% every financial year thereafter until the balance is repaid in December 2010. There is an interest free period from December 2005 to April 2007. The interest payable has been spread over the whole term giving an effective interest rate of 4.62%.
- Octopus loan notes of £1,335,657 attract a fixed rate of interest at 5% for FY 2008. The fixed rate increase by increments of 1% every financial year thereafter until the balance is repaid in December 2010. There is an interest free period from December 2005 to April 2007. The interest payable has been spread over the whole term giving an effective interest rate of 4.62%.
- Trimplex vendor loan notes of £258,226 accrue interest at a fixed rate of 15% and are repayable by November 2010.
- Sarnatech (BNL) vendor loan notes of £545,670 accrue interest at the variable rate of LIBOR +2% and are repayable by November 2008.

	Within 1 year £'000	*Between 1-2 years £'000*	*Between 2-3 years £'000*	*Between 3-4 years £'000*	*Between 4-5 years £'000*	*After 5 years £'000*	*Total £'000*
2006							
Bank loans	1,171	1,150	1,162	1,886	335	300	6,004
Loan notes	—	50	510	—	4,106	—	4,666
Invoice discounting facility	900	—	—	—	—	—	900
Other loans	—	—	—	—	534	—	534
Capitalised deal fees	(137)	(137)	(324)	(137)	(111)	—	(846)
	1,934	1,063	1,348	1,749	4,864	300	11,258
Finance lease creditor	35	—	—	—	—	—	35
Directors loan account	110	—	—	—	—	—	110
	2,079	1,063	1,348	1,749	4,864	300	11,403

The bank loans consist of a £454,667 cash flow loan and £1,504,333 of asset backed loans from GE. The cash flow loan accrues interest at the variable rate of USLIBOR +3%. The asset backed loans are further split into a property loan and a plant and machinery loan accruing variable rate interest at LIBOR +2% and 2.5% respectively. A loan of £50,000 from TBPR attracts interest at 4.5% for the 3months prior to repayment in March 2007 with the preceding period being interest free. The remaining balance relates to a loan from Investec amounting to £2,635,456 and £1,409,890 attracting variable rate interest at EUROLIBOR +4.5% and EUROLIBOR +2.5% respectively.

The loan notes total comprises the following:

- A loan of £50,000 from TBPR attracting interest at 4.5% for the 3 months prior to repayment in March 2007 with the preceeding period interest free.
- Vendor loan notes of £2,032,623 accrue interest at LIBOR +3% until October 2006. The interest rate margin increases by increments of 1% every October thereafter until the balance is repaid in December 2010. The outstanding balance is net of capitalised deal fees of £157,199.
- Investec loan notes of £420,042 attract a fixed rate of interest at 5% for FY 2008. The fixed rate increase by increments of 1% every financial year thereafter until the balance is repaid in December 2010. There is an interest free period from December 2005 to April 2007. The interest payable has been spread over the whole term giving an effect interest rate of 15.25%.
- Founding shareholders loan notes of £141,934 attract a fixed rate of interest at 5% for FY 2008. The fixed rate increase by increments of 1% every financial year thereafter until the balance is repaid in December 2010. There is an interest free period from December 2005 to April 2007. The interest payable has been spread over the whole term giving an effect interest rate of 4.62%.
- Octopus loan notes of £1,277,493 attract a fixed rate of interest at 5 % for FY 2008. The fixed rate increase by increments of 1% every financial year thereafter until the balance is repaid in December 2010. There is an interest free period from December 2005 to April 2007. The interest payable has been spread over the whole term giving an effect interest rate of 4.62%.
- Trimplex vendor loan notes of £234,124 accrue interest at a fixed rate of 15% and are repayable by November 2010.
- Sarnatech (BNL) vendor loan notes of £510,000 accrue interest at the variable rate of LIBOR +2% and are repayable by November 2008. These are shown net of capitalised deal costs of £186,880.

The invoice discounting facility is held with GE.

Other loan balances relate to a mezzanine loan from Investec amounting to £533,784. This loan note accrues interest at the variable rate of EUROLIBOR +3%.

d) *Fair values*

To the extent financial assets are not carried at fair value in the consolidated balance sheet, book value approximates to fair value at 31 March 2006 and 31 March 2007.

The fair values of derivatives together with their carrying amounts shown in the balance sheet are as follows:

	Carrying amount liability/(asset) 2007 £'000	*Fair value liability/(asset) 2007 £'000*	*Carrying amount liability/(asset) 2006 £'000*	*Fair value liability/(asset) 2006 £'000*
Foreign exchange forward contracts	(2)	(2)	(85)	(85)
Interest rate swaps	14	14	(8)	(8)
	12	12	(93)	(93)

The fair values of derivative instruments, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

24 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land & Buildings 2007 £'000	*Plant & Machinery 2007 £'000*	*Total 2007 £'000*	*Land & Buildings 2006 £'000*	*Plant & Machinery 2006 £'000*	*Total 2006 £'000*
Less than one year	517	62	579	259	39	298
Between one and five years	1,324	111	1,435	841	48	889
More than five years	1,710	—	1,710	—	2	2
	3,551	173	3,724	1,100	89	1,189

Details of the Plastics Capital Group's operating lease arrangements are detailed below:

	Lease expiry	*Break Date*	*Rent Review Date*
Manse Lane	Sept 2021	Sept 2016	See below*
St Georges Avenue	Sept 2009	Six month's notice	20 Feb 2006
Darby Way	March 2011	Twelve month's notice	Annual rolling
Mulberry Way	November 2010	November 2010	27 November 2010

The rent review date for the Manse Lane premises is on completion of the extension work in September 2011 and every 5th anniversary of that date.

The group does not sub-lease any properties or other assets held under operating lease agreements and is not exposed to any contingent rent payments.

25 Contingencies

There were no contingencies at 31 March 2006 or 31 March 2007.

26 Related parties

R C Vessey, who was a director and shareholder of Plastics Capital Trading Limited, had as at 31 March 2007, a short term loan of £Nil (2006: £110,000) and subordinated loan stock, amounting to £2,200,000 (2006: £2,033,000) outstanding. The loan from R C Vessey was repaid on 12 May 2006.

The directors had a loan note outstanding to them as at 31 March 2007 of £148,000 (2006: £142,000).

In addition to Directors emoluments disclosed in Note 5 key management remuneration during the year was £246,000 (2006: £112,000) with company pension contributions of £28,000 (2006: £9,000).

27 Subsequent Events

On 4 April 2007 the Plastics Capital Group acquired 100% of the ordinary share capital of Cobb Slater Limited for a total consideration of £1,431,000 payable in cash. The book value of net assets at acquisition were £65,000.

On 1 May 2007, Sabreplas Limited acquired the net assets and trade of Sabre Plastics Limited for a total consideration of £302,000 payable in cash. The book value of the net assets at acquisition was £452,000.

On 31 August 2007 Plastics Capital acquired 100% of the ordinary share capital of Channel Matrix Limited for £10,085,000 plus deferred performance related consideration capped at £2,500,000. The book value of net assets at acquisition was £2,240,000.

IFRS 3 valuations have not yet been obtained for these acquisitions.

On 26 November 2007 Plastics Capital acquired the group's investment in Bell Plastics Limited at book value from its intermediate holding company Bell Holdings Limited.

On 21 November 2007 Plastics Capital Limited changed its name to Plastics Capital Trading Limited.

28 Accounting estimates and judgements

The Plastics Capital Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Intangible assets

The Plastics Capital Group recognises intangible assets (other than goodwill) on acquisition. Judgements are made in respect of useful lives and valuation methods affecting the carrying value and amortisation charges in respect of these assets. The valuation of intangible assets require judgements to be made in respect of discount rates, growth rates and future cash flows and the cost of capital. Actual outcomes may vary.

Goodwill

The Plastics Capital Group is required to test on an annual basis whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary.

Inventory

The Plastics Capital Group reviews the net realisable value of, and demand for, its inventory on a regular basis to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include competitor actions, supplier prices and economic trends.

29 Explanation of transition to Adopted IFRSs – Plastics Capital Group

As stated in note 1, these are the Plastics Capital Group's first consolidated financial statements prepared in accordance with Adopted IFRSs.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2007, the comparative information presented in these financial statements for the year ended 31 March 2006 and in the preparation of an opening IFRS balance sheet at 1 April 2005 (the Group's date of transition).

In preparing its opening IFRS balance sheet, the Plastics Capital Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to Adopted IFRSs has affected the Plastics Capital Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

	1 April 2005 UK GAAP £'000	Effect of transition to Adopted IFRSs £'000	Adopted IFRSs £'000	*31 March 2006* UK GAAP £'000	Effect of transition to Adopted IFRSs £'000	Adopted IFRSs £'000
Non-current assets						
Property, plant and equipment	86	—	86	2,913	—	2,913
Intangible assets (note a)	4,529	—	4,529	6,681	4,116	10,797
	4,615	—	4,615	9,594	4,116	13,710
Current assets						
Inventories	182	—	182	1,700	—	1,700
Trade and other receivables (note b)	554	—	554	3,646	93	3,739
Cash and cash equivalents	502	—	502	433	—	433
	1,238	—	1,238	5,779	93	5,872
Total assets	5,853	—	5,853	15,373	4,209	19,582
Current liabilities						
Other interest-bearing loans and borrowings	427	—	427	2,079	—	2,079
Trade and other payables (note c)	190	2	192	1,493	67	1,560
Current tax liabilities	217	—	217	344	—	344
Corporation tax liabilities	—	—	—	103	—	103
	834	2	836	4,019	67	4,086
Non-current liabilities						
Other interest-bearing loans and borrowings	4,181	—	4,181	9,324	—	9,324
Deferred tax liabilities (note d)	12	—	12	3	1,339	1,342
	4,193	—	4,193	9,327	1,339	10,666
Total liabilities	5,027	2	5,029	13,346	1,406	14,752
Net assets	826	(2)	824	2,027	2,803	4,830
Equity attributable to equity holders of the parent						
Share capital	6	—	6	10	—	10
Share premium	537	—	537	1,408	—	1,408
Translation reserve	—	—	—	—	—	—
Warrant reserve	214	—	214	—	—	—
Capital redemption reserve		—	—	1	—	1
Retained earnings	69	(2)	67	(308)	2,803	2,495
	826	(2)	824	1,111	2,803	3,914
Minority interest	—	—	—	916	—	916
Total equity	826	(2)	824	2,027	2,803	4,830

IFRS adjustments are explained below:

(a) The net debit of £4,116,000 to intangible assets comprise:

	£'000
• Adjustments to fair values on business combination	1,439
• Negative goodwill taken to income statement on acquisition	2,675
• Amortisation charged on intangible assets	(191)
• Amortisation of goodwill under previous GAAP written back	193
	4,116

(b) recognition of fair value of derivative financial instruments

(c) recognition of holiday pay accruals

(d) recognition of deferred tax balances on acquisition adjustments

		2006	
	UK GAAP £'000	*Effect of transition to Adopted IFRSs £'000*	*Adopted IFRSs £'000*
Revenue	6,875	—	6,875
Cost of sales	(3,719)	(76)	(3,795)
Gross profit	3,156	(76)	3,080
Distribution expenses	(808)	—	(808)
Administrative expenses	(1,480)	2,733	1,253
Other operating income	6	—	6
Operating profit before net financing costs	874	2,657	3,531
Financial income	3	93	96
Financial expenses	(897)	—	(897)
Net financing costs	(894)	93	(801)
(Loss)/profit before tax	(20)	2,750	2,730
Taxation	(53)	58	5
(Loss)/profit for the year	(73)	2,808	2,735
Attributable to:			
Equity holders of the parent	(79)	2,808	2,729
Minority interest	6	—	6
(Loss)/profit for the year	(73)	2,808	2,735

IFRS adjustments for the year ended 31 March 2006 represent:

(a) the credit of negative goodwill to the income statement, in full, at the date of acquisition of subsidiary undertakings in accordance with IFRS 3 (£2,675,000) the removal of amortisation charged to the income statement in the year under UK GAAP (£193,000) and amortisation charged on intangible assets (£191,000).

(b) the recognition of deferred tax on acquisition adjustments under IAS12 (£58,000)

(c) the inclusion of holiday pay accruals, under IAS 19 (£17,000) and

(d) the movement on fair value of derivatives taken out to hedge against foreign currency and interest rate risk under IAS 39

(e) fair value charge on share options, under IFRS 2 (£3,000).

The main adjustments to the consolidated cash flow statement under IFRS, compared to UK GAAP have been to reclassify certain items within different cash flow statement headings, principally in relation to acquisitions, which are included within investing activities under IFRS but which were included within acquisitions and disposals under UK GAAP. Income tax paid is disclosed within cash generated from operations under IFRS, whereas this was previously shown separately within the UK GAAP cash flow statement.

30 Principal subsidiary undertakings

Details of principal subsidiary undertakings are given below:

	County of incorporation	*Nature of business*	*Percentage of ordinary shares held*
Bell Plastics Limited*	England and Wales	Plastics Products	100%
Trimplex Limited	England and Wales	Plastics Products	80%
Trimplex Safety Tread Limited*	England and Wales	Plastics Products	80%
BNL (UK) Limited	England and Wales	Plastics Products	96%
BNL (Japan) Inc*	Japan	Plastics Products	96%
BNL (US) Inc*	USA	Plastics Products	96%
Bell Holdings Limited	England and Wales	Holding company	100%

* Shareholdings owned indirectly

31 Auditors

The auditor of the Group for the financial periods ended 31 March 2006 and 31 March 2007 was KPMG LLP.

UK GAAP Financial Information on Plastics Capital Trading Limited

The following is the full text of a report on the UK GAAP financial information of the Plastics Capital Trading Limited and its subsidiary undertakings from KPMG LLP, the Reporting Accountants, to the Directors.

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

The Directors
Plastics Capital plc
St Mary's House
42 Vicarage Crescent
London
SW11 3LD

27 November 2007

Dear Sirs

Plastics Capital Trading Limited and its subsidiary undertakings (together the "Plastics Capital Group") consolidated financial information for the 15 month period ended 31 March 2005 and the year ended 31 March 2006 prepared on the basis of UK accounting standards.

We report on the financial information set out on pages 71 to 88 of the AIM admission document of Plastics Capital plc ("the Company") dated 27 November 2007 ("the AIM Admission Document"). This financial information has been prepared for inclusion in the AIM Admission Document on the basis of the accounting policies set out in paragraph 1. This report is required by Paragraph (a) of Schedule Two of the AIM rules of the London Stock Exchange and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with UK accounting standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document, a true and fair view of the state of affairs of Plastics Capital Trading Limited as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with UK accounting standards as described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical UK GAAP financial information on Plastics Capital Trading Limited and its subsidiary undertakings for the 15 month period ended 31 March 2005 and the year ended 31 March 2006

The financial information set out below for Plastics Capital Trading Limited and its subsidiary undertakings for the 15 month period ended 31 March 2005 and the year ended 31 March 2006 has been prepared by the directors of Plastics Capital plc on the basis set out in note 1. In this historical UK GAAP financial information, "Plastics Capital Group" means Plastics Capital Trading Limited and its subsidiary undertakings and "UK GAAP" means United Kingdom generally accepted accounting principles.

Plastics Capital Group Profit and loss account

For the 15 month period ended 31 March 2005 and the year ended 31 March 2006

	Note	*Continuing operations £'000*	*Acquisitions £'000*	*Total continuing operations 12 months to 31 March 2006 £'000*	*15 months to 31 March 2005 £'000*
Turnover	1,2	2,541	4,334	6,875	1,250
Cost of sales		(1,133)	(2,586)	(3,719)	(499)
Gross profit		1,408	1,748	3,156	751
Distribution costs		(110)	(698)	(808)	(39)
Administrative expenses		(784)	(696)	(1,480)	(516)
Other operating income		3	3	6	10
Operating profit	2-4	517	357	874	206
Interest receivable and similar income	6			3	36
Interest payable and similar charges	7			(897)	(174)
(Loss)/profit on ordinary activities before taxation				(20)	68
Tax on (loss)/profit on ordinary activities	8			(53)	(49)
(Loss)/profit on ordinary activities after taxation	20			(73)	19
Equity minority interest	21			(6)	—
Unrecovered (loss)/retained profit for the year				(79)	19

A reconciliation of equity shareholders' funds is detailed in note 20.

Plastics Capital Group balance sheet
at 31 March 2005 and 31 March 2006

	Note	*2006*		*2005*	
		£'000	*£'000*	*£'000*	*£'000*
Fixed assets					
Intangible assets	9		6,681		4,529
Tangible assets	10		2,913		86
			9,594		4,615
Current assets					
Stocks	12	1,700		182	
Debtors	13	3,646		554	
Cash at bank		433		502	
		5,779		1,238	
Creditors: amounts falling due within one year	14	(4,019)		(834)	
Net current assets			1,760		404
Total assets less current liabilities			11,354		5,019
Creditors: amounts falling due after more than one year	15		(9,324)		(4,181)
Provisions for liabilities and charges	17		(3)		(12)
Net assets			2,027		826
Capital and reserves					
Called up share capital	18		10		6
Share premium	19		1,408		537
Warrants to be issued reserve	19		—		214
Capital redemption reserve	19		1		—
Profit and loss account	19		(308)		69
Equity shareholders' funds	20		1,111		826
Equity minority interests	21		916		—
			2,027		826

Plastics Capital Group statement of total recognised gains and losses
for the 15 month period ended 31 March 2005 and the year ended 31 March 2006

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
(Loss) / profit for the financial period	(79)	19
Net exchange differences on the retranslation of net investments	—	—
Total gains and losses recognised	(79)	19

Plastics Capital Group cash flow statement
for the 15 month period ended 31 March 2005 and the year ended 31 March 2006

	Notes	*12 months to 31 March 2006 £'000*	*15 months to 31 March 2005 £'000*
Net cash inflow from operating activities	1	2,166	453
Returns on investments and servicing of finance	2	(318)	(83)
Taxation		(409)	(173)
Capital expenditure and financial investment	2	(196)	(4)
Acquisitions	2	(3,497)	(3,313)
		(2,254)	(3,120)
Financing	2	2,182	3,542
(Decrease)/increase in cash in the period		(72)	422

Reconciliation of net cash flow to movement in net debt

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
(Decrease) / increase in cash in the period	(69)	422
Cash inflow from increase in debt	(2,182)	(3,542)
Issue of equity share capital	662	542
Change in net debt resulting from cash flows	(1,589)	(2,578)
Loans and finance leases acquired with subsidiary	(3,951)	—
Loan notes issued	(1,073)	(1,850)
Other non cash changes	196	415
Movement in net funds in the period	(6,417)	(4,013)
Net (debt)/funds at the start of period	(3,933)	80
Net debt at end of period	(10,350)	(3,933)

Notes
(*forming part of the cash flow statements*)

1 Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
Operating profit	874	206
Depreciation charges	192	8
Amortisation of goodwill	193	96
Increase in stocks	(50)	(34)
Decrease in debtors	554	—
Increase in creditors	403	177
Net cash inflow from operating activities	2,166	453

2 Analysis of cash flows for headings netted in the cash flow statement

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
Returns on investments and servicing of finance		
Interest received	6	4
Interest paid	(324)	(87)
Net cash outflow from returns on investments and servicing of finance	(318)	(83)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(196)	(4)
Net cash outflow from capital and financial investment expenditure	(196)	(4)
Acquisitions		
Payment to acquire subsidiary undertakings	(3,793)	(4,092)
Net cash acquired with subsidiary	296	779
Net cash outflow from acquisitions	(3,497)	(3,313)
Financing		
Loan repayments in year	(4,560)	(200)
Bank loans and loan notes	5,857	3,200
Drawdown on invoice discounting facility	223	—
Share issue proceeds	662	542
Net cash inflow from financing	2,182	3,542

Notes
(*forming part of the cash flow statements*)

3 Analysis of net debt

	At 31 December 2003 £'000	Cashflows £'000	At 31 March 2005 £'000
Cash at bank and in hand	80	422	502
	80	422	502
Debt due after one year	(500)	(3,681)	(4,181)
Debt due within one year	—	(254)	(254)
Finance leases	—	—	—
	(500)	(3,935)	(4,435)
Total	(420)	(3,513)	(3,933)

	At 31 March 2005 £'000	Cash flow £'000	Acquisition (excluding cash and overdrafts) £'000	Other non cash changes £'000	Loan notes £'000	At 31 March 2006 £'000
Cash in hand and at bank	502	(69)	—	—	—	433
	502	(69)	—	—	—	433
Debt due after one year (note 16)	(4,181)	(4,414)	—	344	(1,073)	(9,324)
Debt due within one year (note 15)	(254)	2,878	(3,900)	(148)	—	(1,424)
Finance leases	—	16	(51)	—	—	(35)
	(4,435)	(1,520)	(3,951)	196	(1,073)	(I0,783)
Total	(3,933)	(1,589)	(3,951)	196	(1,073)	(10,350)

Other non cash changes include the movement of debt now due within one year, amortisation of fees capitalised in debt in accordance with FRS 25 and foreign exchange movements on loans denominated in foreign currencies.

The debt due within one year at the beginning and end of the year can be reconciled to notes 15 and 17 by adding in interest accrual of £510,000 (2005: £69,000).

Notes

1 Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial information.

Basis of preparation

The financial information has been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Basis of consolidation

The consolidated financial information includes financial information of the Plastics Capital Trading Limited and its subsidiary undertakings made up to 31 March 2005 and 31 March 2006. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill and negative goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

Negative goodwill arising on consolidation in respect of acquisitions since 1 January 1998 is included within fixed assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

On the subsequent disposal or termination of a business acquired since 1 January 1998, the profit or loss on disposal or termination is calculated after charging (crediting) the unamortised amount of any related goodwill (negative goodwill).

Turnover

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

Warrants

Issued warrants are credited to shareholders' funds. Warrants issued with debt are valued by comparing the net proceeds of the debt with an amount found by discounting the gross cash flows of the debt at a commercial interest rate of a debt without warrants attached.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	3%
Fixtures & fittings	10-20%
Plant and machinery	10-20%
Motor Vehicles	25%

Expenditure on moulding tools is capitalised net of contributions received from customers. Where the cost is less than £1,000 the expenditure is written off directly to the profit and loss account.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post retirement benefits

The Plastics Capital Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Plastics Capital Group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

Analysis of turnover by geographical market:

	12 month period ended 31 March 2006 £'000	*15 month period ended 31 March 2005 £'000*
UK	1,438	277
Europe	1,759	401
North America	1,139	21
Asia	1,699	463
Rest of world	840	88
	6,875	1,250

3 Operating profit

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

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
Depreciation – owned assets	188	8
Amortisation of goodwill – charge	275	96
– credit	(82)	—
Auditors remuneration:		
Audit of the statutory financial statements	8	6
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	17	3
Other services relating to taxation	7	2

4 Staff number and costs

The average number of persons employed by the Plastics Capital Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	12 months to 31 March 2006	*15 months ended 31 March 2005*
Directors & Management	6	3
Administrative	17	6
Sales & Distribution	36	2
Production and Engineering	137	—
	196	11

The aggregate payroll costs of these persons were as follows:

	12 months to 31 March 2006 £'000	*15 months ended 31 March 2005 £'000*
Wages and salaries	1,779	192
Social security costs	223	28
Other pension costs	58	6
	2,060	226

5 Remuneration of directors

	12 months to 31 March 2006 £'000	*15 months ended 31 March 2005 £'000*
Directors' emoluments	372	105
Company contributions to money purchase pension schemes	9	5
	381	110

The emoluments of the highest paid director were £137,000 (2005: £77,000).

Directors' emoluments include £200,000 of fees charged by Directors to Plastics Capital Trading Limited in respect of their services incurred on the acquisition of Trimplex Limited and BNL (UK) Limited.

	Number of directors	
	12 months to 31 March 2006	*15 months ended 31 March 2005*
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

6 Interest receivable and similar income

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
Bank interest receivable	3	4
Exchange gain	—	32
	3	36

7 Interest payable and similar charges

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
Bank interest payable	322	2
Loan note interest	202	140
Warrant costs	196	18
Exchange loss	90	—
Amortisation of capitalised debt costs (note 16)	87	14
	897	174

8 Taxation

The tax charge on the profit on ordinary activities for the period was as follows:

Analysis of charge in the period

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
Current tax:		
UK corporation tax on profits for the period	104	36
Total current tax charge	104	36
Deferred tax		
Origination and reversal of timing differences (note 17)	(51)	13
Tax on profit on ordinary activities	53	49

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(2005: higher)* than the standard rate of corporation tax in the UK (30%, *2005: 30%*). The differences are explained below.

	12 months to 31 March 2006 £'000	*15 months ended 31 March 2005 £'000*
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(20)	68
Current tax (credit)/charge at 30% (2005: 30%)	(6)	20
Effects of:		
Expenses not deductible for tax purposes primarily goodwill amortisation	67	3
Capital allowances for period in excess of depreciation	39	13
Short term timing differences	12	—
Overseas tax not at UK standard rate	(8)	—
Total current tax charge (see above)	104	36

9 Intangible fixed assets

	Negative goodwill £'000	*Positive goodwill £'000*	*Goodwill Total £'000*
Cost			
At 31 December 2003	—	—	—
Additions	—	4,626	4,626
At 31 March 2005	—	4,626	4,626
Additions (note 23)	(297)	2,642	2,345
At 31 March 2006	(297)	7,268	6,971
Amortisation	—	—	—
At 31 December 2003	—	—	—
Charge for period	—	97	97
At 31 March 2005	—	97	97
Charge for period	(82)	275	193
At 31 March 2005	(82)	372	290
Net book value			
At 31 March 2006	(215)	6,896	6,681
At 31 March 2005	—	4,529	4,529
At 31 December 2003	—	—	—

The additions to goodwill in the year ended 31 March 2006 relate to the acquisition of all the issued share capital of BNL (UK) Limited and subsidiaries on 30 November 2006; and 80% of the issued share capital of Trimplex Limited on 30 November 2005. Additions also include £2,305,000 of goodwill arising in the balance sheet of Trimplex Limited from the purchase of trade and net assets.

Positive goodwill arising on the acquisition of Trimplex Limited has been assessed by the directors as having a life of 20 years.

The negative goodwill arising on the acquisition of BNL (UK) Limited is being credited to the profit and loss account to match the depreciation of fixed assets acquired and the sale of stock acquired. In the year ended 31 March 2006 £76,000 was released against cost of sales and £6,000 against administrative expenses.

10 Tangible fixed assets

	Land and buildings £'000	*Plant and machinery £'000*	*Fixtures and fittings £'000*	*Motor vehicles £'000*	*Total £'000*
Cost					
At 31 December 2003	—	—	—	—	—
On acquisition	—	268	—	—	—
Disposals	—	(1)	—	—	—
At 31 March 2005	—	267	—	—	267
Additions	—	185	8	—	193
On Acquisition	1,098	1,488	133	107	2,826
At 31 March 2006	1,098	1,940	141	107	3,286
Depreciation					
At 31 December 2003	—	—	—	—	—
Charge for period	—	8	—	—	8
On acquisition	—	173	—	—	173
At 31 March 2005	—	181	—	—	181
Charge for the year	14	148	21	9	192
At 31 March 2006	14	329	21	9	373
Net book value					
At 31 March 2006	1,084	1,611	120	98	2,913
At 31 March 2005	—	86	—	—	86
At 31 December 2003	—	—	—	—	—

11 Fixed asset investments

During the year ended 31 March 2006 the Plastics Capital Group acquired Trimplex Limited and subsidiaries and BNL (UK) Limited (formerly Sarnatech BNL Limited) and subsidiaries for £3,672,000 and £594,000 respectively (see note 22). The acquisition of Trimplex Safety Tread Limited was made by Trimplex Limited for a cash consideration of £300,000.

