

# AVON INDUSTRIAL POLYMERS LIMITED

## DIRECTORS' REPORT

**Directors.** Peter C Slabbert (Chairman)  
Andrew G Lewis  
Miles Ingreyc-Counter

**Secretary** Miles Ingreyc-Counter  
**Registered Office** Hampton Park West  
Semington Road  
Melksham  
Wiltshire  
SN12 6NB

The directors present the annual report and audited financial statements of the company for the year ended 30 September 2009

### 1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is an investment company The company has not traded during the year

No dividends were paid or proposed during the year (2008 £5,000 per ordinary share amounting to £2,500,000)

### 2. DIRECTORS

None of the directors had a beneficial interest in the shares of the company

The beneficial interests of Mr Peter Slabbert and Mr Andrew Lewis in the shares and share options of the ultimate holding company, Avon Rubber p l c , are disclosed in the financial statements of that company

None of the remaining directors had beneficial interests in the ordinary shares of the ultimate holding company, Avon Rubber p l c

Under the Performance Share Plan 2002, a description of which is given in the Reports and Accounts of the ultimate controlling party Avon Rubber p l c , the following options were granted

	Granted 2005/6 (for the qualifying period ending 30 Sep 2008)	Granted 2006/7 (for the qualifying period ending 30 Sep 2009)	Granted 2007/8 (for the qualifying period ending 30 Sep 2010)	Granted 2008/9 (for the qualifying period ending 30 Sep 2010)	Lapsed in year	Total option awards outstanding at 30 Sep 2009
M Ingreyc-Counter	-	7,792	16,939	60,000	(24,731)	60,000



By order of the board

**M Ingreyc-Counter,**  
Company Secretary  
Melksham, Wiltshire

26 February 2010



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



By order of the board

**M. Ingrey-Counter**

Company Secretary  
Melksham, Wiltshire

26 February 2010

# AVON INDUSTRIAL POLYMERS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

	2009	2008
	£	£
Income from interests in subsidiary undertakings	-	2,500,000
Write down of investment in subsidiary undertaking	-	(2,396,035)
<b>Profit on ordinary activities before taxation</b>	-	103,965
Dividend	-	(2,500,000)
<b>Loss for the year</b>	-	(2,396,035)

The company has no recognised gains or losses other than the result from ordinary activities before taxation shown above

There is no material difference in the 2008 loss as stated above and that calculated on an historical cost basis

# AVON INDUSTRIAL POLYMERS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2009



	2009 £	2008 £
<b>FIXED ASSETS</b>		
Investments (note 3)	1,334,760	1,334,760
<b>CURRENT ASSETS</b>		
Debtors (note 4)	500	500
Creditors – Amounts falling due within one year (note 5)	<u>(3,730,795)</u>	<u>(3,730,795)</u>
<b>NET CURRENT LIABILITIES</b>	<b>(3,730,295)</b>	<b>(3,730,295)</b>
<b>NET LIABILITIES</b>	<b><u>(2,395,535)</u></b>	<b><u>(2,395,535)</u></b>
<b>CAPITAL AND RESERVES</b>		
Share capital (note 6)	500	500
Profit and loss account (note 7)	(2,396,035)	(2,396,035)
<b>EQUITY SHAREHOLDERS' FUNDS (note 8)</b>	<b><u>(2,395,535)</u></b>	<b><u>(2,395,535)</u></b>

For the year ended 30 September 2009 the company was entitled to exemption under section 480(1) of the companies Act 2006

Members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for

- i ensuring the company keeps accounting records which comply with section 386, and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit or loss for the financial year in accordance with sections 394 to 396, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

} Directors

# **AVON INDUSTRIAL POLYMERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

#### **Basis of Preparation**

The financial statements have been prepared, on a going concern basis and in accordance with the Companies Act 2006, as amended, and with all applicable Accounting Standards in the United Kingdom under the historical cost convention. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The going concern basis of preparation is considered to be appropriate as Avon Rubber p l c have confirmed that it will continue to provide financial support, from it's existing banking facilities.

#### **Cash Flow Statement**

The company's cash flows are included in the consolidated financial statements of its ultimate controlling company, Avon Rubber p l c. The company has therefore taken advantage of the exemption conferred by FRS1 (revised) and has not presented a cash flow statement. Copies of the consolidated accounts of Avon Rubber p l c can be obtained from the address disclosed in note 10.

#### **Exchange Rates**

Assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange at the balance sheet date or the rate of exchange at which the transaction is contracted to be settled in the future.

#### **Fixed Asset Investments**

Fixed asset investments are stated at cost less amounts written off to reflect any permanent diminution in value.

#### **Impairment of Fixed Asset Investments**

Impairment reviews are undertaken if events or changes in circumstances indicate that the carrying amount of the fixed asset investments may not be recoverable. If the carrying amount exceeds its recoverable amount (being the higher of the value in use and the net realisable value) then the fixed asset investment is written down accordingly.

### **2 EMPLOYEES**

The company does not have any employees (2008 nil). The directors are employed by the ultimate parent company Avon Rubber p l c.

#### **Directors' Remuneration**

There were no directors' emoluments paid by the company (2008 Nil). The services of the directors to the company are of a non executive nature and their emoluments are deemed to be wholly attributable to their services to the company paying their emoluments.

### 3. INVESTMENTS

	£
At 1 October 2008 and 30 September 2009	<u>1,334,760</u>

#### Group Undertakings

Name	Percentage of Shareholding	Country of Incorporation or Registration
Nova Insurance Limited	100%	Guernsey

Nova Insurance Limited is an insurance company, which operates mainly in its country of incorporation. In the opinion of the directors, the value of the company's investment in its subsidiary is not less than that stated in the balance sheet.

### 4 DEBTORS

	2009 £	2008 £
Amounts falling due within one year		
Amount owed by parent company	<u>500</u>	<u>500</u>

### 5 CREDITORS

	2009 £	2008 £
Amounts falling due within one year		
Amount owed to fellow group undertaking	<u>3,730,795</u>	<u>3,730,795</u>

### 6 SHARE CAPITAL

	2009 £	2008 £
Authorised		
2,000 ordinary shares of £1 each (2008 2,000)	2,000	2,000
Allotted, called up and fully paid		
500 ordinary shares of £1 each (2008 500)	<u>500</u>	<u>500</u>

### 7 RESERVES

	Profit and Loss Account £
Balance at 30 September 2008 and 30 September 2009	(2,396,035)

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

	2009 £	2008 £
At the beginning of the year	(2,395,535)	500
Loss for the year	-	(2,396,035)
At the end of the year	<u>(2,395,535)</u>	<u>(2,395,535)</u>

## **9 RELATED PARTIES**

The company has taken advantage of the dispensation permitted under FRS8, Related Party Transactions, not to disclose transactions or balances with other group companies as it is a wholly owned member of the Avon Rubber p l c group of companies. Copies of the consolidated accounts of Avon Rubber p l c can be obtained from the address disclosed in note 10

## **10 ULTIMATE CONTROLLING PARTY**

The immediate and ultimate controlling party is Avon Rubber p l c , incorporated in Great Britain and registered in England and Wales, by virtue of its 100% interest in the equity share capital of the company. Copies of the consolidated financial statements may be obtained by contacting Fiona Stewart, Corporate Communications Executive, Avon Rubber p l c, Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB or by visiting <http://www.avon-rubber.com/financial-reports.htm>

The audit fees for the company are borne by the ultimate parent, Avon Rubber p l c