

ARNOLD (ENGINEERING PLASTICS) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31ST MARCH 2001



CED ACCOUNTANCY SERVICES LIMITED

Chartered Accountants & Registered Auditors

The Courtyard, Duncote,

Towcester, Northants,

NN12 8AH England

Telephone: 044 01327 358866

E mail: cliff@cedas.freemove.co.uk

ARNOLD (ENGINEERING PLASTICS) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2001

| CONTENTS | PAGES |
|---|---------------|
| Auditors' report to the company | 1 |
| Abbreviated balance sheet | 2 |
| Notes to the abbreviated financial statements | 3 to 5 |

ARNOLD (ENGINEERING PLASTICS) LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st March 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

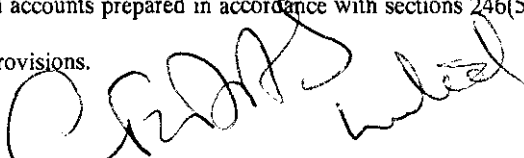
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

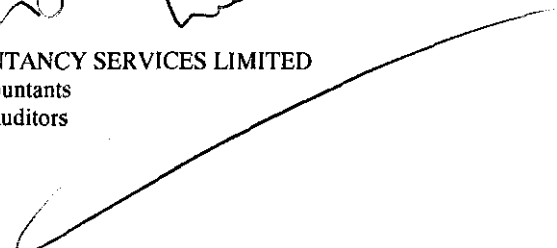
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

The Courtyard, Duncote,
Towcester, Northants,
NN12 8AH England
Telephone: 044 01327 358866
E mail: cliff@cedas.freerve.co.uk

5th July 2001



CLIFF ACCOUNTANCY SERVICES LIMITED
Chartered Accountants
& Registered Auditors



ARNOLD (ENGINEERING PLASTICS) LIMITED**ABBREVIATED BALANCE SHEET****31ST MARCH 2001**

| | Note | 2001 £ | £ | 2000 £ | £ |
|---|----------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | 2 | | | | |
| Tangible assets | | | 1,521,161 | | 1,579,115 |
| Investments | | | <u>1</u> | | <u>1</u> |
| | | | 1,521,162 | | 1,579,116 |
| CURRENT ASSETS | | | | | |
| Stocks | | 82,662 | | 60,212 | |
| Debtors | | 332,629 | | 378,622 | |
| Cash at bank and in hand | | 519 | | 627 | |
| | | 415,810 | | 439,461 | |
| CREDITORS: Amounts falling | | | | | |
| Due within one year | 3 | (669,919) | | (757,529) | |
| NET CURRENT LIABILITIES | | | (254,109) | | (318,068) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,267,053 | | 1,261,048 |
| CREDITORS: Amounts falling due | | | | | |
| After more than one year | 4 | | (466,350) | | (485,151) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | (54,530) | | (49,288) |
| | | | 746,173 | | 726,609 |
| CAPITAL AND RESERVES | | | | | |
| Called-up equity share capital | 6 | | 44,000 | | 44,000 |
| Revaluation reserve | | | 357,060 | | 357,060 |
| Profit and Loss Account | | | 345,113 | | 325,549 |
| SHAREHOLDERS' FUNDS | | | 746,173 | | 726,609 |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 5th July 2001

P J LARKINS
Director



ARNOLD (ENGINEERING PLASTICS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

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

| | | |
|-------------------|---|---------|
| Freehold Property | - | 1% |
| Plant & Machinery | - | 10% |
| Equipment | - | 20%-33% |

During the year the director reviewed the depreciation policies applied to various assets. His conclusion was that all rates are reasonable although it was felt justifiable to reduce the rate of depreciation of the building from 2% to 1%. The overall impact of this change in estimate is to reduce the current year's depreciation charge by £6,000.

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under 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 to the extent that it is considered that a net liability may arise.

ARNOLD (ENGINEERING PLASTICS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2001

1. ACCOUNTING POLICIES *(continued)*

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. FIXED ASSETS

| | Tangible Fixed Assets £ | Investments £ | Total £ |
|---------------------------|-------------------------------|------------------|------------------|
| COST OR VALUATION | | | |
| At 1st April 2000 | 2,240,551 | 1 | 2,240,552 |
| Additions | 28,613 | - | 28,613 |
| At 31st March 2001 | 2,269,164 | 1 | 2,269,165 |
| DEPRECIATION | | | |
| At 1st April 2000 | 661,436 | - | 661,436 |
| Charge for year | 86,567 | - | 86,567 |
| At 31st March 2001 | 748,003 | - | 748,003 |
| NET BOOK VALUE | | | |
| At 31st March 2001 | 1,521,161 | 1 | 1,521,162 |
| At 31st March 2000 | 1,579,115 | 1 | 1,579,116 |

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 2001 £ | 2000 £ |
|---------------------------|-----------|-----------|
| Bank loans and overdrafts | 298,690 | 78,043 |

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

| | 2001 £ | 2000 £ |
|---------------------------|-----------|-----------|
| Bank loans and overdrafts | 417,265 | 403,711 |

5. RELATED PARTY TRANSACTIONS

The company was under the control of Mr P J Larkins, the Managing Director and sole shareholder throughout the current and previous year.

Throughout the current and previous accounting period the company has borrowed £25,000 from the small self administered pension scheme of Mr P J Larkins. A commercial rate of interest is charged on this loan. No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

ARNOLD (ENGINEERING PLASTICS) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2001****6. SHARE CAPITAL****Authorised share capital:**

| | 2001 | 2000 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| 100,000 Ordinary shares of £1.00 each | <u>100,000</u> | <u>100,000</u> |

Allotted, called up and fully paid:

| | 2001 | 2000 |
|------------------------|---------------|---------------|
| | £ | £ |
| Ordinary share capital | <u>44,000</u> | <u>44,000</u> |