Details of shareholders in principal subsidiary undertakings are given below:

	Country of incorporation	*Principal activity*	*Class and percentage of shares held*
Bell Plastics Limited	England and Wales	Plastics Products	100%
Trimplex Limited	England and Wales	Plastics Products	80%
Trimplex Safety Tread Limited*	England and Wales	Plastics Products	80%
BNL (UK) Limited	England and Wales	Plastics Products	100%
BNL (Japan) Inc	Japan	Plastics Products	100%
BNL (US) Inc	USA	Plastics Products	100%
Bell Holdings Limited	England and Wales	Holdings company	100%

* Shareholding owned indirectly through Trimplex Limited

12 Stocks

	2006 *£'000*	*2005* *£'000*
Raw materials and consumables	634	155
Work in progress	206	27
Finished goods	860	—
	1,700	182

13 Debtors: amounts falling due within one year

	2006 *£'000*	*2005* *£'000*
Trade debtors	3,202	498
Prepayments and other debtors	444	56
	3,646	554

14 Creditors: amounts falling due within one year

	2006 *£'000*	*2005* *£'000*
Bank loans	1,934	323
Trade creditors	1,103	134
Taxation and social security	344	217
Accruals and other creditors	528	56
Director's loan – RC Vessey (see below)	110	104
	4,019	834

The directors loan was repaid on 12 May 2006.

15 Creditors: amounts falling due after more than one year

	2006 *£'000*	*2005* *£'000*
Vendor loan notes	2,827	1,899
Bank loans	4,124	2,282
Mezzanine loans	534	—
Loan notes	1,839	—
	9,324	4,181

Security

Security can be analysed as follows:

	BNL (UK) Limited *£'000*	*Remaining Group* *£'000*	*31 March 2006 Total* *£'000*
Tangible fixed assets	2,258	655	2,913
Stock	732	968	1,700
Trade debtors	1,055	2,147	3,202
At 31 March 2006	4,045	3,770	7,815

The Investec loans of £4.6m are secured by way of fixed and floating charges over the tangible fixed assets, stock and trade debtors of the group excluding BNL (UK) Limited.

The GE loans and related facilities of £2.9m are secured over the tangible fixed assets, stock and trade debtors of BNL (UK) Limited.

16 Borrowings

	2006 *£'000*	*2005* *£'000*
Debt can be analysed as falling due:		
In one year or less, or on demand	1,934	427
Between one and two years	1,148	421
Between two and five years	7,876	1,862
In five years or more	300	1,899
	11,258	4,609

The majority of obligations under finance leases and hire purchase contracts is as follows:

	2006 *£'000*	*2005* *£'000*
Within one year	35	—
In the second to fifth years	—	—
Over five years	—	—
	35	—
Less: future finance charges	—	—
	35	—

The Plastics Capital Group has a number of bank loans with varying repayment and interest terms. The main interest terms are based on LIBOR or EURIBOR plus an additional margin.

Included within bank loans are £846,000 (2005: £191,000) of costs capitalised as part of the acquisition in the year. These costs are being amortised over the life of the related bank loans.

17 Deferred taxation

	Deferred tax £'000
At 31 December 2003	—
Origination and reversal of timing differences	12
At 31 March 2005	12
Acquired	42
Origination and reversal of timing differences (note 8)	(51)
31 March 2006	3

The deferred taxation in respect of the group is included within other debtors.

The elements of deferred taxation are as follows:

	2006 £'000	*2005 £'000*
Difference between accumulated depreciation and capital allowances	18	12
Short term timing differences	(15)	—
	3	12

18 Called up share capital

	2006 £'000	*2005 £'000*
Authorised		
1,000,000 ordinary shares of 1p each	10	10
500,000 A ordinary shares of 1p each	5	—
Allotted, called up and fully paid		
697,460 ordinary shares of 1p each	7	6
348,854 A ordinary shares of 1p each	3	—
	10	6

During the year ended 31 March 2006 55,455 of ordinary shares were issued and 348,854 A ordinary shares were issued. 102,494 repurchased out of distributable profits. (see note 19). The ordinary shares were issued at a premium (see note 19).

19 Share premium and reserves

	Share premium account £'000	*Warrants reserve £'000*	*Capital redemption reserve £'000*	*Profit and loss account £'000*
At 31 December 2003	—	—	—	50
Loss for period	—	—	—	19
Premium on issue of shares less expenses	537	—	—	—
Issue of warrants	—	214	—	—
At 31 March 2005	537	214	—	69
Loss for the year	—	—	—	(73)
Premium on share issues, less expenses	871	—	—	—
Exercise of warrants	—	(214)	—	(1)
Purchase of own shares	—	—	1	(303)
At 31 March 2006	1,408	—	1	(308)

On 30 November 2005, the warrants were exercised resulting in 111,507 of additional ordinary shares issues. £211,843 was credited to the share premium accounts.

On 30 November 2005, 102,494 of ordinary shares were repurchased from distributable profits resulting in £303,000 charge to the profit and loss reserve and £1,052 to a capital redemption reserve representing the nominal value of the shares repurchased.

On 1 November 2004, 542,000 'A' shares of 1p each were issued at £1.00 per share.

20 Reconciliation of movements in shareholders' funds

	12 months to 31 March 2006 £'000	*15 months to 31 March 2005 £'000*
(Loss)/profit in the year	(73)	19
Issue of share capital	4	5
Premium on shares issued	871	537
Exercise of warrants	(214)	214
Repurchase of own shares	(303)	—
Net additions to equity shareholders' funds	285	775
Opening shareholders funds	826	51
Closing equity shareholders' funds	1,111	826

21 Minority interests

	£'000
At 31 December 2003	—
Additions	—
At 31 March 2005	—
On acquisition of Trimplex (note 23)	910
Share of profits in the period	6
At 31 March 2006	916

22 Acquisitions

On 30 November 2005, Plastics Capital Trading Limited acquired all of the ordinary and redeemable preference shares of BNL (UK) Limited (formerly Sarnatech BNL Limited) and subsidiaries.

	Book value £'000	*Other adjustments £'000*	*Fair values £'000*
Fixed assets			
Tangible	2,271	—	2,271
Current assets			
Stock	1,000	—	1,000
Debtors	2,236	(108)	2,128
Cash	187	—	187
Total assets	5,694	(108)	5,586
Creditors	(4,695)		(4,695)
Provisions	—	—	—
Total liabilities	(4,695)	—	(4,695)
Net assets	999	(108)	891
Negative goodwill			297
Purchase consideration and costs of acquisition			
Cash consideration			56
Deferred consideration – loan			500
Costs of acquisition			38
			594

Other adjustments represent a group relief balance no longer claimable from the previous owners.

The negative goodwill is being credited to the profit and loss account to match the economic benefits derived from the non monetary assets acquired (see note 9).

The acquired group made a loss of £24,000 from the beginning of its financial year to the date of acquisition. In its previous financial year, the group made a loss of £228,000.

On 30 November 2005, Plastics Capital Trading Limited acquired 80% of the ordinary shares of Trimplex Limited and subsidiaries. The resulting goodwill of was capitalised and will be written off over 20 years.

	Book value £'000	*Other adjustments £'000*	*Fair values £'000*
Fixed assets			
Intangible	2,306	—	2,306
Tangible	555	—	555
Investments	302	—	302
Current assets			
Stock	506	—	506
Debtors	1,566	(8)	1,558
Cash	109	—	109
Total assets	5,344	(8)	5,336
Creditors	(763)	15	(748)
Provisions	(42)	—	(42)
Total liabilities	(805)	15	(790)
Net assets	4,539	7	4,546
Minority interest			(910)
			3,636
Goodwill			337
Purchase consideration and costs of acquisition			
Cash consideration			3,557
Deferred consideration (loan notes)			273
Cost of acquisition			143
			3,973

On 1 November 2004, Plastics Capital Trading Limited acquired 85% of the ordinary shares of Bell Holdings Limited, and its wholly owned subsidiary Bell Plastics Limited. This acquisition took Plastics Capital Limited's holding in Bell Holdings Limited to 100%.

	Book value £'000	*Other adjustments £'000*	*Fair values £'000*
Fixed assets			
Intangible	—	—	—
Tangible	90	—	90
Investments	—	—	—
Current assets			
Stock	148	—	148
Debtors	1,308	—	1,308
Cash	779	—	779
Total assets	2,325	—	2,325
Creditors	(498)	—	(498)
Provisions	(13)	—	(13)
Total liabilities	(511)	—	(511)
Net assets	1,814	—	1,814
Goodwill			4,648
Purchase consideration and costs of acquisition			
Cash consideration			4,480
Deferred consideration (loan notes)			1,850
Cost of acquisition			132
			6,462

Other adjustments

An assessment of the other assets and liabilities acquired resulted in a number of adjustments required across balance sheet categories.

23 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2006		*2005*	
	Land and buildings £'000	*Other £'000*	*Land and buildings £'000*	*Other £'000*
Group				
Operating leases which expire:				
Within one year	—	—	—	—
In the second to fifth years inclusive	—	—	—	—
Over five years	70	—	—	—
	70	—	—	—

24 Related party disclosures

RC Vessey, who was a director and shareholder of Plastics Capital Trading Limited had as at 31 March 2006, a short term loan of £110,388 and subordinated loan stock, amounting to £2,032,623, outstanding. The loan to RC Vessey was repaid on 12 May 2006.

In addition, the directors had a loan note outstanding to them of £141,934 as at 31 March 2006.

The directors have given personal guarantees of £50,000 in respect of GE loans and financing.

25 Auditors

KPMG LLP were auditors of the company for the year ended 31 March 2006.

N.Webster-Smith & Sons were auditors of the company for the 15 month period ended 31 March 2005.

SECTION C

ACCOUNTANT'S REPORT ON BELL HOLDINGS LIMITED

UK GAAP Financial Information on Bell Holdings Limited and its Subsidiary Undertakings (together "Bell")

The following is the full text of a report on the UK GAAP financial information of the Bell Holdings Limited and its subsidiary undertakings from KPMG LLP, the Reporting Accountants to the Directors.

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

The Directors
Plastics Capital plc
St Mary's House
42 Vicarage Crescent
London
SW11 3LD

27 November 2007

Dear Sirs

Bell Holdings Limited and its subsidiary undertakings ("Bell") consolidated financial information for the seven month period ended 31 October 2004 prepared on the basis of UK generally accepted accounting standards.

We report on the financial information set out on pages 91 to 100 of the AIM admission document of Plastics Capital plc dated 27 November 2007 ("the AIM Admission Document"). This financial information has been prepared for inclusion in the AIM Admission Document on the basis of the accounting policies set out in paragraph 1. This report is required by Paragraph (a) of Schedule Two of the AIM rules of the London Stock Exchange and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with UK accounting standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document, a true and fair view of the state of affairs of the Bell Holdings Limited and its subsidiary undertakings as at the date stated and of its profits, cash flows and recognised gains and losses for the period then ended in accordance with the basis of preparation set out in note 1 and in accordance with UK accounting standards.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical financial information on Bell Holdings Limited and its subsidiary undertakings (together "Bell") for the seven months ended 31 October 2004

The financial information set out below for Bell Holdings Limited and its subsidiary undertaking for the 7 month period ended 31 October 2004 has been prepared by the directors of Bell Holdings Limited on the basis set out in note 1. In this historical UK GAAP financial information ("UK GAAP") means generally accepted accounting principles.

Bell profit and loss account

for the 7 month period ended 31 October 2004

	Note	*7 month period to 31 October 2004 £'000*
Turnover	1	1,357
Cost of sales		(569)
Gross profit		788
Distribution Costs		(54)
Administrative expenses		(161)
Other operating income		2
Group Operating profit		575
Interest receivable and similar income	6	20
Profit on ordinary activities before taxation	2	595
Tax on profit on ordinary activities	7	(172)
Profit for the Period	16	423

All turnover and operating profit for the period relates to continuing operations.

Bell Balance sheet

at 31 October 2004

	Note	*2004* *£'000*	*2004* *£'000*
Fixed assets	9		90
Current assets			
Stocks	10	148	
Debtors	11	1,308	
Cash at bank and in hand		779	
		2,235	
Creditors: amounts falling due within one year	12	(518)	
Net current assets			1,717
Total assets less current liabilities			1,807
Creditors: amounts falling due after more than one year	13		—
Provisions for liabilities and charges	14		(13)
Net assets			1,794
Capital and reserves			
Called up share capital	15		—
Capital redemption reserve	16		18
Profit and loss account	16		1,776
Shareholders' funds – equity			1,794

Bell Cash Flow Statement

for the 7 month ended 31 October 2004

	Note	*7 months ended 31 October 2004 £'000*
Cash flow from operating activities	19	235
Returns on investments and servicing of finance	20	20
Taxation		—
Capital expenditure and financial investment	20	(3)
Dividends paid on shares classified in shareholders' funds	8	(200)
Cash inflow before financing		52
Financing		—
Increase in cash in the period		52

Reconciliation of net cash flow to movement in net debt

Increase in cash in the period	52
Cash inflow from increase in debt and lease financing	—
Change in net funds resulting from cash flows	52
Movement in net funds in the period	52
Net funds at the start of the period	728
Net funds at the end of the period	780

Reconciliation of Movements in Shareholders' Funds

for the 7 month period ended 31 October 2004

	7 months ended 31 October 2004 £'000
Profit for the financial period	423
Dividends on shares classified in shareholders' funds	(200)
Retained profit	223
Other recognised gains and losses relating to the year (net)	—
Net addition to shareholder's funds	223
Opening shareholder's funds	1,571
Closing shareholders' funds	1,794

Notes

1 Accounting policies

Basis of preparation

This financial information has been prepared in accordance with applicable accounting standards, under the historical cost accounting rules.

Bell Holding Limited is a private limited company incorporated in England and Wales, with a subsidiary undertakings in the UK.

The Group was acquired by Plastics Capital Trading Limited on 31 October 2004, part way through its track record period commencing on 1 April 2004. If Plastics Capital Limited had been admitted to trading on AIM at 31 October 2004 the acquisition of Bell would have qualified as a Class I acquisition. The AIM Rules specify that in respect of such an acquisition, the prospectus of Plastics Capital plc. must include historical financial information for Bell from the period commencing at the start of Plastics Capital Limited track record period to Bell's acquisition date by Plastics Capital Trading Limited. The AIM Rules also allow the historical financial information for the first two years of a three track record period to be prepared under UK GAAP and only require the last two years of a three year track record period to be prepared in accordance with Adopted IFRS.

Basis of consolidation

The consolidated financial information includes the financial information of Bell Holdings Limited and its subsidiary undertakings made up to 31 October 2004. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost by instalments over their estimated useful economic lives as follows:

Plant and machinery – 10% per annum

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Stock

Stock is valued at cost or lower net realisable value.

Turnover

Turnover represents sale invoiced during the year in the ordinary course of business, net of VAT.

Classification of financial instruments issued by Bell

Following the adoption of FRS 25, financial instruments issued by Bell are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the company (or group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company (or group); and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

2 Notes to the profit and loss account

	7 months ended 31 October 2004 £'000
Profit on ordinary activities before taxation is stated after charging	
Depreciation and other amounts written off tangible fixed assets:	11
Auditors' remuneration:	
Audit of the statutory financial statements	1
Amounts receivable by auditors and their associates in respect of:	
Audit of financial statements of subsidiaries pursuant to legislation	1

3 Remuneration of directors and staff details

	7 months ended 31 October 2004 £'000
Directors' emoluments	3
Company contributions to money purchase pension schemes	—
	3

Staff numbers and costs

The average number of persons employed by Bell (including directors) during the year, analysed by category, was as follows:

	Number of employees 2004
Administration	2
Production	7
	9

The aggregate payroll costs of these persons were as follows:

	7 months ended 31 October 2004 £'000
Wages and salaries	90
Social security costs	9
Other pension costs	1
	100

4 Segmental information

An analysis of turnover by geographical market is given below:

	7 months ended 31 October 2004 £'000
UK	172
Europe	480
Asia	399
Rest of world	306
	1,357

5 Other interest receivable and similar income

	7 months ended 31 October 2004 £'000
Bank interest	20

6 Interest payable and similar charges

	7 months ended 31 October 2004 £'000
On bank loans and overdrafts	—

7 Taxation

Analysis of charge in period

	7 months ended 31 October 2004 £'000
UK corporation tax	
Current tax on income for the period	172
Total current tax	172
Deferred tax	—
Tax on profit on ordinary activities	172

Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	7 months ended 31 October 2004 £'000
Current tax reconciliation	
Profit on ordinary activities before tax	595
Current tax at 30%	179
Effects of:	
Small companies relief	(7)
Total current tax charge (see above)	172

8 Dividends

The aggregate amount of dividends comprises:

	7 months ended 31 October 2004 £'000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	200
Interim dividends paid in respect of the current year	—
Aggregate amount of dividends paid in the financial year	200
Dividends in respect of the year recognised as a liability at the year end	—
	200

The aggregate amount of dividends proposed and recognised as liabilities as at the period end is £nil.

9 Tangible fixed assets

	Plant and machinery £'000	*Total £'000*
Cost		
At beginning of year	260	260
Additions	3	3
Disposals	(1)	(1)
At end of year	262	262
Depreciation		
At beginning of year	162	162
Charge for year	11	11
On disposals	(1)	(1)
At end of year	172	172
Net book value		
At 31 October 2004	90	90
At 1 April 2004	98	98

10 Stocks

	2004 £'000
Raw materials and consumables	98
Work in progress	50
Finished goods and goods for resale	—
	148

11 Debtors

	2004 £'000
Trade debtors	521
Amounts owed by group undertakings	754
Prepayments and other debtors	33
	1,308

12 Creditors: amounts falling due within one year

	2004 £'000
Trade creditors	61
Taxation and social security	5
Other creditors	22
Corporation tax	430
	518

13 Creditors: amounts falling due after more than one year

	2004 £'000
Accruals and deferred income	—
	—

14 Provisions for liabilities

	Deferred taxation £'000	*Other provisions £'000*	*Total £'000*
At beginning of the period	13	—	13
Movement in period	—	—	—
At end of the period	13	—	13

The deferred tax liability represents an excess of capital allowances over depreciation.

15 Called up share capital

	2004
Authorised	
77,500 ordinary shares of £0.01 each	775
2,500 ordinary A shares of £0.01 each	25
	800
Allotted, issued and fully paid	
6,460 ordinary shares of £0.01 each	65
250 ordinary A shares of £0.01 each	2
	67

16 Share premium and reserves

	Capital redemption reserve £'000	*Profit and loss account £'000*
At beginning of period	18	1,553
Profit for the period	—	423
Dividends on shares classified as shareholders' funds	—	(200)
At end of year	18	1,776

17 Commitments

(a) There were no capital commitments at the end of the financial year.

(b) The group has not entered into any finance leases.

(c) Annual commitments under non-cancellable operating leases are as follows:

	2004 Land and buildings £'000
Operating leases which expire:	
Within one year	—
In the second to fifth years inclusive	24
Over five years	—
	24

18 Pension scheme

Bell operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by Bell to the scheme and amounted to £1,000.

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

19 Reconciliation of operating profit to operating cash flows

	7 months ended 31 October 2004 £'000
Operating profit	575
Depreciation, amortisation and impairment charges	11
Decrease in stocks	36
Increase in debtors	(328)
Decrease in creditors	(59)
Net cash inflow from operating activities	235

20 Analysis of cash flows

	7 months ended 31 October 2004 £'000
Returns on investment and servicing of finance	
Interest received	20
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(3)

21 Analysis of net debt

	At beginning of the period £'000	*Cash flow £'000*	*At end of the period £'000*
Cash in hand, at bank	728	52	780
Overdrafts	—	—	—
	728	52	780
Debt due within one year	—	—	—
Finance leases	—	—	—
Total	728	52	780

22 Post Balance Sheet events

On 1 November 2004 85% of the issued share capital of Bell Holdings Limited was acquired by Plastics Capital Trading Limited. Following this acquisition, Plastics Capital Trading Limited held 100% of the issued share capital of Bell Holdings Limited.

On 26 November 2007 Plastics Capital Trading Limited acquired Bell Holdings Limited investment in Bell Plastics Limited at book value.

23 Related party disclosures

A management charge of £84,000 was paid to Plastics Capital Trading Limited during the period.

24 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Plastics Capital Trading Limited, incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Plastics Capital Trading Limited.

25 Auditors

Newton Magnus and Company were auditors of the company for the period included in this financial information.

SECTION D

ACCOUNTANT'S REPORT ON BNL (UK) LIMITED

IFRS Information on BNL (UK) Limited

The following is the full text of a report on the IFRS financial information of BNL (UK) Limited and its subsidiary undertakings from KPMG LLP, the Reporting Accountants to the Directors.

KPMG

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

The Directors
Plastics Capital plc
St Mary's House
42 Vicarage Crescent
London
SW11 3LD

27 November 2007

Dear Sirs

BNL (UK) Limited and its subsidiary undertakings ("the BNL Group") – financial information for the year ended 31 December 2005

We report on the financial information set out on pages 103 to 119. This financial information has been prepared for inclusion in the AIM Admission Document dated 27 November of Plastics Capital plc on the basis of the accounting policies set out in paragraph 1. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose. The financial information has been prepared in anticipation of the Company's transition to "International Financial Reporting Standards" endorsed for use by entities required to comply with Regulation EC 1606/2002 ("IFRS").

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document, a true and fair view of the state of affairs of BNL (UK) Limited as at the dates stated and of its loss, cash flows and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical IFRS financial information on BNL (UK) Limited and its subsidiary undertakings (the "BNL Group") for the year ended 31 December 2005.

The financial information set out below for BNL (UK) Limited and its subsidiary undertakings for the year ended 31 December 2005 have been prepared by the directors of Plastics Capital plc on the basis set out in note 1. In this IFRS historical financial information, "IFRS" mean International Financial Reporting Standards adopted in use in the EU.

BNL Group Income Statement

for year ended 31 December 2005

	Note	*2005* *£'000*	*2005* *£'000*
Revenue	1	8,789	
Cost of sales		(5,602)	
Gross profit			3,187
Distribution expenses			(1,928)
Administrative expenses	2		(1,219)
Operating profit	1,3,4		40
Financial income	6	—	
Financial expenses	6	(256)	
Net financing costs			(256)
Loss before tax			(216)
Taxation	7		(119)
Loss for the year			(335)

BNL Group Statement of Recognised Income and Expense

for year ended 31 December 2005

	£'000
Foreign exchange translation differences	87
Net income recognised directly in equity	87
Loss for the year	(335)
Total recognised income and expense for the period attributable equity holders of the parent	(248)

BNL Group Balance Sheet
at 31 December 2005

	Note	*2005* *£'000*
Non-current assets		
Property, plant and equipment	8	2,276
Deferred tax asset		39
		2,315
Current assets		
Inventories	10	1,057
Trade and other receivables	11	2,453
Cash and cash equivalents		346
		3,856
Total assets		6,171
Current liabilities		
Interest-bearing loans and borrowings	13	1,692
Trade and other payables	14	759
Tax payable		—
		2,451
Non-current liabilities		
Interest-bearing loans and borrowings	13	2,029
Deferred tax liabilities	9	—
		2,029
Total liabilities		4,480
Net assets		1,691
Equity		
Share capital	15	3,321
Share premium	15	39
Capital redemption reserve	15	1
Translation reserve	15	87
Retained earnings	15	(1,757)
Total equity		1,691

Cash Flow Statement
for year ended 31 December 2005

	Note	2005 £'000
Cash flows from operating activities		
Loss for the year before tax		(216)
Adjustments for:		
Depreciation		517
Financial expense		255
Operating profit before changes in working capital and provisions		
Increase in trade and other receivables		(837)
Increase in stock		(205)
Increase in trade and other payables		121
Cash generated from the operations		
Interest paid		(252)
Income tax paid		(64)
Net cash from operating activities		(681)
Cash flows from investing activities		
Acquisition of property, plant and equipment		(368)
Interest income		—
Net cash from investing activities		(368)
Cash flows from financing activities		
Proceeds from new loan		3,068
Repayment of loans		(3,938)
Drawdown of invoice discounting facility		690
Issue of new shares		1,700
Net cash from financing activities		1,520
Net increase in cash and cash equivalents		472
Cash and cash equivalents at 1 January 2005		(126)
Cash and cash equivalents at 31 December 2005		346

Notes

1 Accounting policies

The financial information set out herein is in respect of BNL (UK) Limited and its subsidiaries ("the BNL Group") for the year ended 31 December 2005 has been prepared by the directors of the Company.

BNL (UK) Limited is a company incorporated and domiciled in the UK.

Following admission to trading on AIM, Plastics Capital plc intends to prepare its first financial statements for the period from 1 April 2007 to 31 March 2008 ("the 2008 financial statements") in compliance with International Financial Reporting Standards as adopted by the European Union ("Adopted IFRS").

As Plastics Capital plc is seeking admission, the AIM admission document includes financial information in respect of the Plastics Capital Group for the 2 years ended 31 March 2007 ("the 2006 and 2007 restated financial information") prepared on the basis expected to be applicable, insofar as this is currently know, to comparative information prepared for inclusion in the 2008 financial statements.

To comply with Paragraph (a) of Schedule Two of the AIM Rules the Plastics Capital Group is required to disclose historical financial information for the last two financial years. Following the acquisition of the BNL Group by Plastics Capital Trading Limited in November 2005 the financial information from this date is included in the IFRS financial information of Plastics Capital Group. The IFRS financial information for the BNL Group as set out in this document is for the period from 1 January 2005 to 31 December 2005 only.

The financial information presented herein in respect of BNL Group for the financial year ended 31 December 2005 is derived from the statutory accounts for the financial year ended 30 April 2006. The statutory accounts for that period have been reported on by the BNL Group auditors. The reports of the auditors were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The Annual reports, including the auditors' reports, can be obtained free of charge on request to Plastics Capital Limited at its registered office.

When the 2008 financial statements are prepared, they will be the first consolidated financial statements prepared by Plastics Capital plc in accordance with Adopted IFRS and as such will apply the requirements and options in IFRS 1 (First time Adoption of International Financial Reporting Standards) as they relate to the 2008 financial statements, based on the date of transition to Adopted IFRS applicable in those financial statements.

As described below, in preparing the this financial information, the directors of the BNL Group have applied Adopted IFRS (including IFRS 1) as if BNL Group Limited were a first time adopter in that financial information and the assumptions they have made about the standards and interpretations expected to be effective and the policies Plastics Capital plc expects to adopt in the 2008 financial statements.

Judgements made by the directors and proposed director, in the application of these accounting policies that have significant effect on the financial information and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

There are a number of standards and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have not been adopted by the group:

IFRS 7 Financial Instruments: Disclosures

IAS 1 Presentation of Financial Statements – Capital disclosures

IFRIC 8 Scope of IFRS 2 – Share-based payment

IFRIC 9 Reassessment of embedded derivatives

The application of these standards and interpretations are not anticipated to have a material effect on the group's financial statements.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2005 have not been restated.
- Cumulative translation differences – Cumulative translation differences for all foreign operations have bewen set to zero at 1 January 2005.

Measurement convention

The financial statements are prepared on the historical cost basis.

