

# AVON RUBBER QUEST LIMITED

## DIRECTORS' REPORT

**Directors:** Andrew G Lewis (Chairman)  
Roger Karn  
Miles Ingrey-Counter

**Secretary:** Miles Ingrey-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 2008.

No dividends have been paid or proposed.

### 1. PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

During the year the company acted as a Qualifying Employee Share Ownership Trust.

### 2. DIRECTORS

Mr Stead resigned from the board and Mr Lewis was appointed to the board on 8 September 2008.

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

The beneficial interests of Mr 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 2006/7 (for the qualifying period ending 30 Sep 2009)	Granted 2007/8 (for the qualifying period ending 30 Sep 2010)	Lapsed in year	Total option awards outstanding at 30 Sep 2008
M Ingrey-Counter	7,792	16,939	-	24,731



### 3. AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

Each director confirms that on the date that this report was approved:

- As far as they are aware, there is no relevant audit information of which the auditors are unaware;
- They have taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### 4. AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.



By order of the board

**M. Ingrey-Counter,**  
Company Secretary  
Melksham, Wiltshire

9 January 2009.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 September 2008 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.



By order of the board

**M. Ingrey-Counter,**  
Company Secretary  
Melksham, Wiltshire

9 January 2009

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVON RUBBER QUEST LIMITED**

We have audited the financial statements of Avon Rubber Quest Limited for the year ended 30 September 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

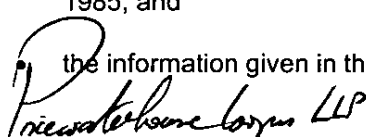
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Directors' Report is consistent with the financial statements.

  
**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
**Bristol**

9 January 2009

# **AVON RUBBER QUEST LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDING 30 SEPTEMBER 2008**

	2008	2007
	£	£
Administrative expenses	-	(5)
Retained loss for the year	-	(5)

All of the Company's activities are generated from continuing activities.

The Company has no recognised gains or losses other than the result for the period.

There is no difference between the result stated above and that calculated on an historical cost basis.

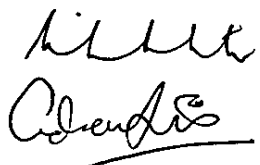
# AVON RUBBER QUEST LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2008

	2008 £	2007 £
<b>CURRENT ASSETS</b>		
Debtors (note 1)	<u>48,957</u>	<u>208,267</u>
<b>CREDITORS</b>		
Amounts falling due within one year (note 2)	<u>(50,339)</u>	<u>(209,649)</u>
<b>NET CURRENT LIABILITIES</b>	(1,382)	(1,382)
<b>NET LIABILITIES</b>	<u>(1,382)</u>	<u>(1,382)</u>
<b>CAPITAL AND RESERVES</b>		
Share capital (note 3)	1	1
Profit and loss account (note 4)	(1,381)	(1,381)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>	<u>(1,382)</u>	<u>(1,382)</u>

These financial statements were approved by the board of directors on 9 January 2009 and were signed on its behalf by:

 } Directors

# AVON RUBBER QUEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements have been prepared, on a going concern basis and in accordance with the Companies Act 1985, 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 its existing banking facilities, for the foreseeable future to ensure the ongoing viability of the company is not prejudiced.

#### 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.

#### 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.

### 1. DEBTORS

	2008	2007
	£	£
Amounts falling due within one year:		
Amount owed by parent company	48,957	208,267
	<u>48,957</u>	<u>208,267</u>

### 2. CREDITORS

	2008	2007
	£	£
Amounts falling due within one year:		
Other creditors	50,339	209,649
	<u>50,339</u>	<u>209,649</u>

### 3. SHARE CAPITAL

	2008	2007
	£	£
Authorised: 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary £1 share	<u>1</u>	<u>1</u>

#### 4. RESERVES

	2008 £	2007 £
At the beginning of the year	(1,381)	(1,376)
Loss for the year	-	(5)
At the end of the year	<u>(1,381)</u>	<u>(1,381)</u>

#### 5. EMPLOYEES

Other than the directors listed on page 1 the company has no employees.

##### Directors' remuneration

There were no directors' emoluments paid by the company. 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.

#### 6. 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.

#### 7. 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 plc, Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB or by visiting <http://avon-rubber.com/corporate/calendar.htm>

The audit fees for the company are borne by the ultimate parent, Avon Rubber plc.