Basis of consolidation

Subsidiaries are entities controlled by the group. Control exists when the group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from this translation of foreign operations, are taken directly to the translation reserve. They are released into the income statement upon disposal.

The group has taken advantage of relief available in IFRS 1 to deem the cumulative translation differences for all foreign operations to be zero at the date of transition to Adopted IFRSs 1 January 2005.

Financial assets

The group classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired – fair value through profit and loss; loans and receivables; held-to-maturity investments; available-for-sale. The group currently only has financial assets classified as loans and receivables, the accounting policy for which is as follows:

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. Loans and receivables are recognised initially at fair value plus any attributable transaction costs. They are carried at amortised cost using the effective interest method.

Financial liabilities

The group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability arose – fair value through profit or loss; other financial liabilities. The group currently only has financial liabilities classified as "other financial liabilities", the accounting policy for which is as follows:

Other financial liabilities**:** Other financial liabilities include the following items:

- Trade payables and other short-term monetary liabilities, which are recognised at amortised cost.
- Bank and other borrowings are initially recognised at fair value being the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method,

which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. "Interest expense" in this context includes initial transaction costs and premia payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Classification of financial instruments issued by the group

Financial instruments issued by the group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under finance leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The rates applicable are as follows:

- buildings 3%
- plant and machinery 20%
- fixtures and fittings 10 – 20%
- motor vehicles 25%

Expenditure on moulding tools is capitalised net of contributions recovered from customers. Where the cost is less than £1,000 the expenditure is written off directly to the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value.

In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Impairment

The carrying amounts of the group's assets, inventories and deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a *pro rata* basis. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of the group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Provisions

A provision is recognised in the balance sheet when the group has a present legal or constructive obligation as a result of a past event if it can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Revenue

Revenue shown in the income statement represents amounts invoiced to external customers less value added tax or local taxes on sales during the period. Revenue is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Deferred tax balances are not discounted.

Research and development

Research expenditure is charged to the income statement in the period in which it is incurred.

Internal development expenditure is charged to the income statement in the year in which it is incurred unless it meets the recognition criteria of IAS 38 'Intangible Assets'. Where, the recognition criteria are met, intangible assets are capitalised and amortised over their useful economic lives from product launch.

Accounting standards issued but not adopted

The following Adopted IFRSs were available for early application but have not been applied by the group in these financial statements:

IFRS 7 'Financial Instruments: Disclosures' was issued in August 2005. It revises and enhances previous disclosures required by IAS 32 'Financial Instruments: disclosure and Presentation'. It is effective for annual periods beginning on or after 1 January 2007. The adoption of IFRS 7 will have no impact upon the results or net assets

All other new standards, amendments and interpretations that are available for early adoption are not expected to impact on the group.

2 Expenses and auditors' remuneration

Operating profit is stated after charging:

	2005 *£'000*
Depreciation of property, plant and equipment – owned assets	517
Operating lease charges	84
Research and development	144

Auditors' remuneration:

	2005 *£'000*
Audit of the statutory financial statements	23
Other services relating to taxation	10

3 Staff numbers and costs

The average number of persons employed by the BNL Group (including directors) during the year, analysed by category, was as follows:

	Number of employees
Production	79
Sales and distribution	35
Management and adminsistration	9
	123

The aggregate payroll costs of these persons were as follows:

	£'000
Wages and salaries	3,284
Social security costs	307
Other pension costs	126
	3,717

4 Directors' emoluments

	£'000
Directors' emoluments	165
Company contributions to money purchase pension plans	13
	178

	Number of directors
Retirement benefits are accruing to the following number of directors under:	
Money purchase schemes	1

5 Segment information

The BNL Group has only one primary business segment of injection moulding and uses geographic segments as its secondary reporting format. As the BNL Group has only one business segment the financial statements disclose the results of that segment. The geographic segment analysis of the business is as follows:

	External revenue by location of customers £'000	*Total assets by location of assets £'000*	*Capital expenditure by location of assets £'000*
United Kingdom	1,909	4,920	444
Europe	1,914	97	—
USA	2,748	793	5
Asia	1,229	361	(75)
Rest of the World	989	—	—
	8,789	6,171	374

6 Finance income and expense

	2005 £'000
Finance expense	
Bank interest	35
Interest on other loans	221
Financial expenses	256
Finance income	
Interest income	—

7 Taxation

	2005 £'000
Current tax expense	
UK corporation tax expense	
Current tax on income for year	46
Adjustments for prior years	112
	158
Deferred tax expense	
Origination and reversal of temporary differences	(39)
	(39)
Total tax in income statement	119

Reconciliation of effective tax rate

		2005 £'000
Loss before tax		(216)
Expected tax charge based on UK corporation tax rate of 30%	(30)%	(65)
Non deductible expenses	7%	15
Other items	5%	10
Overseas tax not at UK standard rate	22%	47
Adjustments in respect of prior years	52%	112
Total tax in income statement	55%	119

Factors affecting the tax charge for the future periods

The UK corporation tax rate will change from 30% to 28% from 1 April 2008. This means that the UK deferred tax assets will be recognised at 28%. If the rate was applied to the deferred tax asset at 31 December 2005 the asset would be reduced by £3,000.

8 Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost			
Balance at 1 January 2005	1,595	5,437	7,032
Additions	—	374	374
Balance at 1 December 2005	1,595	5,811	7,407
Depreciation and impairment			
Balance at 1 January 2005	458	4,152	4,610
Depreciation charge for the year	42	479	521
Balance at 31 December 2005	500	4,630	5,131
Net book value			
At 31 December 2005	1,095	1,181	2,276
At 1 January 2005	1,137	1,285	2,422

9 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2005 *£'000*
Accelerated capital allowances	39

Movement in deferred tax during the year

	1 January 2005 £'000	*Recognised in income £'000*	*31 December 2005 £'000*
Accelerated capital allowances	—	39	39
	—	39	39

10 Inventories

	2005 *£'000*
Raw materials and consumables	226
Work in progress	218
Finished goods	613
	1,057

During the year £87,000 inventory provision was released to the income statement in relation to inventory held in Japan. The cost of inventory recognised within cost of sales was £2,722,000.

11 Trade and other receivables

	2005 *£'000*
Trade receivables (net of provision)	1,635
Other receivables and prepayments	723
Amounts owed to parent undertaking	95
	2,453

12 Cash and cash equivalents/ bank overdrafts

	2005 *£'000*
Cash and cash equivalents	346

13 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the BNL Group's interest-bearing loans and borrowings. For more information about the BNL Group's exposure to interest rate and foreign currency risk, see note 16.

	2005 *£'000*
Non-current liabilities	
Secured loans	1,529
Loan from former parent undertaking	500
	2,029

Current liabilities

Current portion of secured loans	1,242
Loan from former parent undertaking	450
	1,692

Security

Security can be analysed as follows:

	2005 *£'000*
Property, plant and equipment	2,276
Inventories	1,057
Trade and other receivables	2,453
	5,786

The GE loans and related facilities of £2.8m are secured over the property, plant & equipment, inventories and trade receivables of the company.

On 14 September 2006, the group entered into a sale and operating leaseback agreement for the sale of land and buildings £1.1m of the proceeds were used to repay the property loan.

In February 2007, the ultimate parent undertaking refinanced the group with RBS which resulted in the repayment of the remaining GE loans and related facilities.

Financing costs

Included within secured loans are £197,000 of costs capitalised as part of the refinancing in the year.

14 Trade and other payables

	2005 *£'000*
Trade payables	383
Non-trade payables and accrued expenses	376
	759

15 Capital and reserves

Statement of changes in equity

	Share Capital £'000	*Share Premium £'000*	*Capital Redemption reserve £'000*	*Translation reserve £'000*	*Retained earning £'000*	*Total equity £'000*
Balance at 1 January 2005	1,621	39	1	—	(1,422)	239
Total recognised income and expense	—	—	—	87	(335)	(248)
Issue of share capital	1,700	—	—	—	—	1,700
Balance at 31 December 2005	3,321	39	1	87	(1,757)	1,691

Share capital

	Ordinary shares	*'A' ordinary shares*	*0% redeemable preference shares*
Number of shares			
On issue at 1 January 2005	98,000	—	1,523,000
Issued for cash	1,700,000	—	—
On issue at 31 December 2005 – fully paid	1,798,000	—	1,523,000

	2005 £'000
Authorised	
1,800,000 Ordinary shares of £1 each	1,800
1,800,000 'A' ordinary shares of £0.10 each	180
1,598,000 0% redeemable preference shares of £1 each	1,598
	3,578
Allotted, called up and fully paid	
1,798,000 Ordinary shares of £1 each	1,798
1,523,000 0% redeemable preference shares of £1 each	1,523
	3,321

Both the ordinary and 'A' ordinary shares carry an entitlement to dividends as the company may declare from time to time, which shall be paid *pari passu* in proportion to the number of shares held. Each ordinary and 'A' ordinary share carries one vote.

On a return of assets, whether in a winding-up or reduction of capital or otherwise, the assets and retained profits of the company available for distribution among the members shall be distributed amongst the ordinary shares and 'A' ordinary shares *pari passu* in proportion the number of shares held.

During the year 1,700,000 Ordinary Shares were issued at par to Sarna Kunststoff Holding AG.

Preference shares

The redeemable preference shares can be redeemed at par by the BNL (UK) Limited on giving notice to the holders of the shares in accordance with the company's articles of association. On a winding up the holders of the redeemable preference shares have priority over the other shareholders to receive an amount equal to the subscription price paid per share. The holders have no voting rights. The profits of the company which are available for distribution shall be applied firstly in paying dividends to the holders of the redeemable preference shares unless they agree to pay dividends to the ordinary shareholders.

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	*Description and purpose*
Share premium	Amount subscribed for share capital in excess of nominal value.
Translation reserve	All foreign exchange differences arising from the translation of the financial statements of foreign operations.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.
Capital redemption reserve	Amounts transferred from share capital on redemption of issued shares.

16 Financial instruments

The BNL Group is exposed through its operations to one or more of the following financial risks:

- Fair value or cash flow interest rate risk
- Foreign currency risk
- Liquidity risk
- Market price risk
- Credit risk

Policy for managing these risks is set by the Board following recommendations from the Finance Director. Certain risks are managed centrally, while others are managed locally following guidelines communicated from the centre. The policy for each of the above risks is described in more detail below.

i) ***Market risk***

a) *Fair value and cash flow interest rate risk*

As the BNL Group has no significant interest-bearing assets, the BNL Group's income and operating cash flows are substantially independent of changes in market interest rates.

The BNL Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the BNL Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the BNL Group to fair value interest rate risk. There is no group policy to maintain a certain amount of debt in fixed rate instruments.

During 2005 the BNL Group's borrowings were denominated in Euro, US Dollar, and Sterling and subject to floating rate charges as follows:

	Floating rate *£'000*
Sterling	3,255
$US	322
Euro	144
	3,721

b) *Foreign currency risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which may give rise to gains or losses on retranslation into Sterling.

The BNL Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and Euro. Approximately 72% of the BNL Group's sales are in foreign currencies however the BNL Group's core operations are run from the UK. The BNL Group has two operations located in the USA and Japan but these have immaterial assets and liabilities compared to the UK operations.

ii) ***Liquidity risk***

The liquidity risk of each group entity is managed centrally by the group treasury function.

All surplus cash is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the group's forecast cash requirements.

The group maintains a draw down facility with a major banking corporation to manage any unexpected short-term cash shortfalls.

iii) ***Credit risk***

The BNL Group is mainly exposed to credit risk from credit sales. It is BNL Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings, taking into account local business practices, are then factored into any contracts. Each local business practice also have credit insurance in place. The group does not have any significant concentration of credit risk.

The BNL Group does not enter into complex derivatives to manage credit risk.

a) *Maturity of debt*

	Within 1 year £'000	*Between 1-2 years £'000*	*Between 2-5 years £'000*	*After 5 years £'000*	*Total £'000*
Bank loans (net of deal costs)	402	402	798	329	1,931
Loans from group companies	450	—	500	—	950
Invoice discounting facility	840	—	—	—	840
	1,692	402	1,298	329	3,721

The bank loans are in sterling, Euro and Dollar all of which are repayable in their respective currencies. The bank loans consist of £489,000 cash flow loan and £1,442,000 asset back loans from GE. The cash flow loan accrues interest at the variable rate of USLIBOR +3%. The asset backed loans are further split in to a property loan and a plant and machinery loan accruing variable rate interest at LIBOR +2% and 2.5% respectively.

Sarnatech (BNL) vendor loan notes of £500,000 accrue interest at the variable rate of LIBOR +2% and are repayable by November 2008. These are shown net of capitalised deal costs of £187,000.

The invoice discounting facility is held with GE.

b) *Fair values*

To the extent financial assets are not carried at fair value in the consolidated balance sheet, book value approximates to fair value at 31 December 2005.

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and Buildings £'000	*Other £'000*
Less than one year	29	42
Between one and five years	—	55
More than five years	—	3
	29	100

The directors do not consider there are any significant operating lease arrangements. The BNL Group does not sub-lease any properties or other assets held under operating lease agreements and is not exposed to any contingent payments.

18 Capital commitments

As at 31 December 2005 the BNL Group had capital commitments of £7,000.

19 Contingencies

As at 31 December 2005 the BNL Group had no contingent assets or liabilities.

20 Related parties

There are not considered to be any key management other than the directors whose emoluments are set out in note 4.

21 Ultimate parent company

Until 30 November 2005 the ultimate parent company of the BNL Group of undertakings for which group accounts are drawn up and of which the company was a member is Sarna Kunststoff Holding AG. On 30 November 2005 BNL (UK) Limited was acquired by Plastics Capital Limited, a company incorporated and registered in England. The company is included within the group accounts of Plastics Capital plc.

22 Accounting estimates and judgements

The BNL Group makes estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Inventory

BNL (UK) Limited reviews the net realisable value of, and demand for, its inventory on a regular basis to provide assurance that recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices include competitor actions, supplier prices and economic trends.

23 Explanation of transition to Adopted IFRSs

BNL (UK) Limited is preparing this financial information in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRS has affected the reported financial position, financial performance and cash flows of the BNL Group is provided below.

In preparing its opening IFRS balance sheet, the BNL Group has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to Adopted IFRSs has affected the BNL Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliation of equity

		1 January 2005			*31 December 2005*		
	Note	*UK GAAP £'000*	*Effect of transition to Adopted IFRSs £'000*	*Adopted IFRSs £'000*	*UK GAAP £'000*	*Effect of transition to Adopted IFRSs £'000*	*Adopted IFRSs £'000*
Non-current assets							
Property, plant and equipment	a	2,422	—	2,422	2,276	—	2,276
Deferred tax assets		—	—	—	39	—	39
		2,422	—	2,422	2,315	—	2,315
Current assets							
Stocks		851	—	851	1,057	—	1,057
Trade and other receivables		1,655	—	1,655	2,453	—	2,453
Cash and cash equivalents		1,153	—	1,153	346	—	346
		3,659	—	3,659	3,856	—	3,856
Total assets		6,081	—	6,081	6,171	—	6,171
Current liabilities							
Bank overdraft		1,279	—	1,279	—	—	—
Other interest-bearing loans and borrowings		3,906	—	3,906	1,692	—	1,692
Trade and other payables		657	—	657	759	—	759
		5,842	—	5,842	2,451	—	2,451
Non-current liabilities							
Other interest-bearing loans and borrowings		—	—	—	2,029	—	2,029
Total liabilities		5,842	—	5,842	4,480	—	4,480
Net assets		239	—	239	1,691	—	1,691
Equity							
Share capital		1,621	—	1,621	3,321	—	3,321
Share premium		39	—	39	39	—	39
Capital redemption reserve		1	—	1	1	—	1
Translation reserve		—	—	—	—	—	—
Retained earnings		(1,422)	—	(1,422)	(1,670)	—	(1,670)
Total equity		239	—	239	1,691	—	1,691

Reconciliation of loss for year

	UK GAAP £'000	*Effect of transition to Adopted IFRSs £'000*	*Adopted IFRSs £'000*
Revenue	8,789	—	8,789
Cost of sales	(5,602)	—	(5,602)
Gross profit	3,187	—	3,187
Distribution expenses	(1,928)	—	(1,928)
Administrative expenses	(1,219)	—	(1,219)
Operating loss before net financing costs	40	—	40
Financial income	—	—	—
Financial expenses	(256)	—	(256)
Net financing costs	(256)	—	(256)
Loss before tax	(216)	—	(216)
Taxation	(119)	—	(119)
Loss for the year	(335)	—	(335)

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in this financial information:

- Cummulative translation differences – Cummulative transaltion differences for all foreign operations have been set to zero at 1 January 2005.

24 Subsequent Events

On 14 September 2006 the BNL Group entered into a sale and operating leaseback agreement for the sale of the land and buildings owned by BNL (UK) Limited. £1.1 million of the proceeds was used to repay the Property loan, with GE, in full.

On 4 April 2007 BNL Group acquired 100% of the ordinary share capital of Cobb Slater Limited for a total consideration of £1,431,000 payable in cash. The book value of the net assets of Cobb Slater Limited at acquisition were £65,000. An IFRS 3 valuation exercise had not been undertaken.

On 25 April 2006 71,919 of the A ordinary shares were allotted at a premium of £2,000 and 60,921 of the redeemable preference shares were allotted at par. The shares were issued to the senior management team.

25 Principal subsidiary undertakings

Details of principal subsidiary undertakings are given below:

	Country of Incorporation	*Nature of Business*	*Percentage of ordinary shares held*
BNL (Japan) Inc	Japan	Plastics products	100%
BNL (US) Inc	US	Plastics product	100%
Sarnatech BNL (France) SARL	France	Non Trading	100%

26 Auditors

KPMG LLP were auditors of the company for the financial period ended 31 December 2005.

The following is the full text of a report on the UK GAAP financial information of the BNL (UK) Group from KPMG LLP, the Reporting Accountants to the Directors.

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

The Directors
Plastics Capital plc
St Mary's House,
42 Vicarage Crescent,
London
SW11 3LD

27 November 2007

Dear Sirs

BNL (UK) Limited and its subsidiary undertakings ("the BNL Group") consolidated financial information for the two years ended 31 December 2005 prepared on the basis of UK generally accepted accounting standards

We report on the financial information set out on pages 122 to 133 of the AIM admission document of Plastics Capital plc ('the Company') dated 27 November 2007 ('the AIM Admission Document'). This financial information has been prepared for inclusion in the AIM Admission Document on the basis of the accounting policies set out in Note 1. This report is required by paragraph (a) of Schedule Two of the AIM Rules of the London Stock Exchange and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The directors of the Company are responsible for preparing the financial information on the basis of preparation set out in Note 1 to the financial information and in accordance with UK accounting standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules, consenting to its inclusion in the AIM Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document, a true and fair view of the state of affairs of the BNL Group as at the dates stated and of its profits, cash flows and recognised gains and losses for the years then ended in accordance with the basis of preparation set out in Note 1 and in accordance with UK accounting standards as described in Note 1.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical UK GAAP financial information on BNL (UK) Limited and its subsidiary undertakings (the "BNL Group") for the two years ended 31 December 2005.

The financial information set out below for the BNL (UK) Group and its subsidiary undertakings for the two years ended 31 December 2005 has been prepared by the directors of Plastics Capital plc on the basis set out in Note 1. In this historical UK GAAP financial information, "UK GAAP" means United Kingdom generally accepted accounting principles.

BNL Group Profit and Loss Account
for the two years ended 31 December 2004 and 2005

	Note	*2005* *£'000*	*2004* *£'000*
Turnover	2	8,789	7,538
Cost of sales		(5,602)	(4,875)
Gross profit		3,187	2,663
Distribution costs		(1,928)	(1,798)
Administrative expenses		(1,219)	(850)
Operating profit	3	40	15
Other interest receivable and similar income	6	—	13
Interest payable and similar charges	7	(256)	(270)
Loss on ordinary activities before taxation		(216)	(242)
Tax on loss on ordinary activities	8	(119)	14
Loss for the financial year	16	(335)	(228)

A statement of movement on reserves is shown at note 16. All turnover and operating profit arise from continuing operations.

There is no material difference between the results of the BNL Group stated above and those on an unmodified historical cost basis.

BNL Group Balance Sheet
at 31 December 2004 and 2005

	Note	*2005* *£'000*	*2004* *£'000*
Fixed assets			
Tangible assets	9	2,276	2,422
Current assets			
Stocks	10	1,057	851
Debtors	11	2,492	1,655
Cash at bank and in hand		346	1,153
		3,895	3,659
Creditors: amounts falling due within one year	12	(2,451)	(5,842)
Net current assets/(liabilities)		1,444	(2,183)
Total assets less current liabilities		3,720	239
Creditors: amounts falling due after more than one year	13	(2,029)	—
Net assets		1,691	239
Capital and reserves			
Called up share capital	15	3,321	1,621
Share premium account	16	39	39
Capital redemption reserve	16	1	1
Profit and loss account	16	(1,670)	(1,422)
Equity Shareholders' funds		1,691	239

BNL Group Cash Flow Statement
for the 2 years ended 31 December 2004 and 2005

	Note	*2005* *£'000*	*2004* *£'000*
Cash flow statement			
Cash flow from operating activities	19	(365)	925
Returns on investments and servicing of finance	20	(252)	(258)
Taxation	8	(64)	(150)
Capital expenditure and financial investment	20	(368)	(453)
Cash (outflow)/inflow before management of liquid resources and financing		(1,049)	64
Financing	20	1,521	1,639
Increase in cash in the year		472	1,713
Reconciliation of net cash flow to movement in net debt			
Increase in cash in the year		472	1,713
Net cash flow from increase in financing		(1,521)	(1,639)
Issue of share capital		1,700	—
Reduction in net debt resulting from cash flows		651	74
Net debt at the start of the year		(4,026)	(4,100)
Net debt at the end of the year		(3,375)	(4,026)

BNL Group Statement of Total Recognised Gains and Losses
for the 2 years ended 31 December 2004 and 2005

	2005 *£'000*	*2004* *£'000*
Loss for the financial year	(335)	(228)
Net exchange difference on the retranslation of net investments	87	(23)
Total recognised gains and losses relating to the financial year	(248)	(251)

Reconciliations of Movements in Shareholders' Funds
for the 2 years ended 31 December 2004 and 2005

	2005 *£'000*	*2004* *£'000*
Loss for the financial year	(335)	(228)
Retained loss	(335)	(228)
Other recognised gains and losses relating to the year (net)	87	(23)
New share capital subscribed (net of issue costs)	1,700	—
Net addition to /(reduction in) shareholders' funds	1,452	(251)
Opening shareholders' funds	239	490
Closing shareholders' funds	1,691	239

Notes

1 Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial information.

Basis of preparation

The financial information has been prepared in accordance with appropriate accounting standards and under the historical cost accounting rules.

BNL (UK) Limited is a private limited company incorporated in England and Wales, with subsidiary undertakings in Japan and the United States of America.

The BNL Group was acquired by Plastics Capital Trading Limited on 30 November 2005, part way through its track record period commencing on 1 April 2004. If Plastics Capital Trading Limited had been admitted to trading on AIM at 30 November 2005 the acquisition of the BNL Group would have qualified as a Class I acquisition. The AIM Rules specify that, in respect of such an acquisition, the AIM Admission document of Plastics Capital plc. must include historical financial information for the BNL Group from the period commencing at the start of Plastics Capital Trading Limited track record period to the BNL Group's acquisition date by Plastics Capital Trading Limited. The AIM Rules also allow the historical financial information for the first two years of a three track record period to be prepared under UK GAAP and only require the last two years of a three year track record period to be prepared in accordance with Adopted IFRS.

The directors have agreed with AIM Regulation that these requirements may be met in part by presenting historical financial information for the BNL Group in accordance with UK GAAP for each of the year ended 31 December 2004 (which corresponds to the company's statutory accounting period) and for the year ended 31 December 2005 (which does not correspond to the company's statutory accounting period which was the 15 months ended 31 March 2006). Adopted IFRS–based historical financial information for this latter period has been separately presented.

The financial information set out above does not constitute the company's statutory accounts for the year ended 31 December 2004. The financial information for 2004 is derived from the statutory accounts for 2004 which have been delivered to the registrars of companies. The auditors have reported on the 2004 accounts: their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

Basis of Consolidation

The consolidated financial information includes the financial information of BNL (UK) Limited and its subsidiary undertakings made up to 31 December 2004 and 31 December 2005. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Depreciation

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold buildings	3%
Fixtures & fittings	10-20%
Plant and machinery	
– moulding tools	20%
– general	20%
Motor Vehicles	25%

Stock

Stock is stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

- Raw materials and goods for resale – Purchase cost on a first-in, first-out basis
- Work in progress and finished goods – Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Research and development

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain assets for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves.

Leases

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

2 Segmental information

An analysis of turnover by geographical market is given below:

	2005	*2004*
	£'000	*£'000*
UK	1,909	1,990
Europe	1,914	1,674
USA	2,749	2,188
Asia	1,229	1,083
Rest of World	989	603
	8,789	7,538

3 Notes to the profit and loss account

	2005	*2004*
	£'000	*£'000*
Loss on ordinary activities before taxation is stated after charging		
Depreciation and other amounts written off owned tangible fixed assets:	517	564
Hire of plant and machinery – rentals payable under operating leases	91	51
Auditors' remuneration:		
Audit of the statutory financial statements	23	18
Other services relating to taxation	10	6

4 Remuneration of directors

	2005 *£'000*	*2004* *£'000*
Directors' emoluments	165	123
Company contributions to money purchase pension schemes	13	13
	178	136

	Number of directors *2005*	*2004*
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

5 Staff numbers and costs

The average number of persons employed by the BNL Group (including directors) during the year, analysed by category, was as follows:

	Number of employees *2005*	*2004*
Production	79	68
Sales and Distribution	35	33
Management and Administration	9	9
	123	110

The aggregate payroll costs of these persons were as follows:

	2005 *£'000*	*2004* *£'000*
Wages and salaries	3,284	2,934
Social security costs	307	275
Other pension costs	126	124
	3,717	3,333

6 Other interest receivable and similar income

	2005 *£'000*	*2004* *£'000*
Other interest receivable	—	13
	—	13

7 Interest payable and similar charges

	2005 *£'000*	*2004* *£'000*
Bank loans and overdrafts	32	55
On all other loans	221	217
Amortisation of capitalised debt costs (note10)	3	—
	256	270

8 Tax charge/(credit) on loss on ordinary activities

Analysis of tax charge/(credit) in year

	2005 *£'000*	*2004* *£'000*
UK corporation tax		
Current tax on income for the year	—	(107)
Adjustments in respect of prior years	96	(24)
	96	(131)
Foreign tax		
Current tax (credit)/charge on income for the year	46	86
Adjustments in respect of prior years	16	10
	62	96
Total current tax	158	(35)
Deferred tax		
Origination/reversal of timing differences	(39)	6
Adjustment in respect of previous years	—	15
	(39)	21
Tax charge/ (credit) on loss on ordinary activities	119	(14)

Factors affecting the tax charge/(credit) for the current period

The current tax charge for the period is higher *(2004: lower)* than the standard rate of corporation tax in the UK 30%*, (2004: 30%)*. The differences are explained below.

	2005 *£'000*	*2004* *£'000*
Current tax reconciliation		
Loss on ordinary activities before taxation	(216)	(242)
Current tax credit at 30% (2004: 30%)	(65)	(73)
Effects of:		
Expenses not deductible for tax purposes	15	10
Capital allowances for period in excess of depreciation	45	(3)
Short term timing differences	5	1
Utilisation of tax losses	—	(4)
Difference in foreign tax rates	47	20
Adjustments to tax charge in respect of previous periods	112	14
Total current tax charge/(credit)	159	(35)

The elements of deferred taxation are as follows:

	2005 *£'000*	*2004* *£'000*
Difference between accumulated depreciation and amortisation and capital allowances	(39)	5
Other timing differences	—	—
Tax losses	—	—
Deferred tax (asset)/liability	(39)	(5)

The deferred tax asset is included in other debtors.

Factors affecting the tax charge for future periods

The UK Corporation tax rate will charge from 30% to 28% from 1 April 2008. This means that the UK deferred tax will be recognised at 28%.

9 Tangible fixed assets

	Land and buildings £'000	*Plant and machinery £'000*	*Total £'000*
Cost			
At 1 January 2004	1,595	4,984	6,579
Additions	—	453	453
At 31 December 2004	1,595	5,437	7,032
Currency translation movement	—	6	6
Additions	—	368	368
At 31 December 2005	1,595	5,811	7,406
Depreciation			
At 1 January 2004	416	3,630	4,046
Charge for year	42	522	564
At 31 December 2004	458	4,152	4,610
Currency translation movement	—	4	4
Charge for year	42	474	517
At 31 December 2005	500	4,630	5,130
Net book value			
At 31 December 2005	1,095	1,181	2,276
At 31 December 2004	1,137	1,285	2,422
At 31 December 2003	1,179	1,354	2,533

On 14 September 2006 BNL (UK) Limited entered into a sale and leaseback agreement for the sale of its land and buildings for £2.7m. (note 14)

10 Stocks

	2005 £'000	*2004 £'000*
Raw materials and consumables	226	197
Work in progress	218	183
Finished goods and goods for resale	613	471
	1,057	851

11 Debtors

	2005 £'000	*2004 £'000*
Trade debtors	1,635	1,326
Amounts owed by fellow group undertakings	545	98
Other debtors	244	148
Prepayments and accrued income	68	83
	2,492	1,655

12 Creditors: amounts falling due within one year

	2005 *£'000*	*2004* *£'000*
Bank loans and overdrafts	1,242	1,279
Trade creditors	383	363
Amounts owed to fellow group undertakings	450	3,905
Taxation and social security	131	85
Accruals and deferred income	245	210
	2,451	5,842

13 Creditors: amounts falling due after more than one year

	2005 *£'000*	*2004* *£'000*
Bank loans and overdrafts	1,529	—
Amounts owed to former parent undertaking	500	—
	2,029	—

14 Borrowings

Debt can be analysed as falling due:

	2005 *£'000*	*2004* *£'000*
In one year or less, or on demand	1,692	1,279
Between one and two years	402	—
Between two and five years	1,298	—
In five years or more	329	—
	3,721	1,279

Security

The GE loans and related facilities of £2.8m are secured over the tangible fixed assets, stock and trade debtors of the company.

The directors of the ultimate parent company have given personal guarantees of £50,000 in respect of the GE financing arrangements.

FRS 25 costs

Included within borrowings are £197,000 of costs capitalised in relation to the GE financing arrangements entered into during the year. These costs are being amortised over the weighted average life of the GE loans and related facilities.

Post balance sheet events

On 14 September 2006 the GE property loan was repaid in full following is sale and leaseback of the company's land and buildings. At 31 March 2006 this loan was £1.2m.

In February 2007 the ultimate parent, Plastics Capital Limited, refinanced the group with RBS which resulted in the repayment of the remaining GE loans and related facilities.

15 Called up share capital

	2005 £'000	2004 £'000
Authorised		
1,800,000 Ordinary shares of £1 each	1,800	100
18,000 'A' Ordinary shares of £0.10 each	180	—
1,598,000 0% redeemable preference shares of £1 each	1,598	1,523
	3,578	1,623
Allotted, called up and fully paid		
1,798,000 Ordinary shares of £1 each	1,798	98
1,523,000 0% redeemable preference shares of £1 each	1,523	1,523
	3,321	1,621

Post balance sheet event

On 25 April 2006, 71,919 of the A ordinary shares were allotted at a premium of £2,000 on the same date. During the year ended 31 December 2005 1,700,000 of ordinary shares of £1 each were issued at par to Sarna Kunststoff Holding AG. The shares were issued to the senior management team.

Preference shares

The redeemable preference shares can be redeemed at par by the company on giving notice to the holders of the shares in accordance with the company's articles of association. On a winding up the holders of the redeemable preference shares have priority over the other shareholders to receive an amount equal to the subscription price paid per share. The holders have no voting rights. The profits of the company which are available for distribution shall be applied firstly in paying dividends to the holders of the redeemable preference shares unless they agree to pay dividends to the ordinary shareholders.

16 Reconciliation of shareholders' funds and movements on reserves

	Share Capital £'000	*Share premium account £'000*	*Capital Redemption Reserve £'000*	*Profit and loss account £'000*
At 1 January 2004	1,621	39	1	(1,170)
Loss for the year	—	—	—	(228)
Net exchange differences on retranslation of net investments	—	—	—	(24)
At 31 December 2004	1,621	39	1	(1,422)
Loss for the year	—	—	—	(335)
Net exchange differences on retranslation of net investments	—	—	—	87
Share Issue	1,700	—	—	—
At 31 December 2005	3,321	39	1	(1,670)

17 Pension commitments

BNL (UK) Limited operates defined contribution pension schemes. The assets of these schemes are held separately from those of BNL (UK) Limited in independently administered funds. The pension charge represents contributions payable by BNL (UK) Limited to the funds and amounted to £100,000 *(2004: £105,000).*

18 Commitments

(a) Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2005 £'000	*2004 £'000*
Contracted	7	76

(b) Annual commitments under non-cancellable operating leases are as follows:

	2005 Land and buildings £'000	*2005* Other £'000	*2004* Land and Buildings £'000	*2004* Other £'000
Group				
Operating leases which expire:				
Within one year	—	39	11	13
In the second to fifth years inclusive	—	27	29	32
Over five years	13	5	—	4
	13	71	40	49

19 Reconciliation of operating profit/(loss) to operating cash flows

	2005 £'000	*2004* £'000
Operating profit	40	15
Depreciation, amortisation and impairment charges	517	564
(Increase)/decrease in stocks	(205)	148
(Increase)/decrease in debtors	(837)	(61)
Increase in creditors	120	259
Net cash (outflow)/inflow from operating activities	(365)	925

20 Analysis of cash flows

	2005 £'000	*2005* £'000	*2004* £'000	*2004* £'000
Returns on investment and servicing of finance				
Interest received	—		13	
Interest paid	(252)		(270)	
		(252)		(258)
Capital expenditure and financial investment				
Purchase of tangible fixed assets	(368)		(453)	
		(368)		(453)
Financing				
Issue of ordinary share capital	1,700		—	
Loans from bank	2,067		—	
Repayments on loans	(36)		—	
New loan from former parent undertaking	500		—	
Loan from new parent undertaking	500		—	
(Repayment)/drawdown of loan from former parent undertaking	(3,900)		1,639	
Drawdown of invoice discounting facility	690		—	
		1,521		1,639

21 Analysis of net debt

	At 1 January 2004 £'000	*Cashflow £'000*	*At 31 December 2004 £'000*	*Cashflow £'000*	*At 31 December 2005 £'000*
Cash at bank and in hand	308	845	1,153	(807)	346
Overdrafts	(2,147)	868	(1,279)	1,279	—
	(1,839)	1,713	(126)	472	346
Debt due after one year	—	—	—	(2,029)	(2,029)
Debt due within one year	(2,261)	(1,639)	(3,900)	2,208	(1,692)
	(2,261)	(1,639)	(3,900)	179	(3,721)
Total	(4,100)	74	(4,026)	651	(3,375)

22 Ultimate parent company and parent undertaking of larger group

Until 30 November 2005 the ultimate parent company of the group of undertakings for which group accounts are drawn up and of which the company was a member is Sarna Kunststoff Holding AG. On 30 November 2005 the company was acquired by Plastics Capital Trading Limited. A company incorporated and registered in England. The company is included within the group accounts of Plastics Capital Limited.

The ultimate parent company is Plastics Capital plc.

23 Details of Subsidiary undertakings

BNL (UK) Limited's subsidiary undertakings at 31 March 2006 were as follows:

	Percentage ownership	*Country of incorporation*	*Principal activity*
BNL (USA) Inc	100%	USA	Marketing thermoplastic bearing assemblies
BNL (Japan) Inc	100%	Japan	Marketing thermoplastic bearing assemblies
Sarnatech BNL (France) SARL	100%	France	Non-trading

24 Post balance sheet event

On 4 April 2007 BNL (UK) Limited acquired 100% of the ordinary share capital of Cobb Slator Limited for a total consideration of £1,431,000 payable in cash. The net assets of Cobb Slater Limited at acquisition were £65,000.

25 Auditors

KPMG LLP was auditor of BNL (UK) Limited for the 2 years ended 31 December 2005.

SECTION E

ACCOUNTANT'S REPORT ON CHANNEL MATRIX LIMITED

UK GAAP Financial Information on Channel Matrix Limited

The following is the full text of a report on the UK GAAP financial information of the Channel Matrix Limited and its subsidiary undertakings from KPMG LLP, the Reporting Accountants, to the Directors.

KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW

The Directors
Plastics Capital plc
St Mary's House
42 Vicarage Crescent
London
SW11 3LD

27 November 2007

Dear Sirs

Channel Matrix Limited financial information for the 2 years ended 30 April 2007 prepared on the basis of UK generally accepted accounting standards.

We report on the financial information set out on pages 136 to 146 of the AIM admission document of Plastics Capital plc ("the Company") dated 27 November 2007 ("the AIM Admission Document"). This financial information has been prepared for inclusion in the AIM Admission Document on the basis of the accounting policies set out in paragraph 1. This report is required by Paragraph (a) of Schedule Two of the AIM rules of the London Stock Exchange and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note (1) to the financial information and in accordance with UK accounting standards.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the AIM Admission Document, a true and fair view of the state of affairs of the Channel Matrix Limited as at the dates stated and of its profits, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in note 1 and in accordance with UK generally accepted accounting standards as described in note 1.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

KPMG LLP
Chartered Accountants

Historical UK GAAP financial information on Channel Matrix Limited for the 2 years ended 30 April 2007

The financial information set out below for Channel Matrix Limited undertakings for the two years ended 30 April 2007 has been prepared by the directors of Plastics Capital plc on the basis set out in note 1. In this historical UK GAAP financial information "UK GAAP" means United Kingdom generally accepted accounting principles.

Profit and loss account

for the 2 years ended 30 April 2006 and 30 April 2007

	Note	*2007* *£'000*	*2007* *£'000*	*2006* *£'000*	*2006* *£'000*
Turnover – continuing	2		4,984		4,826
Cost of sales			(2,572)		(2,455)
Gross profit			2,412		2,371
Distribution costs		(37)		(30)	
Administration expenses		(917)		(987)	
			(954)		(1,017)
			1,458		1,354
Other operating income			26		17
Operating profit – continuing			1,484		1,371
Income from participating interests	5	—		10	
Interest receivable and similar income		16		15	
			16		25
			1,500		1,396
Interest payable and similar charges	6		(1)		—
Profit on ordinary activities before taxation			1,499		1,396
Tax on profit on ordinary activities	7		(425)		(441)
Profit for the financial year after taxation	26		1,074		955

Channel Matrix Limited has no recognised gains or losses other than the profits other than the results as set out above.

Balance sheet
As at 30 April 2007 and 30 April 2006

	Note	*2007 £'000*	*2007 £'000*	*2006 £'000*	*2006 £'000*
Fixed assets					
Intangible assets	9		627		705
Tangible assets	10		294		232
Investments	11		50		50
			971		987
Current assets					
Stocks	12	715		674	
Debtors	13	1,141		1,231	
Cash at bank and in hand		405		552	
		2,261		2,457	
Creditors: amounts falling due within one year	14	(733)		(824)	
Net current assets			1,528		1,633
Total assets less current liabilities			2,499		2,620
Creditors: amounts falling due after more than one year	15		(3)		(4)
Provisions for liabilities	17		(20)		(14)
Net assets			2,476		2,602
Capital and reserves					
Called up share capital	18		193		193
Share premium	19		763		763
Capital redemption reserve	19		569		569
Profit and loss account	19		951		1,077
Equity shareholders' funds			2,476		2,602

Cash flow statement
for the 2 years ended 30 April 2007 and 30 April 2006

	Notes	*2007* *£'000*	*2006* *£'000*
Net cash inflow from operating activities	27	1,662	1,716
Returns on investments and servicing of finance	28	14	25
Taxation		(473)	(323)
Capital expenditure and financial investment	28	(150)	(56)
Equity dividends paid		(1,200)	(1,200)
(Decrease)/increase in cash in the year		(147)	162
Reconciliation of net cash flow to movement in net funds	29		
(Decrease)/increase in cash in the year		(147)	162
Cash flow from financing		—	—
Change in net funds resulting from cash flows		(147)	162
Movement in net funds in the year		(147)	162
Net funds at beginning of year		552	390
Net funds at end of year		405	552

Reconciliation of net cash flow to movement in net funds
for the 2 years ended 30 April 2007 and 30 April 2006

		2007 *£'000*	*2006* *£'000*
(Decrease)/increase in cash in the year		(147)	162
Cash flow from financing		—	—
Change in net funds resulting from cash flows		(147)	162
Movements in net funds in the year		(147)	162
Net funds at beginning of year		552	390
Net funds at end of year	29	405	552

Notes

1 Accounting policies

Accounting convention

The financial information have been prepared under the historical cost convention. This financial information relates to Channel Matrix Limited as a standalone entity. This is on the basis that its investment in Matrix Worldwide Inc. would not have a material impact on the figures as presented in this document as that the 50% shareholding in Ferrisgate Coatings Limited was disposed of after 30 April 2007 and does not form part of the ongoing business of the Group.

Turnover

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

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1995, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful like

Plant and machinery	5-10 years
Fixtures and fittings	4-10 years
Motor vehicles	3-4 years
Equipment	5-10 years

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 items.

Costs include all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pensions

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged against profits on a straight line basis over the period of the lease.

2 Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

Segmental information

An analysis of turnover by geographical market is given below:

	2007 *£'000*	*2006* *£'000*
UK	774	910
Europe	2,128	1,880
Asia	871	732
Rest of world	1,211	1,304
	4,984	4,826

3 Other operating income

	2007 *£'000*	*2006* *£'000*
Management charges receivable from group companies	26	17

4 Staff costs

	2007 *£'000*	*2006* *£'000*
Wages and salaries	863	809
Social security costs	86	79
Other pension costs	50	38
	999	926

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

	2007	*2006*
Production staff	29	26
Administration staff	8	8
	37	34

5 Operating profit

The operating profit is stated after charging/(crediting)

	2007 *£'000*	*2006* *£'000*
Depreciation – owned assets	88	80
Profit on disposal of fixed assets	—	(1)
Goodwill amortisation	78	78
Auditors' remuneration	9	10
Operating lease costs – land and buildings	100	100
Foreign currency (gains)/losses	(7)	6

	2007 *£'000*	*2006* *£'000*
Directors' emoluments	251	240
Directors' pension contributions to money purchase schemes	28	22
	279	262

The number of directors to whom retirement benefits were accruing was as follows:

	2007 Number	*2006 Number*
Money purchase schemes	2	2

Information regarding the highest paid director is as follows:

	2007 £'000	*2006 £'000*
Emoluments	125	120
Pension contributions to money purchase schemes	24	17
	149	137

6 Interest payable and similar charges

	2007 £'000	*2006 £'000*
Bank interest	1	—

7 Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2007 £'000	*2006 £'000*
Current tax		
UK corporation tax	469	441
Adjustments relating to prior year	(51)	—
Total current tax	418	441
Deferred tax	7	—
Tax on profit on ordinary activities	425	441

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2006: higher)* than the standard rate of corporation tax in the UK (30%, 2006: 30%). The differences are explained below.

	2007 £'000	*2006 £'000*
Profit on ordinary activities before tax	1,499	1,396
Profit on ordinary activities multiplied by the standard rate of corporation in the UK of 30% *(2006: 30%)*	450	419
Effects of:		
Non deductible expenses	25	26
Other timing differences	(6)	(4)
Adjustments relating to prior years	(51)	—
Current tax charge	418	441

8 Dividends

	2007 £'000	*2006 £'000*
Ordinary shares of 50p each interim	1,200	1,200

9 Intangible fixed assets

	Goodwill £'000
Cost	
At 1 May 2005, 30 April 2006 and 30 April 2007	1,567
Amortisation	
At 1 May 2005	783
Charge in year	78
At 30 April 2006	861
Charge in year	78
At 30 April 2007	939
Net book value	
At 30 April 2007	628
At 30 April 2006	705
At 1 May 2005	784

10 Tangible fixed assets

	Plant and machinery £'000	*Fixtures and fittings £'000*	*Equipment £'000*	*Total £'000*
Cost				
At 1 May 2005	1,334	111	217	1,662
Additions	34	28	9	71
Disposals	(4)	—	(8)	(12)
At 1 May 2006	1,364	139	218	1,721
Additions	144	2	4	150
At 30 April 2007	1,508	141	222	1,871
Depreciation				
At 1 May 2005	1,117	107	192	1,416
Charge for year	66	1	13	80
On disposals	—	—	(7)	(7)
At 30 April 2006	1,183	108	198	1,489
Charge for the year	73	4	11	88
At 30 April 2007	1,256	112	209	1,577
Net book value				
At 30 April 2007	252	29	13	294
At 30 April 2006	181	31	20	232
At 1 May 2005	217	4	25	246

11 Fixed asset investments

	Shares in group undertakings £'000	Interest in other participating interests £'000	Total £'000
Cost			
At 1 May 2005, 30 April 2006 and 30 April 2007	—	50	50
Net book value			
At 30 April 2007	—	50	50
At 30 April 2006	—	50	50

The company's investments at the balance sheet date in the share capital of companies include the following:

Matrix Worldwide Inc
Country of incorporation USA
Nature of business: printing and packaging industry

Class of shares	% holding
Ordinary	100%

	2007 £'000	2006 £'000
Aggregate capital and reserves	(144)	(152)
(Loss)/profit for the year	(20)	52

Ferrisgate Coatings Limited
Nature of business: specialist coaters and laminators

Class of shares	% holding
Ordinary	50%

	2007 £'000	2006 £'000
Aggregate capital and reserves	650	445
Profit for the year	205	143

The shareholding in Ferrisgate Coatings Limited was disposed of by Channel Matrix Limited prior to its acquisition by Plastics Capital Trading Limited.

12 Stocks

	2007 £'000	2006 £'000
Raw materials	271	292
Work in progress	3	2
Finished goods	441	380
	715	674

13 Debtors: amounts falling due within one year

	2007 £'000	2006 £'000
Trade debtors	1,042	1,104
Amounts owed by participating interests	8	6
Other debtors	—	13
VAT	14	34
Prepayments and accrued income	77	73
	1,141	1,230

14 Creditors: amounts falling due within one year

	2007	*2006*
	£'000	*£'000*
Trade creditors	351	341
Tax	254	309
Social security and other taxes	27	25
Other creditors	1	2
Wages control	6	9
Accruals and deferred income	94	138
	733	824

15 Creditors: amounts falling due after more than one year

	2007	*2006*
	£'000	*£'000*
Other creditors	3	4

16 Operating lease commitments

The following operating lease payments are committed to be paid within one year.

	Land and buildings	
	2007	*2006*
	£'000	*£'000*
Expiring		
In more than five years	142	100

17 Provisions for liabilities

	2007	*2006*
	£'000	*£'000*
Deferred tax	20	14

	Deferred tax
	£'000
At 30 April 2005	14
Increase in provisions	—
At 30 April 2006	14
Increase in provision	6
At 30 April 2007	20

18 Called up share capital

	2007	*2006*
	£'000	*£'000*
Authorised		
386,842 ordinary shares of 50p each	193	193
1,138,158 preference shares of 50p each	570	570
	763	763

	2007	*2006*
	£'000	*£'000*
Allotted, issued and fully paid		
386,842 ordinary shares of 50p each	193	193

19 Reserves

	Profit and loss account £'000	*Share premium £'000*	*Capital redemption reserve £'000*
At 30 April 2005	1,322	763	569
Profit for the year	955	—	—
Dividends	(1,200)	—	—
At 30 April 2006	1,077	763	569
Profit for the year	1,074	—	—
Dividends	(1,200)	—	—
At 30 April 2007	951	763	569

20 Pension commitments

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. The cost for the year charged to the Profit and Loss account amounted to £50,000 *(2006: £39,000)*. At the balance sheet date there was outstanding pension contributions of £nil *(2006: £nil).*

21 Contingent liabilities

The company had no contingent liabilities at 30 April 2007 or 30 April 2006.

22 Capital commitments

	2007 £'000	*2006 £'000*
Contracted but not provided for in the financial statements	—	31

23 Transactions with directors

The following loan to the directors during the years ended 30 April 2007 and 30 April 2006:

	2007 £'000	*2006 £'000*
AG Robinson		
Balance outstanding at start of year	—	—
Balance outstanding at end of year	—	—
Maximum balance outstanding during year	123	—

24 Related party disclosures

The company leases its premises from Channel Asset Management Limited, a company of which Mr KJ Robinson is a director, and of which Mr AG Robinson is a director and shareholder. Rent of £100,000 (2006: £100,00) was paid in the year.

The company trades with Norton Plastics Limited a company of which Mr AG Robinson and Mr KJ Robinson are directors. Sales amounting to £nil (2006: £12,000) and purchases amounting to £10,000 (2006: £16,000) were made during the year. At the balance sheet date Norton Plastics Limited owned £3,000 (2006: £nil) by the company.

During the year the company made purchases of £141,000 (2006: £90,000) from Ferrisgate Coatings Limited, a company in which it owns 50 per cent. of the issued share capital and management charges of £26,000 (2006: £17,000) were made by the company. At the balance sheet date Ferrisgate Coatings Limited owned £nil (2006: £6,000) to the company.

25 Ultimate controlling party

The company is a wholly owned subsidiary of Plastics Capital plc, incorporated in England.

The largest group in which the results of the company have been consolidated is that headed by Plastics Capital plc.

26 Reconciliation of movements in shareholders' funds

	2007	*2006*
	£'000	*£'000*
Profit for the financial year	1,074	955
Dividends	(1,200)	(1,200)
Net reduction in shareholders' funds	(126)	(245)
Opening shareholders' funds	2,602	2,847
Closing shareholders' funds	2,476	2,602

27 Reconciliation of operating profit to net cash inflow from operating activities

	2007	*2006*
	£'000	*£'000*
Operating profit	1,484	1,371
Depreciation charges	166	158
Profit on disposal of fixed assets	—	(1)
Increase in stocks	(40)	(19)
Decrease in debtors	90	221
Decrease in creditors	(38)	(14)
Net cash inflow from operating activities	1,662	1,716

28 Analysis of cash flows for headings netted in the cash flow statement

	2007	*2006*
	£'000	*£'000*
Returns on investments and servicing finance		
Interest received	15	15
Interest paid	(1)	—
Dividends received	—	10
Net cash inflow for returns on investments and servicing of finance	14	25
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(150)	(71)
Sale of tangible fixed assets	—	5
Sale of fixed asset investments	—	10
Net cash outflow for capital expenditure and financial investment	(150)	(56)

29 Analysis of changes in net funds

	At 30 April 2005	*Cash flow*	*At 30 April 2006*	*Cash flow*	*At 30 April 2007*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Cash at bank and in hand	390	162	552	(147)	405
Total	355	188	552	(147)	405

30 Auditors

dng Dove Naish were auditors of the company for the 2 years ended 30 April 2007.

PART IV

UNAUDITED FINANCIAL INFORMATION RELATING TO TRIMPLEX LIMITED

Unaudited historical UK GAAP financial information on Trimplex Limited for the period from 1 May 2004 to 30 November 2005

The financial information set out below for Trimplex Limited for the year ended 30 April 2005 and 7 months ended 30 November 2005 has been prepared by the directors of Plastics Capital plc on the basis set out in note 1. In this historical UK GAAP financial information, "UK GAAP" means United Kingdom generally accepted accounting principles.

The financial information provided for Trimplex is derived from unaudited financial information of the legal entity which sold the Trimplex manufacturing business (originally Trimplex Limited and now called RB Asset Management Limited (the "Vendors")) to a newly formed subsidiary (subsequently renamed Trimplex Limited) of Plastics Capital Trading Limited.

The unaudited financial statements were prepared by Burgess Hodgson (the accountants of the Vendors which sold the Trimplex business to Plastics Capital Trading Limited) on the instruction of the directors of Plastics Capital plc and do not constitute statutory accounts of RB Asset Management Limited.

The purpose of the unaudited financial information was to remove income, expenditure, assets and liabilities of the rental business, which was not acquired by Plastics Capital Trading Limited. They therefore show the continuing manufacturing business acquired by Plastics Capital Trading Limited.

Burgess Hodgson have not been able to provide access to KPMG LLP, the Company's reporting accountants and auditors, to statutory audit files of RB Asset Management for the year ended 30 April 2005, nor have they provided access to the underlying records of RB Asset Management for either the year ended 30 April 2005 or 30 April 2006. As a result KPMG LLP is unable to issue a formal Accountant's Report Opinion on the Trimplex historical financial information.

For the accounting periods subsequent to 30 November 2005, the Trimplex trading results are included in the Plastics Capital Trading Limited consolidated financial information as set out in Part III subsection B.

Profit and loss account

for the year ended 30 April 2005 and for the period from 1 May 2005 to 30 November 2005

	Note	*7 months ended 30 November 2005 £'000*	*Year to 30 April 2005 £'000*
Turnover	1	1,863	3,151
Cost of sales		(638)	(975)
Gross profit		1,225	2,176
Distribution Costs		(15)	(42)
Administrative expenses		(1,041)	(1,701)
Group operating profit		169	433
Interest receivable and similar income	5	—	—
Impairment of investments		—	(8)
Interest Payable and similar charges	6	(4)	(10)
Profit on ordinary activities before taxation	2	165	415
Tax on profit on ordinary activities	7	(37)	(168)
Profit for the period		128	247

All turnover and operating profit for the period relates to continuing operations.

The company had no recognised gains or losses other than those disclosed in the profit and loss account.

Balance Sheet

at 30 April 2005 and 30 November 2005

	Note	*30 November 2005*		*30 April 2005*	
		£'000	*£'000*	*£'000*	*£'000*
Fixed assets					
Tangible assets	9		535		565
Investments	10		2		2
			537		567
Current assets					
Stocks	11	467		448	
Debtors	12	712		834	
Cash at bank and in hand		1,113		733	
		2,292		2,015	
Creditors: amounts falling due within one year	13	(753)		(569)	
Net current assets			1,539		1,446
Total assets less current liabilities			2,076		2,013
Creditors: amounts falling due after more than one year	14		(26)		(66)
Provisions for liabilities	15		(24)		(49)
Net assets			2,026		1,898
Capital and reserves					
Called up share capital	16		100		100
Profit and loss account	17		1,926		1,798
Equity Shareholders' funds			2,026		1,898

Cash Flow Statement
for the year ended 30 April 2005 and the seven month period ended 30 November 2005

	Note	*7 months ended 30 November 2005 £'000*	*Year to 30 April 2005 £'000*
Cash flow statement			
Cash flow from operating activities	20	463	365
Returns on investment and servicing of finance	21	(6)	(10)
Taxation	21	9	9
Capital expenditure and financial investment	21	(29)	(144)
Equity Dividends Paid		—	(52)
Cash (outflow)/inflow before financing		437	168
Financing	21	(57)	29
Increase in cash in the period		380	197

Statement of Total Recognised Gains and Losses
for the year ended 30 April 2005 and the 7 month period ended 30 November 2005

	7 months ended 30 November 2005 £'000	*Year to 30 April 2005 £'000*
Profit for the financial period attributable to shareholders	129	247
Unrealised loss on evaluation of:		
Investments bought forward	—	(8)
Total gains and losses recognised	129	239

Reconciliations of Movements in Shareholders' Funds
for the year ended 30 April 2005 and the 7 month period ended 30 November 2005

	7 months ended 30 November 2005 £'000	*Year to 30 April 2005 £'000*
Profit for the financial period	128	247
Dividends paid on shares classified in shareholder's funds	—	(52)
Net addition to shareholders' funds	128	195
Opening shareholders' funds	1,898	1,703
Closing shareholders' funds	2,026	1,898

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules.

Fixed assets and depreciation

All fixed assets are initially recorded at cost.

Depreciation is provided by the company to write off the cost by instalments over their estimated useful economic lives as follows:

Plant and machinery	–	20% reducing balance
Fixtures and Fittings	–	20% reducing balance
Motor Vehicles	–	25% reducing balance

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Stock

Stock is valued at cost or lower net realisable value, after making due allowance for obsolete and slow moving items.

Turnover

Turnover represents sale invoiced during the year in the ordinary course of business, net of VAT.

Related party transactions

As Trimplex is a wholly owned subsidiary of Plastics Capital plc, Trimplex has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Classification of financial instruments issued by Trimplex

Following the adoption of FRS 25, financial instruments issued by Trimplex are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Trimplex to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to Trimplex; and

b) where the instrument will or may be settled in the Trimplex's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Trimplex's own equity instruments or is a derivative that will be settled by the Trimplex's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of Trimplex's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Cash

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2 Notes to the profit and loss account

	7 months ended 30 November 2005	*Year ended 30 April 2005*
	£'000	*£'000*
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Depreciation and other amounts written off owned tangible fixed assets	34	99
Depreciation of assets held under hire purchase agreements	25	43
Loss on disposal of fixed assets	—	9
Auditors' Remuneration		
Amounts receivable by auditors and there associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	—	13
Other services relating to taxation	1	1
Other Services	23	21

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

3 Remuneration of directors

	7 months ended 30 November 2005	*Year ended 30 April 2005*
	£'000	*£'000*
Directors' emoluments	53	90

	7 months ended 30 November 2005	*Year ended 30 April 2005*
	Number	*Number*
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	7 months ended 30 November 2005	*Year ended 30 April 2005*
Production Staff	46	47

The aggregate payroll costs of these persons were as follows:

	7 months ended 30 November 2005 £'000	*Year ended 30 April 2005 £'000*
Wages and salaries	528	871
Social security costs	46	75
Other pension costs	2	4
	576	950

5 Other interest receivable and similar income

	7 months ended 30 November 2005 £'000	*Year ended 30 April 2005 £'000*
Bank interest	—	—

6 Interest payable and similar charges

	7 months ended 30 November 2005 £'000	*Year ended 30 April 2005 £'000*
Finance Charges	4	10

7 Taxation

Analysis of charge in period

	7 months ended 30 November 2005 £'000	*Year ended 30 April 2005 £'000*
UK corporation tax		
Current tax on income for the period	61	131
Adjustments in respect of prior periods	—	—
	61	131
Total deferred tax	(24)	37
Tax on profit on ordinary activities	37	168

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2005: higher) than the standard rate of corporation tax in the UK (30%; 2005: 30%). The differences are explained below.

	7 months ended 30 November 2005 £'000	*Year ended 30 April 2005 £'000*
Current tax reconciliation		
Profit on ordinary activities before tax	165	415
Current tax at 30% (2006: 30%)	49	125
Effects of:		
Expenses not deductible for tax purposes	20	48
Permanent Differences	—	2
Capital allowances for period in excess of depreciation	(6)	(39)
Marginal Relief	(2)	(3)
Total current tax charge (see above)	61	131

8 Dividends

The aggregate amount of dividends comprises:

	7 months ended 30 November 2005 £'000	*Year ended 30 April 2005 £'000*
Final dividends paid in respect of prior year but not recognised as liabilities in that year Interim dividends paid in respect of the current year		
Aggregate amount of dividends paid in the financial year	—	52
	—	52

The aggregate amount of dividends proposed and recognised as liabilities as at the year end is £nil (2005: nil).

9 Tangible fixed assets

	Plant and Machinery £'000	*Fixtures and fittings £'000*	*Motor Vehicles £'000*	*Total £'000*
Cost				
At 1 May 2004	1,235	141	126	1,502
Additions	41	3	175	219
Disposals	—	—	(117)	(117)
At 30 April 2005	1,276	144	184	1,604
Additions	55	2	—	57
Disposals	—	—	(55)	(55)
At 30 November 2005	1,331	146	129	1,606
Depreciation				
At 1 May 2004	803	96	31	930
Charge for year	94	10	38	142
On disposals	—	—	(33)	(33)
At 30 April 2005	897	105	37	1,039
Charge for period	41	5	13	60
On disposals	—	—	(28)	(28)
At 30 November 2005	939	110	22	1,071
Net book value				
At 30 November 2005	392	36	107	535
At 30 April 2005	379	39	147	565
At 30 April 2004	432	46	94	572

Included in the total net book value of £535,000 is £126,000 in respect of assets held under finance leases. Depreciation for the year on these assets was £25,000.

10 Investments

	£'000
Cost	
At 1 May 2004	26
Revaluations	(8)
At 30 April 2005	18
Revaluations	—
At 30 November 2005	18
Amounts written off	
At 1 May 2004	15
Impairment	—
At 30 April 2005	15
Impairment	—
At 30 November 2005	15
Net book value	
At 30 November 2005	2
At 30 April 2005	2
At 30 April 2004	10

11 Stocks

	30 November 2005 *£'000*	*30 April 2005* *£'000*
Stock	467	448

12 Debtors

	30 November 2005 *£'000*	*30 April 2005* *£'000*
Trade Debtors	677	797
Other Debtors	9	14
Prepayments	26	23
	712	834

13 Creditors: amounts falling due within one year

	30 November 2005 *£'000*	*30 April 2005* *£'000*
Bank loans and overdrafts	—	—
Trade creditors	349	228
Taxation and social security	36	24
Other creditors	61	59
Hire Purchase Agreements	42	54
Directors Current Accounts	—	1
Dividends payable	—	—
Accruals and Deferred Income	66	73
Corporation tax	199	130
	753	569

14 Creditors: amounts falling due after more than one year

	30 November 2005	*30 April 2005*
	£'000	*£'000*
Hire Purchase agreements	26	66

15 Provisions for liabilities

	Deferred taxation	*Other provisions*	*Total*
	£	*£'000*	*£'000*
Group			
At beginning of the period 1 May 2004	11	—	11
Movement in period	37	—	37
At end of the period 30 April 2005	48	—	48
Movement in period	(24)	—	(24)
At end of period 30 November 2005	24	—	24

16 Called up share capital

	30 November 2005	*30 April 2005*
	£'000	*£'000*
Authorised		
100,000 ordinary shares of £1 each	100	100
Allotted, issued and fully paid		
100,000 ordinary shares of £1 each	100	100

17 Profit and loss reserve reconciliation

	Profit and loss account
	£'000
At 1 May 2004	1,603
Profit for the period	247
Equity dividends paid (FRS 25)	(52)
At end of 30 April 2005	1,798
Profit for period	130
Equity dividends paid (FRS25)	—
Balance carried forward at 30 November 2005	1,926

18 Commitments

Future commitments under hire purchase agreements are as follows:

	30 November 2005	*30 April 2005*
	£'000	*£'000*
Amounts payable within 1 year	43	59
Amounts payable within 1 to 2 years	25	67
	68	125

19 Pension scheme

The company does not operate a defined contribution pension scheme but contributes to certain employee pension schemes. The pension cost charge for the period represents contributions payable by the company to the schemes and amounted to £2,000 (2005:£4,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

20 Reconciliation of operating profit to operating cash flows

	7 months ended 30 November 2005 £'000	*Year ending 30 April 2005 £'000*
Operating profit	169	433
Depreciation, amortisation and impairment charges	60	142
Loss on disposal of fixed assets	—	9
(Increase)/decrease in stocks	(19)	(116)
(Increase)/decrease in debtors	122	(30)
Increase/(decrease) in creditors	131	(73)
Net cash inflow from continuing activities	463	365
Net cash outflow from discontinued activities	—	—
Net cash inflow/outflow from operating activities	463	365

21 Analysis of cash flows

	7 months ended 30 November 2005 £'000	*Year ending 30 April 2005 £'000*
Returns on investment and servicing of finance		
Interest received	—	—
Interest element of hire purchase	(6)	(10)
	(6)	(10)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(57)	(219)
Sale of plant and machinery	27	75
	(29)	(144)
Financing		
Debt due within one year:	—	—
Increase in short-term borrowing	—	—
Repayment of secured loan	—	—
Capital element of hire purchase rental payments	(57)	29
Net cash (outflow)/inflow from financing	(57)	29

22 Analysis of net debt

	At beginning of the period £'000	Cash flow £'000	Acquisition (excluding cash and overdrafts) £'000	Other non cash changes £'000	Translation differences £'000	At end of the period £'000
Cash in hand, at bank	733	380	—	—	—	1,113
Overdrafts	—	—	—	—	—	—
	733	380	—	—	—	1,113
Debt due after one year	—	—	—	—	—	—
Debt due within one year	—	—	—	—	—	—
Hire Purchase agreement	(126)	57	—	—	—	(68)
Total	607	437	—	—	—	1,045

23 Related party disclosures

Throughout the current period and preceding year , the company was under the control of its directors AT Best and PN Robinson.

Included within debtors is an amount due of £8,411(Year to April 2005: £8,411) from Trimplex Safety Tread Limited , a company in which the directors have an interest.

During the year Trimplex sold goods for £2,147 (Year to April 2005: £5,932) to Trimplex Safety Tread Limited, of which £nil (Year to 30 April 05: £3,000) was outstanding at the year end. The company also purchased goods for £nil (year end 30 April 2005: £4,000)

Annual rent of £85,000 (Year to 30 April 05: £85,000) is payable to the directors pension scheme. A notional rent charge of £100,000 is 'paid' to the property division of the entity.

24 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary undertaking of Plastics Capital plc, incorporated in England.

The largest group in which the results of the company are consolidated is that headed by Plastics Capital plc.

PART V

UNAUDITED PROFORMA CONSOLIDATED STATEMENT OF NET ASSETS OF THE GROUP

Set out below is an unaudited proforma statement of net assets of the Group, which has been prepared by the Directors, on the basis of the notes set out below, to show the effects on the Group of the Placing as if it had occurred on 31 March 2007. It is the sole responsibility of the Directors to prepare the unaudited proforma statement. The unaudited proforma statement has been prepared by the Directors for illustrative purposes only and, because of its nature, may not be a true picture of the financial position of the Group following the Placing.

Plastics Capital Group Proforma
31 March 2007

	Plastics Capital 31-Mar-07 £'000 Note 1	*Channel Matrix 30-Apr-07 £'000 Note 2*	*Channel Matrix Acquisition £'000 Note 3*	*Cobb Slater & Sabre Plastics Acquisition £'000 Note 4*	*IPO £'000 Note 5*	*Plastics Capital Proforma 31-Mar-07 £'000*
Non-current assets						
Property, plant & equipment	1,722	294	0	449	0	2,465
Intangible assets	10,344	677	8,450	883	601	20,956
	12,066	971	8,450	1,332	601	23,421
Current assets						
Inventories	1,545	715	0	429	0	2,689
Trade and other receivables	4,204	1,141	0	600	0	5,945
Other financial assets	0	0	0	0	0	0
Cash and cash equivalents	995	405	127	0	1,835	3,362
	6,744	2,261	127	1,029	1,835	11,995
Total assets	18,810	3,232	8,577	2,361	2,436	35,416
Current liabilities						
Interest-bearing loans and borrowings	791	0	0	908	0	1,699
Trade and other payables	2,040	479	0	0	0	2,519
Corporation tax liability	401	254	0	53	0	708
	3,232	733	0	961	0	4,926
Non-Current liabilities						
Interest-bearing loans and borrowings	8,420	0	10,213	1,400	(11,681)	8,352
Other financial liabilities	12	3	0	0	0	15
Deferred tax liability	1,205	20	840	0	0	2,065
	9,637	23	11,053	1,400	(11,681)	10,432
Total liabilities	12,869	756	11,053	2,361	(11,681)	15,358
Net assets	5,941	2,476	(2,476)	0	14,117	20,059

Notes:

1 The net assets of Plastic Capital have been extracted without material adjustment from the audited financial statements set out in Section B of Part III of this document
2 Channel Matrix Limited's balance sheet as per the statutory accounts (30 April 2007)
3 This reflects the acquisition of Channel Matrix by Plastics Capital on 31 August 2008 and the net assets of Channel Matrix have been extracted without material adjustment from the audited financial statements set out in Section E of Part III of this document
4 This reflects the acquisition of Cobb Slater Limited by BNL (UK) Limited on 4 April 2007 and acquisition of Sabre Plastics Limited by Sabreplas Limited on 1 May 2007
5 The estimated net proceeds of the Placing receivable by the Company of £1.84 million, after deducting the expenses of the IPO and the repayment of certain of the Company's borrowings
6 No account has been taken of any movement in the net assets of the Group arising from trading since 31 March 2007

PART VI

ADDITIONAL INFORMATION

1. Incorporation and general

(a) The Company was incorporated in England on 2 October 2007 with the name of Plastics Capital Trading plc and registered number 6387173 as a public company with limited liability under the Act. On 21 November 2007 the Company changed its name from Plastics Capital Trading plc to its current name. On 23 November 2007, the Company obtained a trading certificate pursuant to section 117 of the Act. Its registered office and its principal place of business is at St Mary's House, 42 Vicarage Crescent, London SW11 3LD. It is domiciled in England. The principal legislation under which the Company operates is the Statutes.

(b) The Company will, following completion of the Share Exchange Agreement, be the ultimate holding company of the Group, and will have the following significant subsidiary undertakings, being considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, financial position or profits and losses of the Company:

Name	Country of Incorporation	Registered Office	Principal Activity	Proportion of ownership interest	Voting Rights
Plastics Capital Trading Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Holding company	100% beneficially owned by Plastics Capital plc[1]	100%
Bell Holdings Limited	England and Wales	10 Saint Georges Avenue Poole Dorset BH12 4ND	Holding company	100% owned by Plastics Capital Trading Limited	100%
Bell Plastics Limited	England and Wales	10 Saint Georges Avenue Poole Dorset BH12 4ND	Manufacture of plastic products	100% owned by Plastics Capital Trading Limited	100%
BNL (UK) Limited	England and Wales	Manse Lane Industrial Estate Manse Lane Knaresborough North Yorkshire HG5 8LF	Manufacture of plastic products	100% owned by Plastics Capital Trading Limited	100%
Trimplex Limited	England and Wales	Trident Works Mulberry Way Belvedere Kent DA17 6AN	Manufacture of plastic products	90% owned by Plastics Capital Trading Limited	90%
Trimplex Safety Tread Limited	England and Wales	Trident Works Mulberry Way Belvedere Kent DA17 6AN	Manufacture of flooring products	100% owned by Trimplex Limited	100%
Sabreplas Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Manufacture of extruded plastic products	100% owned by Plastics Capital Trading Limited	100%
BNL (USA) Inc	South Carolina USA	1325 Laurel St., Columbia, South Carolina, USA	US sales company	100% owned by BNL (UK) Limited	100%

(1) The Company entered into the Share Exchange Agreement on 26 November 2007 pursuant to which the Company agreed to acquire Plastics Capital and its subsidiaries listed in paragraph 1(b) conditional upon Fourth Admission.

Name	*Country of Incorporation*	*Registered Office*	*Principal Activity*	*Proportion of ownership interest*	*Voting Rights*
BNL (Japan) Inc	Japan	7F Yamatane Aoki Building, 8-1, Nihonabashi Hakozakicho Chuo-ku, Tokyo, Japan	Japanese sales company	100% owned by BNL (UK) Limited	100%
Plastics Capital Bearings Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Non-trading company	100% owned by Plastics Capital Trading Limited	100%
Sarnatech BNL France S.A.R.L.	France	2 Rue du Rapporteur, ZA des Béthunes, 95310 Saint-Ouen L'áumône	Non-trading company	100% owned by BNL (UK) Limited	100%
Cobb Slater Limited	England and Wales	Manse Lane Industrial Estate Manse Lane Knaresborough North Yorkshire HG5 8LF	Manufacture of plastic products	100% owned by BNL (UK) Limited	100%
The Cobb-Slater Instrument Company Limited	England and Wales	Manse Lane Industrial Estate Manse Lane Knaresborough North Yorkshire HG5 8LF	Non-trading company	100% owned by Cobb Slater Limited	100%
Valuebonus Limited	England and Wales	Manse Lane Industrial Estate Manse Lane Knaresborough North Yorkshire HG5 8LF	Non-trading company	100% owned by The Cobb-Slater Instrument Company Limited	100%
Bearings (Non-Lube) Limited	England and Wales	Manse Lane Industrial Estate Manse Lane Knaresborough North Yorkshire HG5 8LF	Non-trading company	100% owned by BNL (UK) Limited	100%
Channel Matrix Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Manufacture of plastic products	100% owned by Plastics Capital Trading Limited	100%
Skor S.r.l.	Italy	Strada delle Seriole, 40 Chiesanuova Italy	Manufacture of plastic products	40% owned by Channel Matrix Limited	50%[1]
Matrix Worldwide, Inc.	State of Ohio, USA	5727 Westbourne Avenue Columbus Ohio 43213 USA	US sales company	100% owned by Channel Matrix Limited	100%
Howper 136 Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Non-trading company	100% owned by Channel Matrix Limited	100%

(1) Plastics Capital has the benefit of a side letter in relation to Skor S.r.l. regarding voting rights, details of which are set out in paragraph 9(xxiii) below.

Name	*Country of Incorporation*	*Registered Office*	*Principal Activity*	*Proportion of ownership interest*	*Voting Rights*
Plastics Capital (Acquisitions) Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Non-trading company	100% owned by Plastics Capital plc	100%
Plastics Capital (Trustee) Limited	England and Wales	St Mary's House 42 Vicarage Crescent London SW11 3LD	Trustee of the LTIP	100% owned by Plastics Capital plc	100%

2 Share capital

(a) The Ordinary Shares have been created under the Statutes. The ISIN of the Ordinary Shares is GB00B289KK20. The following table shows (i) the authorised, issued and fully paid share capital of the Company as at the date of this document; and (ii) the authorised, issued and fully paid share capital of the Company following the Ordinary Placing and Fourth Admission assuming full subscription:

		Authorised			*Issued*	
	Authorised Amount	*Number of Ordinary Shares*	*Number of Redeemable Preference Shares*	*Issued Amount*	*Number of Ordinary Shares*	*Number of Redeemable Preference Shares*
(i) Current	£400,000	35,000,000	5,000,000	£50,000	2	4,999,998
(ii) Following Fourth Admission	£400,000	40,000,000	0	£268,500	26,850,000	0

No Ordinary Shares have been issued otherwise than as fully paid.

(b) The following alterations in the share capital of the Company have taken place since incorporation:

(i) the Company was incorporated on 2 October 2007 with an authorised share capital of £250,000 divided into 15,000,000 Ordinary Shares and 10,000,000 A Ordinary Shares, of which two Ordinary Shares were issued fully paid to the subscribers to the Company's memorandum of association;

(ii) on 23 November 2007, the authorised share capital was increased to £400,000 by the creation of an additional 10,000,000 Ordinary Shares and 5,000,000 Redeemable Preference Shares. The 10,000,000 A Ordinary Shares were redesignated and reclassified as 10,000,000 Ordinary Shares. 4,999,998 Redeemable Preference Shares were allotted and issued to Faisal Rahmatallah and paid up so as to enable the Company to obtain a trading certificate under section 117 of the Act. The Redeemable Preference Shares will, subject to the Act, be redeemed by the Company out of the proceeds of the Placing. Each Redeemable Preference Share which is redeemed shall automatically be redesignated on redemption as an Ordinary Share in the authorised but unissued share capital of the Company without further resolution or consent; and

(iii) on 26 November 2007, the Company entered into the Share Exchange Agreement with the shareholders of Plastics Capital. Pursuant to the agreement, the Company will conditional on Fourth Admission issue the Consideration Shares to the shareholders of Plastics Capital in exchange for the acquisition of the entire issued share capital of Plastics Capital. This will result in more than 10 per cent. of the issued share capital of the Company having been paid for with assets other than cash.

(c) As at the date of this document, the following options have been granted to Directors and employees, further details of which are set out in paragraph 4 below:

Name	*Maximum number of ordinary shares of £0.01 in Plastics Capital under option*	*Date of grant*	*Exercisable until*	*Exercise price (£)*
Nicholas Ball	10,000	1 September 2005	31 August 2015	1.00
Aidan Douglas	41,322	1 December 2005	30 November 2015	2.42

In addition, Andrew Walker has been granted options over a maximum of 50,000 Ordinary Shares, details of which are set out in paragraph 4 below.

(d) Pursuant to an ordinary resolution passed on 23 November 2007, the Directors were generally and unconditionally authorised pursuant to section 80 of the Act to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) provided that authority was limited to:

(i) the allotment of the Consideration Shares as consideration for the acquisition of the entire issued share capital of Plastics Capital;

(ii) the grant of share options over Ordinary Shares up to an aggregate nominal amount of £500 by the Company to Andrew Walker and the issue of Ordinary Shares in connection with such share options;

(iii) the allotment of Ordinary Shares up to an aggregate nominal amount of £160,000 for the purposes of the Placing;

(iv) the allotment of Ordinary Shares up to an aggregate nominal amount of £1,000 for the purposes of the issue of Ordinary Shares to the trustee of the LTIP; and

(v) the allotment of Ordinary Shares up to an aggregate nominal amount of £88,833 to such persons at such times and upon such terms as they may determine (subject always to the Articles),

and that such authority should unless renewed, varied or revoked, expire 15 months from the date of passing of the resolution or at the conclusion of the next annual general meeting of the Company following the passing of the resolution, whichever first occurred, but, provided that the Company may, before expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the authority and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by the resolution had not expired. The authority was in substitution for and should replace any existing authority pursuant to said section 80 of the Act to the extent not utilised at the date the resolution was passed.

(e) Pursuant to a special resolution passed on 23 November 2007, the Directors were empowered pursuant to section 95 of the Act to allot equity securities (as detailed at section 94 of the Act) pursuant to the authority conferred by the resolution described in paragraph (d) above as if section 89(1) of the Act did not apply to any such allotment, provided that this power should be limited to:

(i) the allotment of the Consideration Shares as consideration for the acquisition of the entire issued share capital of Plastics Capital;

(ii) the grant of share options over Ordinary Shares up to an aggregate nominal amount of £500 by the Company to employees of the Company and the issue of equity securities in connection with such share options;

(iii) the allotment of equity securities up to an aggregate nominal amount of £160,000 for the purposes of the Placing;

(iv) the allotment of equity securities up to an aggregate nominal amount of £100,000 for the purposes of the issue of Ordinary Shares to the trustee of the LTIP;

(v) the allotment of equity securities in connection with a rights issue or other *pro rata* offer in favour of holders of Ordinary Shares where the equity securities respectively attributable to the interests of all the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them subject in each case to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical difficulties under the laws of any territory or the requirements of any regulatory body or otherwise; and

(vi) the allotment (otherwise than pursuant to paragraphs (i) to (v) above) of equity securities up to an aggregate nominal amount of £53,300,

and that the authority should unless renewed, varied or revoked, expire 15 months from the date of the passing of the resolution or at the conclusion of the next annual general meeting of the Company following the passing of the resolution, whichever first occurred, but provided that the Company may, before the expiry of this authority, make an offer or agreement which would or might require equity securities to be allotted after the expiry of the authority and the Directors may allot equity securities pursuant to any such offer or agreement as if the authority conferred by the resolution had not expired. This authority should be in substitution for and should replace any existing authority pursuant to said section 95 of the Act to the extent not utilised at the date the resolution was passed.

(f) The provisions of section 89 of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the authorised but unissued share capital of the Company except to the extent disapplied by the resolution referred to in paragraph (e) above.

(g) Save for the allotments referred to in paragraph (b) above, since incorporation no capital of the Company has been allotted for cash or for a consideration other than cash.

(h) The Subscription Shares and the Consideration Shares, will on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares and will rank in full for all dividends and other distributions declared, paid or made in respect of the Ordinary Shares after Admission.

(i) The Ordinary Shares are in registered form and capable of being held in uncertificated form. None of the Ordinary Shares are being marketed or made available in whole or in part to the public in conjunction with the applications for each Admission other than pursuant to the Placing. The Ordinary Shares to be issued pursuant to the Placing are being issued at a price of 100p per share, representing a premium of 99p over the nominal value of 1p each per share.

(j) At the date of this document and save as disclosed in paragraphs 4 and 9 below:

(i) no share or loan capital of the Company or any other member of the Group is under option or is agreed conditionally to be put under option;

(ii) there are no acquisition rights and/or obligations over authorised but unissued Ordinary Shares or an undertaking to increase the Company's capital;

(iii) no shares in the Company are held by or on behalf of the Company or the subsidiaries to be acquired pursuant to the Share Exchange Agreement; and

(iv) the Company has no convertible securities, exchangeable securities or securities with warrants.

(k) The currency of the issue is pounds sterling.

(l) There have been no public takeover bids by third parties in respect of the Company's equity during the current financial year.

(m) There are no redemption rights or conversion rights attaching to the Ordinary Shares.

3. **Memorandum and Articles**

(a) The principal object of the Company, which is set out in clause 3 of its memorandum of association, is to carry on business as a general commercial company.

(b) The Articles contain, *inter alia*, provisions to the following effect:

(i) ***Voting rights***

(aa) To the extent permitted by the Statutes and subject to any special rights or restrictions as to voting on which shares have been allotted or issued or to any restrictions contained in the Articles, on a show of hands every member who is present in person and entitled to vote (and each validly appointed proxy who is present in person and entitled to vote on behalf of a member on a show of hands) shall have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every Ordinary Share held by him. Where a member has appointed more than one proxy and such proxies are entitled to vote on behalf of the member on a show of hands, the proxies shall only be entitled to one vote collectively to procure that such proxies have no greater voting rights than that of the member were the member present in person.

(bb) A corporate member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any general meeting (including a separate meeting of the holders of shares of a particular class). The person so authorised shall, in respect of the shares to which the authorisation relates, be entitled to exercise the same powers on behalf of the corporate member as such corporate member could exercise if it were an individual member.

(cc) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote, in addition to any other vote he may have.

(dd) Subject to the provisions of the Statutes, no holder of a share shall, unless the board otherwise determine, be entitled to be present or vote at a general meeting either personally or by proxy or to exercise any other right in relation to the meetings of the Company in respect of either the share he holds or of any additional shares allotted in respect of the share which is the subject of a notice pursuant to article 74 of the Articles if:

(1) any call or other sum presently payable by him to the Company remains unpaid; or

(2) he or any other person who appears to be interested in the shares has been served with and failed to comply with a notice under section 793 of the Companies Act 2006 or any other provision of the Statutes concerning the disclosure of interests in voting shares within the period specified in the notice (being a period of not less than 14 days from the date of service of the notice); or

(3) he has been served with and failed to comply with a notice requiring him to provide or to procure there is provided to the Company a written statement stating the beneficial owner(s) of the shares (and where the beneficial owner of the shares is a body corporate such additional information as may be required by article 74 of the Articles) within the period specified in the notice (being a period of not less than 14 days from the date of service of the notice).

(ii) ***Variation of rights***

(aa) Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class may, subject to the Statutes be varied or abrogated (i) in such manner (if any) as may be provided by those rights or, (ii) in the absence of such provision, either with the consent in writing of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate meeting of the shareholders in that class validly held in accordance with the Articles (but not otherwise), and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

(bb) All the provisions of the Statutes and the Articles relating to general meetings and to the proceedings thereat shall (so far as applicable and with any necessary modifications) apply to a meeting held under paragraph (aa) above, except that (i) no member shall be entitled to receive notice of such meeting or to attend it or vote at it unless he is a holder of the shares of the class in question, (ii) the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third of the nominal value of the issued shares of that class (and at an adjourned meeting shall be one person holding shares of that class or his proxy), (iii) any shareholder within the class present in person or by proxy and entitled to vote may demand a poll whereupon each such shareholder shall have one vote for every share he holds within that class.

(cc) Unless otherwise expressly provided by the terms of issue of such shares or the terms upon which such shares are for the time being held, the special rights attached to any class of shares shall be deemed not to be varied or abrogated by the creation or issue of further shares ranking equally in some or all respects with (but not having, in any respect, any priority over) such shares; the purchase or redemption by the Company of any of its own shares; or by the board resolving that a class of shares shall become, or the operator of the relevant system permitting such class of shares to be, a participating security.

(iii) ***General Meetings***

(aa) At least 21 clear days' notice of every annual general meeting, at least 28 clear days' notice of every extraordinary general meeting at which it is proposed to pass (except as provided by the Statutes) a resolution of which special notice has been given to the Company and at least 14 clear days' notice of every other extraordinary general meeting shall be given to all members of the Company entitled to receive such notice and to the directors and auditors of the Company. A general meeting may be called at shorter notice if it is so agreed, in the case of an annual general meeting, by all of the members entitled to attend and vote at that meeting and, in the case of an extraordinary general meeting, by a majority in number of the members having a right to vote at that meeting, being a majority together holding not less than 95 per cent. in the nominal value of the shares giving that right. A notice of a meeting may be given in hard copy form, electronic form or by means of a website in accordance with the Companies Act 2006.

(bb) Two members present in person or by proxy and entitled to vote shall be a quorum for the purposes of a general meeting.

(iv) ***Alteration of share capital***

(aa) The Company may, by ordinary resolution, increase its share capital, consolidate and divide its share capital into shares of a larger amount, sub-divide its share capital into shares of a smaller amount or cancel any unissued shares and diminish the amount of its share capital by the amount of shares so cancelled. Where any difficulty arises in relation to any consolidation or sub-division, the board may settle the same as it thinks expedient and in particular may make such provision as it thinks fit for any fractional entitlements which may or would arise.

(bb) Subject to the Statutes and any rights attached to any class of shares in issue, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner. The

Company may also, subject to the Statutes and any rights attached to any class of shares in issue, purchase its own shares (including any redeemable shares) in any manner permitted by the Statutes.

(v) ***Transfer of Shares***

(aa) A certificated share may be transferred by an instrument of transfer in any usual or common form or in any other form acceptable to the board. The form of transfer need not be executed as a deed but must be signed by or on behalf of the transferor and, if the relevant certificated share is not fully paid, also by or on behalf of the transferee. The Company may retain all instruments of transfer which are registered. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof.

(bb) An uncertificated share may be transferred in accordance with the Crest Regulations.

(cc) Subject to the provisions of any Statutes and the requirements of any regulatory body or exchange to which the Company is subject, the board may refuse to register the transfer of a certificated share which is not fully paid or on which the Company has a lien (provided that this power will not be exercised so as to disturb the market in those shares).

(dd) In addition, subject to the provisions of any Statutes and the requirements of any regulatory body or exchange to which the Company is subject, the board may refuse to register the transfer of a certificated share or a renunciation of a renounceable letter of allotment (save where to do so would disturb the market in those shares) unless (i) it is in respect of only one class of share; (ii) it is in favour of a single transferee or renouncee or not more than four joint transferees or renouncees; (iii) it is duly stamped (if required); and (iv) it is delivered for registration to the transfer office or such other place as the board may determine, accompanied by the certificate(s) for the shares to which it relates (except in the case of a transfer by a recognised person where a certificate has not been issued or in the case of a renunciation) and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

(ee) Subject to the provisions of any Statutes and the requirements of any regulatory body or exchange to which the Company is subject, the board may also refuse to register the transfer of a certificated share if a notice has been duly served in respect of a share pursuant to section 793 of the Companies Act 2006 or any other provision of the Statutes concerning the disclosure of interests in voting shares. The notice must relate to at least 0.25 per cent. of the shares in the particular class and the person must have failed to comply with the requirements of the notice as at the proposed date of transfer. The refusal to transfer may be extended to additional shares allotted to the person in default of the notice in respect of the shares which were the subject of the notice. The board may not refuse to register a transfer where a notice has been complied with, where the transfer is to a bona fide unconnected third party such as a sale through a recognised investment exchange or an overseas exchange or as a result of an acceptance of a takeover offer.

(ff) Any refusal to register must be notified to the proposed transferee within two months of the date on which the transfer was lodged with the Company. The instruments of transfer should be returned to the proposed transferor.

(gg) Subject to these Articles, the provisions of the Statutes and the requirements of any regulatory body or exchange to which the Company is subject, the board may refuse to register a transfer of a share in uncertificated form or any renounceable right of allotment of a share held in uncertificated form where the transfer is in favour of more than four persons jointly or in any other circumstance permitted by the Crest Regulations (save where to do so would disturb the market in the shares). If the board refuses to register any such transfer of an uncertificated share or right, the Company shall notify the proposed transferee within two months of receipt of the transfer instruction.

(hh) Subject to the Statutes, the registration of transfers of shares may be suspended and the register closed at such times and for such periods as the board may from time to time determine, provided that: (i) the register shall not be closed for more than 30 days in any year; (ii) the Company shall not close the register relating to a participating security without the consent of the operator of the relevant system; and (iii) notice of such closing shall be given by advertisement in accordance with the Statutes.

(vi) ***Directors***

(aa) Unless otherwise determined by the Company by ordinary resolution, the number of directors (other than alternate directors) shall not be less than 2 or more than 10.

(bb) Any provision of the Statutes which, subject to the Articles, would have the effect of rendering any person ineligible for election or re-election as a director or liable to vacate the office of director on account of having reached 70 or requiring special notice or any other formality in connection with the appointment or reappointment of any director over 70, shall (to the extent the same may be disapplied) not apply to the Company.

(cc) Each director shall retire from office and may offer himself for re-election at the first annual general meeting or other available opportunity following his appointment. Thereafter at each succeeding annual general meeting any director bound to retire under the Articles and one-third of the other directors for the time being (or, if their number is not a multiple of three, the number nearest to (but not exceeding) one-third) shall retire from office. No director shall continue to hold office as a director after the third annual general meeting following his election or re-election, as the case may be, without submitting himself for re-election at the said third annual general meeting.

(dd) A director shall not be required to hold any shares of the Company by way of qualification.

(ee) The fees paid to, and the benefits in kind received by, each of the directors for their services in the office of a director shall not exceed in aggregate £50,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate, and shall receive such benefits in kind, as may from time to time be determined by the board (or any duly authorised committee of the board appointed for such purpose). Any fee payable in respect of the discharge of the office of director shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to any contract of employment, contract for services or any other arrangement between the Company and the relevant director. Any director who holds an executive office or is chairman or who serves on any committee of the directors or who otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director or who makes any special exertions in going or residing abroad or otherwise in connection with the business of the Company may be paid such extra remuneration by way of salary, commission, participation in profits or otherwise as the directors may determine either in addition to or in substitution for all or any part of any other remuneration to which such director may be entitled to under the Articles, Any director may be paid or reimbursed all such reasonable hotel, travelling and other expenses incurred by him in attending and returning from meetings of the board or any committee thereof or general or class meetings or otherwise in connection with or about the business of the Company.

(ff) The board or any committee authorised by the board shall have power to pay and agree to pay pension, retirement, superannuation, death and/or disability benefits, annuities and other emoluments or benefits to (or to any person in respect of) any person who is or was at the time a director or officer or employee of the Company or of any associated company and, in each case, for his benefit or for the benefit of any member of his family, including a spouse or former spouse, or a dependant. For the purpose of providing any such benefits, the board may establish and/or contribute to any scheme or fund or pay premiums. A director or ex-director or officer or ex-officer is entitled to receive and retain for his own benefit any benefit provided and is not obliged to account for it to the Company.

(gg) Subject to the provisions of the Statutes and provided that he has disclosed to the directors the nature and extent of his interest in accordance with the Statutes and the Articles, a director:

(1) may enter into, or otherwise be interested, in a contract, arrangement, transaction or proposal with the Company or in which the Company is in any way interested, whether directly or indirectly;

(2) may hold another office or employment with the Company or any other undertaking in which the Company is in any way interested (other than the office of auditor) in conjunction with the office of director and may act by himself or through his firm in a professional capacity for the Company or any such other undertaking, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of remuneration provided for by the Articles; and

(3) may be or become a director or other officer of, or employed by, or a party to a contract, arrangement, transaction or proposal with or otherwise interested in, any undertaking promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment.

Unless otherwise agreed, a director may retain any remuneration, profit or other benefit realised by him by virtue of an arrangement in terms of paragraphs (1) to (3) above.

(hh) Except as provided in the Articles, a director shall not vote at a meeting of the board or a committee thereof in respect of any contract, arrangement, transaction or any other proposal of any kind in which he has an interest which (together with any interest of any person connected with him) is, to his knowledge, a material interest otherwise than by virtue of his interests in shares, debentures or other securities of, or otherwise in or through, the Company. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote. The foregoing prohibition shall not apply to a resolution concerning:

(1) the giving of any security, guarantee, or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiaries;

(2) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, whether alone or jointly with others, under a guarantee or indemnity or by the giving of security;

(3) any contract, arrangement, transaction or other proposal concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase, in which offer he is, or may be, entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;

(4) any contract, arrangement, transaction or other proposal to which the Company is or is to be a party concerning any other body corporate (including a subsidiary of the Company) in which he or any persons connected with him do not to his knowledge, directly or indirectly, hold an interest in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such body corporate;

(5) any contract, arrangement, transaction or other proposal concerning in any way a pension, retirement, superannuation, death and/or disability benefits scheme or fund or employees' share scheme under which he may benefit and which either has been approved, or is conditional upon approval, by the board of H.M. Revenue & Customs for taxation purposes: or relates both to employees and directors of the Company (or any of its subsidiaries) and does not award him any privilege or benefit not generally awarded to the employees to whom such scheme or fund relates; and

(6) any contract or other proposal concerning the giving to him of any indemnity pursuant to the Articles or concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any directors or for persons including directors (unless the terms of such arrangement confer upon such director a benefit not generally available to any other director).

(vii) ***Dividends***

(aa) Subject to the Statutes and the Articles, the Company may, by ordinary resolution, declare dividends, but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and no dividend shall exceed the amount recommended by the board.

(bb) Subject to the Statutes, if and to the extent that, in the opinion of the board, the profits of the Company justify such payments, the board may:

(1) declare and/or pay the fixed dividends on any class of shares carrying a fixed dividend payable on fixed dates, on the dates prescribed for payment of the same;

(2) provide, in such manner and on such terms as they may think fit, for the payment of any dividends (whether fixed or calculated by reference to or in accordance with a specified procedure or mechanism) on any class of shares carrying rights to such a dividend on the dates prescribed for payment of the same (whether such dates are fixed or are determined or to be determined in accordance with a specified procedure or mechanism); and

(3) from time to time pay interim dividends on the shares of any class of such amounts, on such dates and in respect of such periods, as they may think fit provided that, if shares of a class carry a right to a preferential dividend and such dividend is in arrears, no interim dividend shall be paid on any shares having deferred or non-preferred rights unless and until such preferential dividend is no longer in arrears.

If the board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer by the lawful payment of any such fixed or interim dividend.

(cc) The Company may, upon the recommendation of the board, by ordinary resolution direct payment of the whole or any part of a dividend by the distribution of specific assets (and, in particular, of paid up shares or debentures of any other company). Where any difficulty arises with regard to such distribution, the board may settle the same as it thinks expedient and in particular (without limitation), may make such provisions as it thinks fit for dealing with fractional entitlements which may or would arise and fix the value for distribution of such specific assets (or any part of the same).

(dd) Unless and to the extent that the rights attached to any shares or the terms of allotment of any shares or the Articles provide to the contrary, all dividends shall (as regards any shares which are not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid in proportion to the amounts paid up on the shares during any part or parts of the period in respect of which the dividend is paid. No amount paid up on a share in advance of calls shall be treated as paid up on the share.

(ee) The Company shall not be obliged to pay interest on any dividend or other moneys payable on or in respect of a share, unless otherwise provided by the rights attached to the share.

(ff) The Company may retain a dividend where there is money due to the Company by the member or where there has been non-compliance with a notice duly served under section 793 of the Companies Act 2006 (or any other provision of the Statutes concerning the disclosure of interests in voting shares) by the member and the dividend relates to shares representing at least 0.25 per cent. of that class of shares. The right of retention shall cease (i) if the person on whom the notice was served ceases to be in default; (ii) if the board decide that the right of retention ceases to apply; or (iii) a period of seven days expires commencing on the date on which the Company receives notice that the share has been sold through a recognised investment exchange or overseas exchange or as a result of an acceptance of a takeover offer. The right of retention will also apply to any additional shares allotted to the person failing to comply with the notice in respect of the shares which were the subject of the notice.

(gg) Any dividend unclaimed after a period of 12 years from the date of payment of such dividend shall be forfeited and shall revert to the Company.

(hh) The board may, subject to approval of the Company by ordinary resolution and subject to such terms and conditions as may be specified in respect of any dividend declared or proposed, determine and announce that shareholders will be entitled to elect to receive shares in the Company instead of cash in respect of all or part of any dividend.

(viii) ***Borrowing Powers***

(aa) Subject to the Articles and the Statutes, the board may exercise all the powers of the Company to borrow money and to mortgage, charge or grant any security over all or any part of the undertaking, property, assets (present and future) and uncalled capital of the Company, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(bb) The board shall restrict the borrowings of the Company and shall exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to ensure (but as regards subsidiaries, to the extent possible) that the aggregate principal amount for the time being outstanding in respect of moneys borrowed by the Company (and for the time being owing to persons outside the Company) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to 5 times the adjusted capital and reserves from time to time (as calculated in accordance with article 122 of the Articles). The determination of the auditors as to the amount of the adjusted capital and reserves or the aggregate amount of moneys borrowed shall be conclusive evidence of such amounts.

(ix) ***Winding up***

On a winding up of the Company the liquidator may with the authority of an extraordinary resolution and any other authority required by the Statutes:

(1) divide among the members in specie the whole or any part of the assets of the Company;

(2) set such value as he deems fair upon the property to be divided and may determine how such division shall be carried out as between the members or different classes of members; and

(3) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as he thinks fit but no member shall be compelled to accept any shares or other property in respect of which there is an actual or potential liability.

(x) ***Communications with shareholders***

The Articles incorporate provisions which allow the board to communicate with the members electronically, where permitted by the Statutes.

(xi) ***Redeemable Preference Shares***

Each of the Redeemable Preference Shares carries the right to a fixed dividend of 0.01 pence per annum but confers no right to vote except as otherwise agreed by the holders of a majority of Ordinary Shares. On a winding-up the Redeemable Preference Shares confer the right to be paid the nominal amount paid on such shares. The Redeemable Preference Shares are redeemable at any time by the Company with redemption to take place no later than 31 December 2007.

(c) Mandatory bids, squeeze out and sell-out rules relate to the Ordinary Shares and although not part of the Company's Articles, the following regulations also apply to the Company:

(i) ***Mandatory bid***

The City Code applies to the Company. Under the City Code, if an acqusition of Ordinary Shares were to increase the aggregate holding of the acquiror and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquiror and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the Ordinary Shares by the acquiror or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

(ii) ***Squeeze-out***

Under the Companies Act 2006 if an offeror were to acquire 90 per cent. of the Ordinary Shares before the expiry of three months beginning with the day after the last day on which the offer can be accepted or six months from the date of the offer if that period ends earlier, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Companies Act 2006 must, in general, be the same as the consideration that was available under the takeover offer.

(iii) ***Sell-out***

The Companies Act 2006 also gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who had not accepted the offer can by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

(iv) There have been no mandatory bids, squeeze out and sell-out rules applicable to the Ordinary Shares since the Company's incorporation.

4. EMI Options, options granted to Andrew Walker and LTIP

Plastics Capital has granted EMI Options, and the Company has granted options to Andrew Walker and has adopted the LTIP, the principal provisions of which are summarised below:

(i) *EMI Options*

On 1 September 2005 Plastics Capital granted an EMI Option to Nicholas Ball over 10,000 ordinary shares of £0.01 each in Plastics Capital.

On 1 December 2005 Plastics Capital granted an EMI Option to Aidan Douglas over a maximum of 41,322 ordinary shares of £0.01 each in Plastics Capital. The EMI Option granted to Aidan Douglas over a maximum of 37,190 Ordinary Shares of £0.01 each in Plastics Capital is performance related (the "Performance Related Options").

The principal terms of the EMI Options are as follows:

(aa) the number of shares which Aidan Douglas may acquire on the exercise of his Performance Related Options will be determined by reference to the performance of Trimplex, using a formula based on the financial results of Trimplex over the 24 month period to 30 November 2008 and the share price of Trimplex over 30 days prior to 1 December 2008;

(bb) the EMI Options including 4,132 EMI Options granted to Aidan Douglas are not otherwise subject to any performance related conditions;

(cc) the EMI Options may be exercised on one of the following events:

(1) a sale of, listing or change of control of Plastics Capital;

(2) within 40 days of a disqualifying event whereby the options cease to qualify as EMI Options;

(3) within 3 months of the option holder ceasing to be employed by a member of the Group due to ill-health, injury, disability or redundancy; and

(4) within 6 months of the death of the option holder;

(dd) The options lapse on the earliest of the following events:

(1) the tenth anniversary of the date of grant;

(2) after 40 days from a disqualifying event whereby the options cease to qualify as EMI Options;

(3) after 3 months of the option holder ceasing to be employed by a member of the Group due to ill-health, injury, disability or redundancy;

(4) immediately on cessation of employment where this is not the result of ill-health, injury, disability or redundancy, unless Plastics Capital determines otherwise;

(5) 6 months after the death of the option holder;

(6) 6 months from the date of a resolution for a voluntary winding-up or on entering into a arrangement for the reconstruction of Plastics Capital; and

(7) the option holder being adjudicated bankrupt; and

(ee) As a condition of exercising the EMI Options, the option holders must indemnify Plastics Capital against any income tax liability and employee national insurance contributions which Plastics Capital or any member of the Group must account for under the pay as you earn system (if any), including deduction from salary or a sale of shares which will enable Plastics Capital to account for such tax liability. The option holders are also required, if requested, to enter into an election in terms of which the liability to pay for employer's national insurance contributions is transferred to the option holders.

(ff) Nicholas Ball and Aidan Douglas have undertaken not to exercise their EMI Options on the sale of Plastics Capital to the Company pursuant to the Share Exchange Agreement. Their EMI Options have been varied so that the sale of Plastics Capital to the Company pursuant to the Share Exchange Agreement is excluded from the definition of sale in the option agreements.

(ii) ***Andrew Walker's Option***

On Fourth Admission, the Company will grant a share option to Andrew Walker to subscribe for such number of Ordinary Shares that shall match the total number of Subscription Shares subscribed for by Andrew Walker (if any) on the date of Fourth Admission, subject to a maximum of 50,000 Ordinary Shares. The option will be exercisable at the Placing Price.

Exercise of option

The option will be exercisable in the following proportions: 12 months after the date of grant, one third of the total shares under option; 24 months after the date of grant, two thirds of the total shares under option; and 36 months after the date of grant, the entirety of the shares under option. The option may be exercised in whole or in part.

In the event of a sale, change of control or a reconstruction of the Company, the option will be exercisable in full.

Lapse of option

The option will lapse, to the extent that it has not previously been exercised, on the earliest of the following events:

- 10 years from the date of grant;
- if it is transferred or assigned by the option holder (other than to personal representatives);
- immediately on cessation of employment, unless the Company determines otherwise;
- if the option holder is adjudged bankrupt or enters in to a voluntary arrangement with his creditors;
- 6 months after the date of a change of control of the Company or the date of entering into arrangements for the reconstruction of the Company;
- 30 days after the date of sale of the Company;
- the date the Company enters liquidation; and
- 12 months after the death of the option holder.

Taxation

The option will not be granted as an EMI Option or pursuant to a share scheme approved by H.M. Revenue & Customs. As a condition of entering into the option, Andrew Walker will be required to indemnify the Company against any income tax liability and employee national insurance contributions which the Company or any member of the Group has to account for under the pay as you earn system (if any), including deduction from salary or a sale of shares which will enable the Company to account for such tax liability.

(iii) ***The Plastics Capital plc Long Term Incentive Plan***

Introduction

The Board recommended the adoption of The Plastics Capital plc Long Term Incentive Plan (the "LTIP") on 23 November 2007. The Shareholders of the Company approved the establishment of the LTIP by a resolution passed on 23 November 2007 and the board of directors of Plastics Capital (Trustee) Limited (as trustee of the Plastics Capital Incentive Trust (the "Trust")) (the "Trustee") approved the establishment of the LTIP by resolution dated 26 November 2007 in exercise of its powers under Clause 4 of the trust deed between the Company and the Trustee dated 26 November 2007 (the "Trust Deed").

The LTIP is intended to reward and influence performance of management within the Company and will be operated in conjunction with the Trust (details of which are set out below). The rules of the LTIP set out the basis for the grant of awards under the LTIP. The key features of the LTIP are summarised below.

On Fourth Admission

The Company intends to transfer up to £100,000 to the Trust to purchase Ordinary Shares. These shares will be awarded to certain managers of the Company who do not currently have shares but in the opinion of the Board should be awarded up to £5,000 of Ordinary Shares each.

Grant of awards

The Trustee may (i) within the period of 42 days following approval of the Plan by the Company's shareholders in general meeting; or (ii) within the period of 42 days following the preliminary announcement to the London Stock Exchange of the Company's annual or half yearly results; or (iii) during any other period which the Trustee has decided should be a period in which awards may be made due to exceptional circumstances which justify such a decision, resolve to make awards (on the recommendation and with the consent of the Company's remuneration committee) to individuals who, at the award date are employees or former employees of a member of the Group.

Awards under the LTIP may take the form of a contingent share award or a forfeitable share award.

An award may not be transferred, assigned or otherwise disposed of by a participant to any other person without the prior consent of the Trustee except that, on the death of a participant, an award may be transferred to his executors or personal representatives.

The Company will ensure that the Trustee has sufficient funds available to satisfy awards.

Awards may only be satisfied by existing issued Ordinary Shares.

Limit on value of awards

Awards for any financial year will only be made provided certain financial targets set by the Company are met. The aggregate value of all awards made in respect of any given financial year of the Company shall not exceed an amount equal to five per cent. of the profit (before tax and amortisation) of the Company for that financial year, unless the Board in its absolute discretion determines otherwise.

The aggregate value of awards made to any participant in respect of a given financial year shall not exceed an amount equal to 1.5 times the participant's salary.

Contingent share awards

A contingent share award is an award of Ordinary Shares which is subject to the satisfaction of a performance condition specified at the award date. Such performance condition must be objective and relate to the performance of the Company over a period of time of not less than three years. A performance condition may be amended after an award has been made in appropriate circumstances if an event has occurred in consequence of which the Trustee reasonably considers that the existing performance condition should be so amended to ensure that the objective criteria against which the performance of the Company will then be measured will be a fairer measure of such performance and that any amended performance condition will afford a more effective incentive to the participant.

Forfeitable share awards

Under a forfeitable share award the beneficial interest in the Ordinary Shares subject to the award ("Forfeitable Shares") will be transferred to the participant at the award date at nil cost to the participant. However, it is intended that such Ordinary Shares will, subject to rule 6.3 (termination of employment by reason of a circumstance amongst those specified below, such as death or ill-health) and rule 8 (takeover, reconstruction and winding up) of the LTIP, be subject to forfeiture as follows:

- in the event that the participant ceases to be an employee or director of any member within the Group at any time during the period commencing on the award date and ending on the first anniversary of the award date he will forfeit all of the Forfeitable Shares;
- in the event that the participant ceases at any time during the period commencing on the award date and ending on the second anniversary of the award date he will forfeit two thirds of the Forfeitable Shares; and

- in the event that the participant ceases at any time during the period commencing on the award date and ending on the third anniversary of the award date he will forfeit one third of the Forfeitable Shares,

with the result that, subject to the participant remaining in employment with any member within the Group, on the first anniversary of the award date one third of the Forfeitable Shares will become vested award shares, on the second anniversary of the award date one third of the Forfeitable Shares will become vested award shares and on the third anniversary of the award date one third of the Forfeitable Shares will become vested award shares.

Participants shall agree that the legal title to the Forfeitable Shares shall remain with the Trustee until such time as the Ordinary Shares cease to be subject to forfeiture and become vested award shares at which time the Trustee will release the Ordinary Shares to, or to the order of, the participant.

Termination of employment

If a participant ceases to be an employee or director of any member within the Group for one of the following reasons:

- death; or
- ill health/injury/disability; or
- redundancy within the meaning of the Employment Rights Act 1996; or
- retirement in accordance with his/her employment contract; or
- his/her employing company ceasing to be under the control of the Company or ceasing to be a company within the Group; or
- transfer/sale of the undertaking or part-undertaking in which he/she is employed to a person who is neither under the Company's control or one of the companies within the Group,

then:

- in relation to a forfeitable share award, any Forfeitable Shares shall immediately cease to be subject to forfeiture and shall become vested award shares; and
- in relation to a contingent share award:
  (1) any award shares, which were at the date of cessation vested award shares by virtue of the performance condition having been satisfied, will be transferred to the participant as soon as reasonably practicable after the date of cessation; and
  (2) if the participant has so ceased before the third anniversary of the award date the Trustee shall transfer to the participant after the third anniversary of the award date a proportion of the award shares which become vested award shares in consequence of the performance condition being satisfied or, if the Trustee so determines, the Trustee shall transfer to the participant as soon as reasonably practicable after the date of cessation a proportion of the award shares which become vested award shares in consequence of the Trustee deeming the performance condition to be satisfied having regard to the progress towards meeting the performance condition.

If the participant ceases to be an employee or director of any member within the Group for any other reason then unless the Trustee determines otherwise he or she will be entitled to any award shares which are vested award shares immediately prior to the date of cessation and will not be entitled to any unvested award shares.

Takeover, reconstruction and winding up

If (i) any person obtains control of the Company as a result of making a general offer, (ii) any person becomes bound or entitled to acquire shares in the Company under sections 974 to 992 of the Companies Act 2006; (iii) it is proposed under section 425 of the Act that there is a court-sanctioned compromise or arrangement for the purposes of or in connection with reconstruction/amalgamation of the Company; or (iv) notice is given of a resolution for the voluntary winding-up of the Company, then unvested award shares will immediately become vested award shares unless the Trustee in its discretion determines otherwise.

Taxation

All tax which may become payable by a participant (or his executors or personal representatives) in connection with an award will be the liability of the participant (or his executors or personal representatives) and not that of the Company (and the members within the Group) or the Trustee.

A participant shall indemnify the Company (and the members within the Group) and the Trustee in respect of any and all liability to pay as you earn income tax, employee national insurance contributions and other liabilities which are attributable to an award and which are primarily the participant's liability.

A participant shall, if required by the Trustee and the Company, enter into a joint election with the secondary contributor to transfer liability for employer's national insurance contributions to the participant.

A participant shall not receive cash or shares pursuant to an award unless the participant has entered into arrangements satisfactory in all respects to the Company (or the relevant member within the Group) or the Trustee to enable such company or the Trustee to recover any tax arising in respect of or as a result of the award and which the Company or Trustee is liable to discharge.

Adjustments to awards

The number of shares comprised in an award may be adjusted in such way as the Trustee shall determine following any capitalisation issue, any offer or invitation made by way of rights, subdivision, consolidation, reduction or other variation in the Company's share capital which, in the reasonable opinion of the Trustee, justifies an adjustment.

Administration

The Trustee's decision in any dispute or question affecting a participant or the Company (or any member within the Group) shall be final and conclusive.

Amendments

The Trustee may at any time alter or add to any of the rules of the LTIP provided that no such alteration or addition shall be made without the prior written consent of the Company's remuneration committee or, where the alteration or addition imposes any additional burden on or adversely affects the Company or any member within the Group, without the prior written consent of the Company.

No alteration or addition can be made which abrogates or adversely affects the subsisting rights of a participant unless it is made with the participant's prior written consent.

General

The LTIP will terminate on the tenth anniversary of its adoption by the Company.

(iv) ***The Trust***

Introduction

The Trust was established by a Trust Deed dated 26 November 2007 between the Company and the Trustee.

The Trustee is a wholly owned subsidiary of the Company.

It is intended that the Trust be operated in conjunction with the LTIP as follows:

- the Company will transfer up to 5 per cent. of profit before tax and amortisation subject exceeding certain financial targets set by the Board;
- the Trustee will use such sums to acquire shares in the Company in the market;
- the Trustee will, on the recommendation and with the consent of the remuneration committee of the Company, make awards to employees pursuant to the LTIP; and
- the shares acquired by the Trustee will be used to satisfy such awards.

Principal Trusts

The Trust is a discretionary trust for the benefit of employees of any company within the Group.

In general, the Trustee has power to pay or apply the income and capital of the Trust to or for the benefit of all or any of the employees of the Group in such shares and in such manner as the Trustee shall in its absolute discretion think fit.

The Trustee may, in exercise of this power:

- transfer shares to an employee either absolutely or subject to any conditions pursuant to an employee share scheme;
- grant or procure the grant of rights to employees of the Group to acquire shares at nil cost or at a discount to market value;
- sell shares to employees of the Group at less than market value; and
- acquire shares in the Company for the purposes of the Trust.

The Trustee may not exercise any power, authority or discretion in such a way as would cause any part of the trust fund to be paid to any member within the Group.

Waiver of Dividends

The Trustee shall be obliged to waive all but 0.1p of any dividend due or to become due at any time or times in the future in respect of any shares in the Company comprised in the trust fund which have not been appointed to a participant by virtue of an award made under the Plan unless and to the extent that the Company otherwise directs.

Investment Powers

In general, the Trustee has the same full and unrestricted powers of investing and otherwise dealing with the trust fund in all respects as if they were the absolute beneficial owner of the trust fund.

Remuneration of the Trustee

Any corporate trustee may act in accordance with its standard terms and conditions from time to time and, in addition to reimbursement of its proper expenses, it shall be entitled to remuneration for its services as Trustee in accordance with its published terms and conditions for trust business or, in the absence of such terms, in accordance with such rates as it shall determine.

Protection of Trustee

The Trustee shall not be liable for any loss arising by reason of any mistake or omission made in good faith by it or by reason of anything (including fraud, negligence or default) of any other person unless the Trustee has been fraudulent, in wilful default or negligent itself.

The Trust Deed also contains an indemnity by the Company in favour of the Trustee in respect of any claims, costs, demands, expenses and other liabilities arising out of the performance of its duties, other than liabilities attributable to fraud, misconduct or negligence on the part of the Trustee.

Change of Trustee

Any Trustee may retire by giving one month's written notice to the Company and the remaining Trustees (if any).

The Company has power to remove any Trustee from office and appoint a new Trustee or additional Trustees.

Amendment

Subject to the consent of the Company, the Trustee may vary, amend, restrict, release, modify, alter or extend the trusts, powers and provisions of the Trust Deed.

5. Directors' Interests

(a) The interests of each Director and those of any person connected with them within the meaning of section 252 of the Companies Act 2006 ("Connected Person"), all of which are beneficial, in the share capital of the Company which have been notified to the Company pursuant to Chapter 3 of the

Disclosure Rules and the Transparency Rules of the FSA Handbook (the "DTRs"), and the existence of which is known or could with reasonable diligence be ascertained by the Director as at the date of this document and immediately following the Ordinary Placing and Fourth Admission are as follows:

	As at the date of this document		*Following Placing and Fourth Admission*		
Name	*Number of Ordinary Shares*	*Number of Redeemable Preference Shares*	*Number of Ordinary Shares*	*Number of Redeemable Preference Shares*	*% of Enlarged Issued Share Capital*
Faisal Rahmatallah	1	4,999,998	2,642,895[1]	—	9.84
Nicholas Ball	1	—	112,977[2]	—	0.42
Arun Nagwaney	—	—	2,042,653[3]	—	7.61
Jeremy Clarke	—	—	1,127,079	—	4.20
Richard Vessey	—	—	2,330,537	—	8.68
Andrew Walker	—	—	50,000[4]	—	0.19

1 Faisal Rahmatallah may be deemed to have an interest in 2,543,836 Ordinary Shares held by Nicolino Assets Holdings Limited.

2 Nicholas Ball also has an interest in an EMI option over 10,000 ordinary shares of £0.01 in Plastics Capital, details of which are set out in paragraph 4 above.

3 Arun Nagwaney's interest includes 1,968,120 Ordinary Shares held by Isaac Investments Limited, as he is a beneficiary of a trust which owns Isaac Investments Limited. He holds 74,533 Ordinary Shares personally.

4 Andrew Walker has the right to subscribe for Ordinary Shares up to the value of £50,000 at the Placing Price pursuant to an option agreement. Details of this option are set out in paragraph 4 above.

5 Pursuant to the Share Exchange Agreement, Faisal Rahmatallah will be issued 99,058 Ordinary Shares (and Nicolino Assets Holdings Limited will be issued 1,956,483 Ordinary Shares), Nicholas Ball will be issued 88,976 Ordinary Shares, Arun Nagwaney will be issued 4,173 Ordinary Shares (and Isaac Investments Limited will be issued 1,431,480 Ordinary Shares), Jeremy Clarke will be issued 1,127,079 Ordinary Shares and Richard Vessey will be issued 1,163,132 Ordinary Shares.

(b) Pursuant to a loan note instrument executed by Plastics Capital on 30 November 2005, Arun Nagwaney is interested in £17,500 of loan notes which are held by Isaac Investments Limited, Jeremy Clarke is interested in £10,500 of loan notes and Richard Vessey is interested in £87,500 of loan notes in Plastics Capital. Faisal Rahmatallah may be deemed to have an interest in £17,500 of loan notes held by Nicolino Assets Holdings Limited. Details of these loan notes are set out in paragraph 9(vii) below.

(c) Pursuant to a loan note instrument executed by Plastics Capital on 31 August 2007, Arun Nagwaney is interested in £480,000 of loan notes of which he holds £52,500 personally and Isaac Investments Limited holds the remaining £427,500 of loan notes, Nicholas Ball is interested in £20,000 of loan notes, Jeremy Clarke is interested in £25,000 of loan notes and Richard Vessey is interested in £506,171 of loan notes in Plastics Capital. Faisal Rahmatallah may be deemed to have an interest in £700,513 of loan notes held by Nicolino Assets Holdings Limited. Details of these loan notes are set out in paragraph 9(xx) below.

(d) Save as disclosed above and at paragraph 9(v) below, no Director has any interest in the share capital or loan capital of the Company or its subsidiaries to be acquired pursuant to the Share Exchange Agreement nor does any person connected with the Directors (within the meaning of section 252 of the Companies Act 2006) have any such interests, whether beneficial or non-beneficial.

(e) The Directors have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document:

Name	*Current Directorships*	*Past Directorships*
Faisal John Rahmatallah	A.F. Capital Partners Limited Bell Holdings Limited Bell Plastics Limited BNL (UK) Limited Broker Network Holdings plc Broker Network (Trustee) Limited Capricorn Associates UK Limited Channel Matrix Limited Cobb Slater Limited Cranks Retail Limited (in liquidation) CTTS Limited F&I Just Claims Limited Funding & Insurance Solutions Limited Howper 136 Limited Klein Moerbei (Pty) Limited, South Africa Petrous Limited Plastics Capital (Acquisitions) Limited Plastics Capital Bearings Limited Plastics Capital Limited Plastics Capital (Trustee) Limited Sabreplas Limited Trimplex Limited Trimplex Safety Tread Limited	177 Leopont (Pty) Limited, South Africa Afrika Vineyards Holdings (Pty) Limited, South Africa Afrika Vineyards (Pty) Limited, South Africa Albany Group Holdings Limited Devonshire Capital Business Lending Limited Helderberg Vineyards (Pty) Limited, South Africa Hollard Holdings (Pty) Limited, South Africa Just Claims.com Limited Spier Holdings (Pty) Limited, South Africa Spier Wines Limited The Broker Network Limited Winecorp (Europe) Limited Winecorp Holdings (Pty) Limited, South Africa Winecorp Limited, South Africa Winecorp SA (Pty) Limited, South Africa
Nicholas Martin Ball	Bell Holdings Limited Bell Plastics Limited Sabreplas Limited	
Arun Nagwaney	A.F. Capital Partners Limited Bell Holdings Limited Bell Plastics Limited Beta Systems Software AG, Germany BNL (UK) Limited Channel Matrix Limited Cobb Slater Limited	

Name	*Current Directorships*	*Past Directorships*
	Howper 136 Limited Petrous Limited Plastics Capital Bearings Limited Plastics Capital Limited Sabreplas Limited Trimplex Limited Trimplex Safety Tread Limited	
Jeremy Alan John Clarke	Bell Holdings Limited Bell Plastics Limited Plastics Capital Limited	
Richard Charles Vessey	Abel Magnets Limited Bell Holdings Limited Bell Plastics Limited IM-PAK Technologies Limited Oxford Sensor Technology Limited Oxford Technology 2 Venture Capital Trust plc Oxford Technology 3 Venture Capital Trust plc Oxford Technology Venture Capital Trust plc Plastics Capital Limited Plastics Capital (Trustee) Limited	
Andrew John Walker	API Group plc API Share Scheme Trustees Limited Bioganix plc Brintons Limited Delta Public Limited Company Fountains plc Manganese Bronze Holdings plc Porvair plc Ultra Electronics Holdings plc	Galileo Innovations Public Limited Company Halma Public Limited Company

(f) Arun Nagwaney is a partner of Ivy Lane Capital LLP. No other Director has been a partner of a partnership within the last 5 years.

(g) Save as disclosed below, no Director:

(i) has any unspent convictions in relation to indictable offences; or

(ii) has been declared bankrupt or made an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or

(iii) has been a director of any company at the time of or within the 12 months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, voluntary arrangements or any composition or arrangement with its creditors generally or with any class of its creditors; or

(iv) has been a partner of any partnership which went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset while he was a partner or 12 months preceding such events; or

(v) has been the subject to any public criticism by any statutory or regulatory authorities (including recognised professional bodies); or

(vi) has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; or

(vii) had a name other than his existing name.

(h) Faisal Rahmatallah was a director of Cranks Retail Limited from 19 December 1997. Cranks Retail Limited was placed into voluntary creditors' liquidation on 16 January 2003. The estimated shortfall to creditors was £1.3 million of which £0.95 million was owed to its principal shareholder, Capricorn Ventures International Limited. There were no criticisms of or fines awarded against Faisal Rahmatallah.

(i) So far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

(j) So far as the Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company.

(k) Save as disclosed in paragraph 5(a) above, and as set out below, the Company is not aware of any person who is directly or indirectly interested (within the meaning of Chapter 5 of the DTRs) in three per cent. or more of the issued share capital or voting rights of the Company:

	As at the date of this document		*Following Placing and Fourth Admission*	
Name	*Number of Ordinary Shares*	*% of Issued Share Capital*	*Number of Ordinary Shares*	*% of Enlarged Issued Share Capital*
Eclipse VCT plc	—	—	1,334,201	4.97
Eclipse VCT 2 plc	—	—	1,067,357	3.98
ISIS Equity Partners PLC	—	—	2,700,000	10.06
F&C Asset Management PLC	—	—	2,541,896	9.47
Rathbone Investment Management	—	—	1,500,000	5.59
Close Investment Ltd	—	—	1,400,000	5.21
Aberdeen Asset Management	—	—	1,000,000	3.72
Barclays Private Bank	—	—	1,000,000	3.72
Octopus Asset Management	—	—	1,000,000	3.72

A shareholder is required pursuant to Chapter 5 of the DTRs to notify the Company when he acquires or disposes of a material interest in shares in the capital of the Company equal to or in excess of 3 per cent. of the nominal value of that share capital (and when there is any whole percentage change in such interests).

(l) None of the Company's major holders of Shares listed in paragraph k above has voting rights which are different from other holders of Ordinary Shares.

(m) Save as disclosed in paragraph 5 above and in paragraph 9(v) below, there are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director.

(n) No Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company, Plastics Capital or its subsidiaries during the current or immediately preceding financial year or which was effected by the Company, Plastics Capital or any of its subsidiaries during any earlier financial year and remains in any respect outstanding or unperformed.

(o) There are no Directors, or members of a Director's family, who have a related financial product referenced to the Company's AIM securities or securities being admitted.

6. Director's remuneration and service contracts

(a) Faisal Rahmatallah was appointed as chairman of the Company pursuant to a letter of appointment and agreement for consultancy services dated 26 November 2007, for a fee of £20,000 per annum. In addition, Faisal Rahmatallah will provide consultancy services to the Company for a fee of £80,000 plus VAT per annum. He will also be entitled to participate in the bonus scheme or schemes as are in force from time to time and are deemed appropriate given his position by the remuneration committee of the Board. The annual bonus entitlement is capped at £150,000 plus VAT. In terms of the letter of appointment and agreement for consultancy services, Faisal Rahmatallah is subject to a number of restrictive covenants following the termination of his appointment as chairman or as consultant for a period of 6 months in respect of the non-compete restrictive covenant and 12 months for all other restrictive covenants. Faisal Rahmatallah's appointment as Director or his appointment as consultant, which is for an initial period of 2 years following Admission, may be terminated by either party after that initial period giving the other 6 months' written notice. Faisal Rahmatallah has acted as chairman of Plastics Capital since 11 December 2002.

(b) Nicholas Ball was appointed as Group finance director pursuant to a service agreement dated 28 October 2005 for a salary of £85,000 per annum which has subsequently been increased to £89,250. He is also entitled to an annual bonus up to a maximum of 20-25 per cent. of basic salary based on specific performance targets as determined by Plastics Capital's board. Nicholas Ball is subject to a number of restrictive covenants following the termination of his employment for a period of 12 months. Nicholas Ball's employment may be terminated by either party giving the other 3 months' written notice.

(c) Arun Nagwaney was appointed as Director of the Company pursuant to a letter of appointment and agreement for consultancy services dated 26 November 2007, for a fee of £15,000 per annum. In addition, Arun Nagwaney will provide consultancy services to the Company for a fee of £65,000 plus VAT per annum. He will also be entitled to participate in the bonus scheme or schemes as are in force from time to time and are deemed appropriate given his position by the remuneration committee of the Board. The annual bonus entitlement is capped at £120,000 plus VAT. £20,000 of this bonus is a guaranteed amount and will be paid following Fourth Admission. In terms of the letter of appointment and agreement for consultancy services, Arun Nagwaney is subject to a number of restrictive covenants following the termination of his appointment as Director or as consultant for a period of 6 months in respect of the non-compete restrictive covenant and 12 months for all other restrictive covenants. Arun Nagwaney's appointment as Director or his appointment as consultant, which is for an initial period of 2 years following Admission, may be terminated by either party after that initial period giving the other 6 months' written notice. Arun Nagwaney has acted as Director of Plastics Capital since 11 December 2002.

(d) Jeremy Clarke was appointed as executive director of Plastics Capital pursuant to a service agreement dated 29 October 2004, for a salary of £84,000 per annum which has subsequently been increased to £93,940. He is also entitled to participate in the bonus scheme based on a scheme determined annually at the beginning of Bell's financial year by Plastics Capital's board.

Jeremy Clarke is subject to a number of restrictive covenants following the termination of his employment for a period of 12 months. Jeremy Clarke's employment may be terminated by either party giving the other 3 months' written notice.

(e) Richard Vessey was appointed as non-executive Director of the Company pursuant to a letter of appointment dated 26 November 2007, for a fee of £24,000 per annum. In terms of the letter of appointment, Richard Vessey is subject to a number of restrictive covenants following the termination of his appointment as non-executive Director for a period of 9 months save for the non-compete restrictive covenant which is for a period of 6 months. Richard Vessey's appointment as non-executive Director is for an initial period of 1 year but may be terminated by either party giving the other 3 months' written notice. Richard Vessey has acted as non-executive director of Plastics Capital since 11 December 2002.

(f) Andrew Walker was appointed as non-executive Director of the Company pursuant to a letter of appointment dated 5 October 2007, effective from 2 October 2007, for a fee of £24,000 per annum. In terms of the letter of appointment, Andrew Walker is subject to a number of restrictive covenants following the termination of his appointment as non-executive Director for a period of 9 months save for the non-compete restrictive covenant which is for a period of 6 months. Andrew Walker's appointment as non-executive Director is for an initial period of 1 year but may be terminated by either party giving the other 3 months' written notice.

(g) Save as set out in paragraphs (a) to (f) above, there are no service agreements in existence between any of the Directors and the Company which cannot be determined by the employing company without payment of compensation (other than statutory compensation) within one year.

(h) The date of the expiration of the current terms of office is set out in the Articles which are summarised in paragraph 3 above. Faisal Rahmatallah, Nicholas Ball and Arun Nagwaney were appointed to the Board on 9 October 2007. All the other Directors were appointed to the Board on 23 November 2007.

7. Related party transactions

(a) The Group obtains its business and commercial insurance from Broker Network Holdings plc or its subsidiaries at a cost to the Company of £227,000 per annum. Faisal Rahmatallah is both the chairman of Broker Network Holdings plc and chairman of the Company.

(b) On 28 November 2005, Trimplex as tenant entered into a lease with RB Asset Management Limited as landlord in respect of the Belvedere property, details of which are set out in paragraph 12 below. Paul Robinson and Anthony Best are directors of both Trimplex and RB Asset Management Limited and at that time were the sole shareholders of Trimplex. The lease was entered into on an arm's length basis.

(c) On 19 March 2007, D A Phillips & Co Limited, Paul Robinson and Anthony Best as landlords and Trimplex as tenant entered into a lease in respect of the Narborough property, details of which are set out in paragraph 12 below. Paul Robinson and Anthony Best are directors of Trimplex and at that time were minority shareholders in Trimplex. The lease was entered into on an arm's length basis.

(d) The Directors are also interested in the loan notes set out in paragraph 5 above.

(e) Same as disclosed above and in Parts III, IV and V of the document, there are no related party transactions that the Group has entered into during the period covered by the historical financial information and up to the date of this document.

8. Placing arrangements & Lock-in Agreements

(a) A placing agreement dated 27 November 2007 between (1) the Company, (2) the Directors, (3) the Selling Shareholder and (4) Charles Stanley, the principal terms of which are as follows:

(i) Charles Stanley has agreed as agent for the Company to use its reasonable endeavours to procure placees to subscribe for the Subscription Shares and on behalf of the Selling Shareholder to use its reasonable endeavours to procure placees to purchase the Sale Shares, in each case at the Placing Price;

(ii) the EIS Placing is conditional upon various conditions including, *inter alia*, First Admission taking place no later than 8.00 am on 3 December 2007 or such later time as the Company and Charles Stanley may agree being no later than 3.00 pm on 21 December 2007;

(iii) the First VCT Placing, the Second VCT Placing and the Ordinary Placing are conditional only upon the matters referred to in paragraph 11 of Part I above;

(iv) the Company has agreed to pay Charles Stanley a corporate finance fee of £175,000 and a commission of approximately £510,000 out of which Charles Stanley will pay certain fees to placing agents in respect of services provided to the Company in connection with the Placing;

(v) the Selling Shareholder has agreed to pay Charles Stanley a commission of 2 per cent. of the aggregate value of 1,118,572 Sale Shares at the Placing Price;

(vi) the Company has agreed to pay all of the costs and expenses of and incidental to the Placing and related arrangements together with value added tax on all such costs and expenses and on the fees and commission referred to in sub-paragraphs (iv) and (v) above;

(vii) the Company and the Directors have given certain warranties to Charles Stanley as to the accuracy of the information in this document and as to other matters relating to the Company. The liability of the Directors under these warranties is limited as to time and amount. The Company and the executive directors have given an indemnity to Charles Stanley against any losses or liabilities arising out of the proper performance by Charles Stanley of its duties under the Placing Agreement. In addition, the executive Directors have provided a tax indemnity to the Company to indemnify the Group against certain tax liabilities (as defined Schedule 3 of the Placing Agreement); and

(viii) Charles Stanley has a right to terminate the Placing Agreement in certain circumstances prior to First Admission only, including in the event of a breach of warranty or *force majeure*.

(b) Lock-in Agreements dated variously between Charles Stanley (1) and each of the Directors, their connected parties and the other former shareholders of Plastics Capital (other than Eclipse) (2) pursuant to which each of the parties has undertaken not to dispose of any interest in Ordinary Shares for a period of 12 months following the Fourth Admission. Each of the parties has further undertaken that for a further period of 6 months from the first anniversary of Fourth Admission, he will only dispose of Ordinary Shares through Charles Stanley on an orderly market basis. These undertakings do not apply in certain limited circumstances, including a disposal of Ordinary Shares pursuant to an intervening court order, transfers to a personal representative on the death of the covenantor or the acceptance of, or the giving of an irrevocable undertaking to accept, a takeover offer for the Company which is open to all shareholders and which has either been recommended for acceptance by the Directors or has become unconditional as to acceptances.

Pursuant to a Lock-in Agreement dated 27 November 2007 between Charles Stanley (1) and Eclipse (2), Eclipse has undertaken not to dispose of any interest in Ordinary Shares for a period of 12 months following the Fourth Admission in respect of 65 per cent. of its holding in the Company. Eclipse has further undertaken, that for a further period of 6 months from the first anniversary of Fourth Admission, it will only dispose of such Ordinary Shares through Charles Stanley on an orderly market basis. Eclipse is entitled to dispose of the remaining balance of 35 per cent. of its holding within the 12 months following Fourth Admission, provided any such disposal is effected through Charles Stanley on an orderly market basis.

9. Material contracts

(a) The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and its subsidiaries during the two years preceding the date of this document and are or may be material or contain any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document:

(i) ***Nominated Adviser and Broker Agreement***

A nominated adviser and broker agreement dated 27 November 2007 between the Company (1) and Charles Stanley as nominated adviser and broker (2), pursuant to which the Company has appointed Charles Stanley to act as nominated adviser to the Company and to act as stockbroker to the Company for the purposes of AIM for an initial period of 12 months commencing on the date of the agreement and continuing thereafter unless and until terminated by either party on three months notice. The agreement may be terminated summarily by Charles Stanley, in the event of material breach and in certain other circumstances. Charles Stanley will receive an annual fee of £40,000 (plus VAT), increasing to £45,000 per annum after one year, payable quarterly in advance. The Company has given certain undertakings and indemnities to Charles Stanley in connection with its appointment as nominated adviser and broker. The Company is also subject to certain continuing obligations under the agreement;

(ii) ***Placing Agreement***

The Placing Agreement referred to in paragraph 8(a) above;

(iii) ***Lock-in Agreements***

Lock-in Agreements referred to in paragraph 8(b) above;

(iv) ***Bell Acquisition Agreement and Bell Management Services Agreement***

On 1 November 2004, Plastics Capital acquired approximately 85 per cent. of Bell's issued share capital being 5,491 ordinary shares of £0.01 each and 212 A ordinary shares of £0.01 each from John Cary and Richard Vessey on the terms and conditions of an agreement for the acquisition of shares. The consideration paid for the shares was £5,923,937 satisfied by a mixture of cash and loan notes in Plastics Capital. The loan notes are described at paragraph (v) below. These shares together with the initial 15 per cent. of the shares previously acquired by Plastics Capital in Bell for £500,000 on 3 January 2003 constitute the entire issued share capital of Bell. On 1 November 2004, Bell entered into a management services agreement with Plastics Capital. Pursuant to this agreement, certain individuals (including Faisal Rahmatallah, Jeremy Clarke, Richard Vessey and Arun Nagwaney) have agreed to provide management and other services to Bell. The fee payable by Bell for the services is £57,000 per month (excluding VAT) plus out of pocket expenses reasonably incurred by such individuals. The agreement may be terminated by either party providing 6 months notice in writing to the other;

(v) ***Bell Loan Notes***

On 1 November 2004, Plastics Capital executed a loan note deed and issued unsecured loan notes of £1,792,650 to Richard Vessey and £57,350 to John Cary. There is no premium payable on redemption. It is proposed that the amounts due to these loan note holders pursuant to the loan notes, being £2,333,182, will be repaid from the net proceeds of the Placing;

(vi) ***2005 Investment Agreement***

On 30 November 2005, Plastics Capital entered into an investment agreement with Investec, Eclipse, Jeremy Clarke, Richard Vessey, R&H Trust Co (Jersey) Limited and Peter Whawell (together the "Investors") and Octopus Asset Management Limited (as investment manager for Eclipse), Faisal Rahmatallah, Arun Nagwaney, R&H Trust Co (Jersey) Limited and Nicolino Investment Limited (the "Investment Agreement"). Pursuant to the Investment Agreement, the Investors, R&H Trust Co (Jersey) Limited and Nicolino Investment Limited made a total investment of £2,400,000 in Plastics Capital for ordinary shares of £0.01 each, A ordinary shares of £0.01 each and loan notes, details of which are set out in paragraph (vii) below. Plastics Capital gave Investec and Eclipse certain warranties, undertakings and covenants as set out in the Investment Agreement;

(vii) ***2005 Loan Note Deed***

On 30 November 2005, Plastics Capital executed a loan note deed and issued unsecured loan notes to the Investors and Nicolino Investment Limited, for a total value of £2,100,000. The repayment date of these loan notes is 1 December 2010. The Investors and Nicolino Investment Limited are entitled to give notice to Plastics Capital, requiring all amounts owing to them under the loan notes to be repaid on a sale of Plastics Capital. Nicolino Investment Limited has subsequently transferred £17,500 of loan notes in Plastics Capital to Nicolino Assets Holdings Limited. R&H Trust Co (Jersey) Limited has subsequently transferred £17,500 of loan notes in Plastics Capital to Isaac Investments Limited. The premium payable on redemption is £738,338 and it is proposed that the premium is satisfied by Plastics Capital by issuing a total of 5,198 ordinary shares of £0.01 each and 72,747 A ordinary shares of £0.01 each in its capital to Investec, Eclipse, Jeremy Clarke, Richard Vessey, Nicolino Assets Holdings Limited, Isaac Investments Limited and Peter Whawell and each of these parties have waived their rights to be paid a premium on redemption pursuant to a waiver letter dated 26 November 2007. It is proposed that £2,184,180, being the amount payable under the loan notes will be repaid from the net proceeds of the Placing;

(viii) ***Trimplex Acquisition Agreement***

On 30 November 2005, Plastics Capital acquired 80 per cent. of Trimplex's issued share capital pursuant to an agreement with Paul Nigel Robinson ("Mr Robinson") and Anthony Thomas Best ("Mr Best") as vendors. The purchase price for the shares was £3,505,772. The purchase price was partially paid in cash and partially by the issue of loan notes. Trimplex issued £111,865 of loan notes to Mr Robinson and £111,865 of loan notes to Mr Best further details of which are set out in paragraph (x) below. There was a completion net assets adjustment mechanism which resulted in an increase of £6,500 to the purchase price. On 26 November 2007, Plastics Capital acquired 10 per cent. of the issued share capital of Trimplex from Mr Best in exchange for the issue of 33,797 ordinary shares of £0.01 in the issued capital of Plastics Capital;

(ix) ***Trimplex Safety Tread Acquisition Agreement***

On 30 November 2005, Trimplex, as purchaser, entered into an agreement to acquire the entire issued share capital of Trimplex Safety Tread Limited from Marie Best, Anna Robinson, Mr Best and Mr Robinson as vendors. The purchase price for the shares was £300,000, paid in cash;

(x) ***Best and Robinson Loan Notes***

On 30 November 2005, Trimplex executed two loan note instruments and issued a loan note of £111,865 to Mr Best and a loan note of £111,865 to Mr Robinson. The final redemption date for these loan notes is 30 November 2010. It is proposed that the amounts due to Mr Best and Mr Robinson, being £225,000 each, will be repaid from the net proceeds of the Placing;

(xi) ***Robinson Option Agreement***

Pursuant to the Robinson Option Agreement, on a sale of Plastics Capital, Mr Robinson is entitled to require Plastics Capital to purchase his one ordinary share of £1.00 in Trimplex in exchange for such number of ordinary shares of £0.01 each in the capital of Plastics Capital equal to the market value of his Trimplex share. Pursuant to a deed of amendment dated 26 November 2007, Mr Robinson agreed to amend the Robinson Option Agreement allowing a cash consideration to be paid for his one Trimplex share instead. On 26 November 2007, Mr Robinson entered into a binding agreement to sell his Trimplex share for £300,721 to Plastics Capital.

(xii) ***BNL Acquisition Agreement***

On 30 November 2005, Plastics Capital acquired 100 per cent. of the issued share capital of BNL from Sarna Polymer Holding, Inc on the terms and conditions of a share purchase agreement. The purchase price for the shares was £773,000 of which £500,000 was paid by Plastics Capital to the vendor at completion and immediately lent back by the vendor to BNL. The consideration was also satisfied by Plastics Capital agreeing to repay an inter-company loan of £3,935,847.95 owed to Sarnafil Limited, a member of the vendor's group. There was a net asset adjustment resulting in a decrease of £269,500 to the purchase price;

(xiii) ***Sarna Polymer Holding, Inc Loan***

On 30 November 2005, Sarna Polymer Holding, Inc. and BNL entered into a loan agreement whereby Sarna Polymer Holding, Inc provided BNL with a loan for £500,000. The loan is repayable on 30 November 2010 and there is no express term regarding pre-payment of the loan. It is proposed that the amount outstanding under the loan agreement, being £571,271, is repaid out of the net proceeds of the Placing;

(xiv) ***BNL Sale and Leaseback***

On 14 September 2006, BNL entered into a sale and purchase agreement with SG Hambros Trust Company Limited (as trustee for Falcon Property Trust) in respect of the property at Manse Lane, Knaresborough. BNL sold the property for £2,723,000 plus VAT and SG Hambros Trust Company Limited leased the property back to BNL. Details of the lease are set out in paragraph 12 below;

(xv) ***Composite Debenture in favour of Royal Bank of Scotland***

On 16 February 2007, each of Plastics Capital, Bell Holdings Limited, Bell Plastics Limited, Trimplex, BNL and Trimplex Safety Tread Limited entered into a debenture in favour of Royal Bank of Scotland to secure Plastics Capital's obligations to Royal Bank of Scotland under the facilities agreement dated 16 February 2007, which was amended and restated as set out in paragraph (xxi) below. Sabreplas acceded to the debenture on 30 April 2007, Channel later acceded to the debenture on 31 August 2007 and the Company will be required to acceded to the debenture before Fourth Admission. BNL entered into a further debenture dated 17 April 2007 in favour of Royal Bank of Scotland over the leasehold land to the south of Manse Lane, Knaresborough described by title number NYK327724;

(xvi) ***Intra-Group Loan Agreement***

Plastics Capital as borrower and each of Bell Holdings Limited, Bell Plastics Limited, Trimplex, Trimplex Safety Tread Limited and BNL as lenders entered into an intra-group loan agreement on 16 February 2007 pursuant to which the lenders agreed to provide a facility of up to £10,000,000 to Plastics Capital. Advances under the facility bear interest at the rate of 1 per cent. per annum above the base rate of Royal Bank of Scotland or such other rate agreed between Plastics Capital and the relevant lender from time to time. The final repayment date is seven years from the date of the intra-group loan agreement although Plastics Capital is entitled to repay all or part of any advance on any quarter date. The purpose of the facility is to enable Plastics Capital to pay any amounts due to Royal Bank of Scotland pursuant to any finance document entered into with Royal Bank of Scotland or for such other purposes as the relevant lender may agree in writing;

(xvii) ***Intercreditor Deed in respect of Vendor Loans***

On 16 February 2007, Plastics Capital, Bell Holdings Limited, Bell Plastics Limited, Trimplex, Trimplex Safety Tread Limited, BNL, Royal Bank of Scotland, Investec, Nicolino Assets Holdings Limited, R&H Trust Co (Jersey) Limited, Peter Whawell, Eclipse, Richard Vessey, Jeremy Clarke, Mr Robinson, Mr Best and John Cary entered into an intercreditor deed to subordinate payments in respect of the vendor loans referred to in paragraphs (v), (vii) and (x) and (xvi) to payments to Royal Bank of Scotland. Isaac Investments Limited acceded to the intercreditor agreement on 26 November 2007;

(xviii) ***Sabre Plastics Acquisition Agreement***

On 11 May 2007, Sabreplas purchased Sabre Plastics pursuant to an agreement dated 29 March 2007 from Sabre Plastics Limited and the Bi-Alpha Company Limited. The consideration paid for the business was £400,000 in cash of which £98,000 was repaid to Sabreplas in June 2007 as part of a pound for pound net asset adjustment. An additional sum of £40,000 was payable by Sabreplas within 14 days of completion of the preparatory and transition phase (described as "the time from 11 May 2007 to moving all assets and business to Narborough and making all assets operational");

(xix) ***Cobb Slater Acquisition Agreement***

On 4 April 2007, BNL acquired the entire issued share capital of Cobb Slater on the terms and conditions of an agreement for the acquisition of shares from Christopher Reed, Barbara Arthurs, David Brown, John Burnham, Robert Calvert, Nigel Coatman, Andrew Rigby and David Tetlow. The consideration paid for the shares was £474,050, plus the settlement of debts totalling £523,644.47. The purchase price was subject to a net asset adjustment on determination of the completion accounts which has yet to be agreed. Deferred consideration (the "Cobb Slater Deferred Consideration") is also payable to the vendors following a disposal of Cobb Slater's business regarding security products for domestic electricity supplies (the "Electricity Business") and its business regarding technical custom mouldings (the "Mouldings Business") pursuant to an asset transfer agreement referred to below. The deferred consideration due and payable to the vendors is 50 per cent. of the consideration received by BNL for each disposal, less any costs incurred by BNL which directly relate to that disposal. On 27 April 2007, Cobb Slater and its subsidiary, the Cobb-Slater Instrument Company Limited sold certain business assets relating to the Mouldings Business and the Electricity Business to Applied Automotive Technologies Limited ("AAT"). The consideration comprised £3,500 in cash, plus an obligation on the part of AAT to pay commission and purchase stock in accordance with the terms of this agreement;

(xx) ***Supplemental Investment Agreement***

On 31 August 2007, Plastics Capital entered into an agreement supplemental to the Investment Agreement (the "Supplemental Investment Agreement") with the Investors, Faisal Rahmatallah, Arun Nagwaney, Octopus, R&H Trust Co (Jersey) Limited and Nicolino Assets Holdings Limited whereby a further £3,000,000 was invested into Plastics Capital in exchange for the issue of convertible loan notes by Plastics Capital. The £3,000,000 was used exclusively by Plastics Capital to fund the acquisition of Channel, further details of which are set out in paragraph (xxiii) below. On 31 August 2007 pursuant to the Supplemental Investment Agreement and the loan note deed executed on 31 August 2007, Plastics Capital issued a total amount of £3,000,000 loan notes to Investec, Eclipse, Richard Vessey, Arun Nagwaney, Jeremy Clarke, Nicholas Ball, Nicolino Assets Holdings Limited and R&H Trust Co (Jersey) Limited. R&H Trust Co (Jersey) Limited has subsequently transferred £427,500 of loan notes in Plastics Capital to Isaac Investments Limited. The final redemption date of these loan notes is 31 August 2012. There is an early redemption penalty of 20 per cent. of the principal amount of the loan note. Each of the parties subscribing for the loan notes undertook to enter into an intercreditor agreement in a form required by the Royal Bank of Scotland under which the loan notes were subordinated to the facilities granted to Plastics Capital by Royal Bank of Scotland. It is proposed that the amounts owed under the loan notes, being £3.6 million, will be repaid from the net proceeds of the Placing;

(xxi) ***Amended and Restated Facilities Agreement and Consent Letter***

On 31 August 2007, Plastics Capital as borrower entered into an amended and restated senior multicurrency term and ancillary facilities agreement with Royal Bank of Scotland (as arranger, lender and hedge counterparty). Bell Holdings Limited, Bell Plastics Limited, Trimplex, Trimplex Safety Tread Limited, BNL and Sabreplas were guarantors of Plastics Capital's obligations to Royal Bank of Scotland. The Company will be required to acceded to this agreement before Fourth Admission. The facilities comprise (i) a multicurrency facility A term loan of £13,400,000 to fund the acquisition of Channel; (ii) a multicurrency facility B term loan of £3,000,000; and (iii) an uncommitted multicurrency ancillary facility of up to £2,000,000. Interest is charged at 2.25 per cent. above LIBOR, plus any mandatory cost of Royal Bank of Scotland. On Fourth Admission, Plastics Capital must repay £3,000,000 of the facility A loan and if the Fourth Admission occurs before 30 June 2008, a further £470,000 must be repaid to Royal Bank of Scotland. If any member of the Group issues 30 per cent. or more of its issued share capital on a flotation of any part of the share capital of any member of the Group, this triggers repayment of all amounts lent by Royal Bank of Scotland under the facilities agreement. The Company and Royal Bank of Scotland have agreed in a consent letter dated 22 November 2007 that such restriction shall not apply to Plastics Capital in respect of the Admission and Share Exchange Agreement. Any disposal by the Directors or their connected persons within the meaning of section 252 of the Companies Act 2006 of Ordinary Shares held by them before the first anniversary of Fourth Admission will constitute an event of default for the purposes of this agreement as amended by the consent letter dated 22 November 2007, enabling Royal Bank of Scotland to declare that all amounts owing to it under the amended and restated facilities agreement by the Company are payable on demand;

(xxii) ***Intercreditor Deed in respect of Loan Notes***

On 31 August 2007, Plastics Capital, Bell Holdings Limited, Bell Plastics Limited, Trimplex, Trimplex Safety Tread Limited, BNL, Sabreplas, Royal Bank of Scotland, Investec, Nicolino Assets Holdings Limited, R&H Trust Co (Jersey) Limited, Eclipse, Richard Vessey, Jeremy Clarke, Nicholas Ball and Arun Nagwaney entered into an intercreditor agreement to subordinate payments in respect of the loan notes referred to in paragraph (xx) above to payments to Royal Bank of Scotland. The loan notes referred to in paragraph (xx) will rank *pari passu* with the loan notes referred to in paragraph (vii) pursuant to the Supplemental Investment Agreement. Isaac Investments Limited acceded to the intercreditor agreement on 26 November 2007;

(xxiii) ***Channel Acquisition Agreement and Skor Side Letter***

On 31 August 2007, Plastics Capital acquired the entire issued share capital of Channel on the terms and conditions of an agreement for the acquisition of shares from Kenneth Robinson and Andrew Robinson. The consideration paid for the shares was £10,340,000 but this was reduced to £10,085,498 following a pound for pound net asset adjustment based on the draft completion accounts. In addition, Plastics Capital is required to pay a bonus consideration up to a maximum of £2.5 million if the average EBITDA for year 2 and year 3 for the business of Channel and its subsidiaries together with the creasing matrix business of Trimplex is equal to or greater than £3,000,000 in which case Plastics Capital must pay to the vendors the amount by which the average EBITDA for year 2 and year 3 following completion exceeds £2.5 million. The consideration payable is also subject to a pound for pound net asset adjustment based on the completion accounts. On 31 August 2007, the vendors of Channel entered into a side letter with Plastics Capital regarding the voting rights of Skor S.r.l. Pursuant to the side letter, the vendors undertook and agreed to use all reasonable endeavours to procure within a period of 3 months from 31 August 2007 that the constitutional documents of Skor S.r.l. are changed or clarified or a formal shareholders agreement is entered into with the other shareholders of Skor S.r.l. which will demonstrate on a legally binding basis that Channel has a 50 per cent. controlling interest in Skor S.r.l. through its shareholder voting rights, despite owning only 40 per cent. of the shareholding;

(xxiv) ***Channel's Accession to the Intra-Group Loan Agreement***

By a deed of accession dated 31 August 2007 to the intra-group loan agreement set out in paragraph (xvi) above, Channel acceded to the intra-group loan agreement as a lender;

(xxv) ***Termination Agreement***

On 26 November 2007, Plastics Capital, the Investors, Octopus, Faisal Rahmatallah, Arun Nagwaney, Isaac Investments Limited and Nicolino Assets Holdings Limited entered into a termination agreement under which the parties agreed to terminate certain provisions of the Investment Agreement and the Supplemental Investment Agreement, conditional upon Fourth Admission (the "Termination Agreement");

(xxvi) ***Share Exchange Agreement***

The Company entered into a Share Exchange Agreement with the shareholders of Plastics Capital on 26 November 2007. Pursuant to the agreement, the Company will conditionally upon Fourth Admission issue the Consideration Shares to such shareholders of Plastics Capital in exchange for the acquisition of the entire issued share capital of Plastics Capital. The Share Exchange Agreement will require Eclipse to transfer £2,146,040 of loan notes to the Company in Plastics Capital in exchange for the issue of £2,146,040 of loan notes by the Company to Eclipse. The Company obtained Royal Bank of Scotland's consent to the share exchange pursuant to a consent letter dated 22 November 2007;

(xxvii) ***Valplas Business Transfer Agreement***

On 31 October 2007, some of the assets of Trimplex were hived up to Sabreplas pursuant to a business transfer agreement between Trimplex and Sabreplas for a consideration of £171,200 which represented the market value of those assets; and

(xxviii) ***Bell Acquisition Agreement***

On 26 November 2007, Plastics Capital acquired the entire issued share capital of Bell Plastics Limited from Bell Holdings Limited for £1,387,651.

10. Taxation

The following comments are intended as a general guide to the position under current UK tax legislation and what is understood to be the current practice of H.M. Revenue and Customs in the UK, and may not apply to certain classes of people (such as dealers in securities). Shareholders who are in any doubt about their tax position should consult their professional adviser immediately.

For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.

To the extent that a shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of a shareholder's holding.

If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may, depending on their circumstances, arise (subject to, in the case of individuals and trustees, a reduction for taper relief, the amount of which depends on various factors, in particular the length of the period of ownership of the shares). If the Company has substantial non-trading activities, only non-business asset taper relief will apply.

Shareholders should note that shares listed only on AIM qualify for "**business assets**" taper relief provided the shares are shares in a trading company or the holding company of a trading group. The effect of this relief is to reduce the proportion of any capital gain chargeable to tax for each complete year that the shares are held. Maximum relief is obtained once shares have been held for two years.

Under current United Kingdom law, the effect of business asset taper relief is as follows:

Number of years shares held	*Percentage of Gain Chargeable*	*Effective rate when higher rate tax payer (40%)*
0-1	100%	40%
1-2	50%	20%
More than 2	25%	10%

It was announced in the Pre Budget Report on 9 October 2007 that legislation will be introduced in the Finance Bill 2008 to withdraw both taper relief and indexation allowance for disposals on or after 6 April 2008 made by individuals, trustees and personal representatives. Instead, chargeable gains will be taxed at a single rate of charge to capital gains tax at 18 per cent.

Corporate investors are not entitled to taper relief but are due indexation allowance which may also reduce the chargeable gain (but cannot create or increase a capital loss).

The changes to the capital gains tax rules announced in the aforementioned Pre Budget Report will not affect companies that are liable to corporation tax in respect of their chargeable gains.

UK pension schemes, including SIPPs and SSASs, but not FURBS, will normally be exempt from capital gains tax.

(a) ***Stamp Duty and Stamp Duty Reserve Tax***

No stamp duty or stamp duty reserve tax ("SDRT") will generally be payable on the issue of the Ordinary Shares.

(i) *Shares held outside the CREST system*

The conveyance or transfer on sale of the Ordinary Shares will usually be subject to stamp duty on the instrument of transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration rounded up to the nearest £5. An obligation to account for stamp duty reserve tax ("SDRT") at the rate of 0.5 per cent. of the amount or value of the consideration will also arise if an unconditional agreement to transfer the Ordinary Shares is not completed by a duly stamped instrument of transfer before the "accountable date" for SDRT purposes. The accountable date is the seventh day of the month following the month in which the agreement for the transfer becomes unconditional. Payment of the stamp duty within 6 years of the date the agreement becomes unconditional will cancel the liability to account for SDRT. It is the purchaser who is in general liable to account for stamp duty or SDRT.

(ii) *Shares held within the CREST system*

The transfer of the Ordinary Shares in uncertificated form in the CREST system will generally attract a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration. The SDRT is payable by the fourteenth day following the date of the unconditional agreement for the transfer of the Ordinary Shares.

The above statements are intended as a general guide to the current position. Certain categories of person are not liable to stamp duty or SDRT, and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

(b) ***Dividends and other Distributions***

Dividends paid by the Company will carry an associated tax credit of one-ninth of the cash dividend or ten per cent. of the aggregate of the cash dividend and associated tax credit. Individual shareholders resident in the UK receiving such dividends will be liable to income tax on the aggregate of the dividend and associated tax credit at the dividend ordinary rate (10 per cent.) or the dividend upper rate (32.5 per cent.).

The effect will be that taxpayers who are otherwise currently liable to pay tax at only the lower rate or basic rate of income tax will have no further liability to income tax in respect of such a dividend. Higher rate taxpayers will have an additional tax liability (after taking into account the tax credit) of 22.5 per cent. of the aggregate of the cash dividend and associated tax credit. This will be equivalent to 25 per cent. of the cash dividend received. Individual shareholders whose income tax liability is less than the tax credit will not be entitled to claim a repayment of all or part of the tax credit associated with such dividends.

A UK resident corporate shareholder will not generally be liable to corporation tax or income tax in respect of dividends received from the Company.

Trustees are liable to account for income tax at the rate applicable to trusts on the trust's income and are required to account for tax at the dividend tax rate of 32.5 per cent. against which they can get the tax credit.

Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions and on what relief or credit may be claimed for any such tax credit in the jurisdiction in which they are resident. These comments are intended only as a general guide to the current tax position in the UK as at the date of this document. The comments assume that Ordinary Shares are held as an investment and not as an asset of financial trade.

If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

11. Investments

There are no investments being made by the Company or to be made in the future in respect of which firm commitments have been made.

12. Property, plant and equipment

(a) The Company's principal establishments (all of which are leasehold and used as offices) are as follows:

Location	*Tenure*	*Rent per annum*	*Term*	*Expiry*
10 St Georges Avenue, Poole Dorset	Leasehold	£32,455	10 years	23 September 2009
Trident Works, Mulberry Way, Belvedere, Kent	Leasehold	£120,000 plus VAT	5 years	27 November 2010
Unit 8, Darby Way, Narborough	Leasehold	£85,000	5 years	5 March 2011
Land and buildings on the south side of Manse Lane, Knaresborough	Leasehold	180,000 plus VAT	15 years	13 September 2021
Land and premises on the east side of Sanders Road, Wellingborough	Leasehold	£150,000 plus VAT	15 years	30 August 2022
Yamatane Aoki Bldg, 7th Floor, 8-1 Nihonabashi Hakozakicho, Chuo-ku, Tokyo, Japan	Leasehold	JPY 5,710,680	2 years	14 March 2009

(b) Plastics Capital currently occupies premises at St Mary's House, 42 Vicarage Crescent, London, SW11 3LD. The terms of Plastics Capital's occupation of the premises are currently informal but will be formalised with effect from November 2007. The rent per annum will be £20,000.

(c) Sabreplas currently occupies premises at 43 Dockfield Road, Shipley, West Yorkshire BD17 7AD pursuant to a licence to occupy. Sabreplas plans to terminate this licence to occupy at the end of October 2007, if not before as the business run by Sabreplas is moving to Narborough.

(d) BNL (USA) Inc currently occupies premises at 56 Leonard Street, Unit 5, Foxboro, Massachusetts as tenant on a month to month basis for a rent of US$ 2,150 per month.

(e) The Knaresborough site is located within a floodplain. A flooding event occurred on 31 October 2000 which resulted in the closure of the factory for two days and an insurance claim of £85,000. BNL site management has confirmed that this is the only flood in living memory. BNL is actively lobbying the Environment Agency to install flood defences. A letter from the Environment Agency dated 18 January 2005 states that a flood alleviation scheme is being considered in the area.

(f) Save as disclosed above there are no material environmental issues which may affect the Company's utilisation of the tangible fixed assets.

13. Working capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company and the Group will be sufficient for their present requirements, that is for at least the next twelve months from the date of Fourth Admission.

14. Litigation

(a) There is a claim by Midland Wire Cordage Company Limited ("Midland") against Bell in connection with wire cable supplied by Midland that was coated with plastic by Bell. The cable was supplied to Tyco Fire & Integrated Solutions ("Tyco") for installation in new tunnels of the Channel rail link. Tyco claimed that the cable suffered from a number of coating defects, including uncoated and thinly coated sections, tears and lumps in the coating. Tyco claimed that the loss suffered by it is £37,512.87. Accordingly Midland is claiming the same amount from Bell. Bell has refuted the claim.

(b) BNL and the vendors of Cobb Slater have been unable to determine the completion accounts in accordance with the terms of the agreement for the acquisition of shares of Cobb Slater noted at paragraph 9 above. The dispute relates largely to the value of Cobb Slater's stock and is valued at approximately £230,000. BNL has withheld payment of the Cobb Slater Deferred Consideration pending determination of the completion accounts.

(c) Save as referred to in this paragraph, no member of the Company is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the 12 months immediately preceding the date of this document, which may have, or have had in the recent past, a significant effect on the Company financial position or profitability.

15. General

(a) Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 March 2007, the date to which the last audited statutory accounts of Plastics Capital were prepared.

(b) KPMG LLP has given and has not withdrawn its written consent to the inclusion in this document of its reports and references thereto and to its name in the form and context in which they appear and has authorised the contents of its accountant's reports for the purposes of Schedule 2 of the AIM Rules.

(c) Charles Stanley Securities, a trading division of Charles Stanley & Co. Limited, of 25 Luke Street, London EC2A 4AR, which is regulated by the Financial Securities Authority, has given and has not withdrawn its written consent to the inclusion in this document of its name in the form and context in which it appears.

(d) The total proceeds of the Placing are expected to be approximately £16.2 million. The estimated costs and expenses of the Placing and Admission, which are all payable by the Company, are approximately £1.5 million (including VAT). The net proceeds of the Placing will be approximately £14.7 million.

(e) Save as otherwise disclosed in Part I of this document, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are of fundamental importance to the Company's business.

(f) As at 31 March 2007, the Group had a total of 199 employees. They are based in the following locations:

UK	190
USA	6
Japan	3

and the departmental breakdown of these individuals is as follows:

Directors and management	4
Administration	21
Sales and distribution	24
Production and engineering	150

The Company also employed 11 temporary employees on average during the most recent financial year.

(g) The principal activities of the Group are described in Part I of this document. Save as disclosed in Part I of this document, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.

(h) There are no Ordinary Shares not representing share capital of the Company.

(i) There are no arrangements under which future dividends are waived or agreed to be waived.

(j) The financial information set out in this document does not constitute statutory accounts within the meaning of section 240 of the Act.

(k) The Ordinary Shares will only be traded on AIM.

(l) The Company's registrar and paying agent for the payment of dividends is Capita Registrars.

(m) Plastics Capital has paid in excess of £10,000 in fees to each of BDO Stoy Hayward in relation to financial due diligence, Hurst Morrison Thomson ("HMT") in relation to financial due diligence and CIL in relation to commercial due diligence within the past 12 months. Plastics Capital has paid BDO Stoy Hayward £56,200, HMT £27,000 and CIL £32,500 in the past 12 months. Faisal Rahmatallah received £98,000 in consultancy fees and Arun Nagwaney received £93,000 in consultancy fees in the past 12 months.

(n) Save as referred to in the paragraph above and except for fees payable to the professional advisers whose names are set out on page 3 of this document and payments to trade suppliers, no person has received any fees, securities in the Company Plastics Capital or its subsidiaries or other benefit to a value of £10,000 or more, whether directly or indirectly, from the Company Plastics Capital or its subsidiaries within the 12 months preceding the application for Admission, or has entered into any contractual arrangement to receive from the Company Plastics Capital or its subsidiaries, directly or indirectly, any such fees, securities or other benefit on or after Admission.

(o) The Subscription Shares represent 60.34 per cent. of the Enlarged Issued Share Capital and their issue will result in a corresponding level of dilution.

(p) Save as disclosed in this document, there are no provisions in the Company's Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

16. Availability of documents

Copies of this document will be available free of charge to the public at the registered office of Charles Stanley Securities, 25 Luke Street, London EC2A 4AR during normal business hours on any weekday (Saturdays and public holidays excepted) until at least one month from the date of Fourth Admission in accordance with Rule 3 of the AIM Rules.

Dated: 27 November 2007

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