

PRECISION POLYMERS AND RECLAIM (STROUD) LIMITED

(Company Number 3747491)

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR TO 30 APRIL 2003**



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COMPANIES HOUSE		12/01/04
COMPANIES HOUSE		27/12/03

DIRECTORS' REPORT

The Directors present their Report and the Financial Statements of the Company for the Year to 30 April 2003.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the Company's state of affairs and of its profit or loss for the year. When they prepare these statements the Directors are required to:

1. Select suitable accounting policies and apply them consistently.
2. Make judgements and estimates which are reasonable and prudent.
3. Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose, at any time and with reasonable accuracy, the Company's financial position and which enable them to ensure that the Financial Statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the Company's assets and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

PRINCIPAL ACTIVITY

The Company's principal activity remains the manufacture, sale, and distribution of plastics and plastic materials.

DIRECTORS

The Directors of the Company throughout the Year and their interests, all of which are beneficial, in its issued ordinary shares were:

	ORDINARY SHARES HELD	
	30.4.03	30.4.02
Michael HUGHES	95	95
Lyn BRIDGE	95	95
Meryl WILLIAMS	10	10

DIVIDENDS

Interim dividends of £75,330 have been paid which is £376.65 for each issued Ordinary Share. A final dividend is not proposed

DIRECTORS' REPORT - Continued

CLOSE COMPANY PROVISIONS

The Directors consider that the Company is a "Close Company" according to the terms of the Income and Corporation Taxes Act 1988.

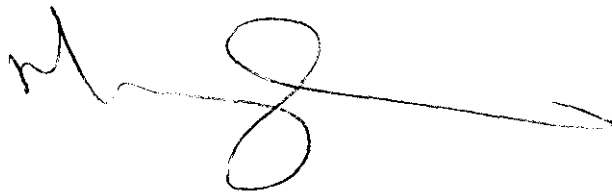
AUDITORS

The Auditors, Trenfield Williams, have expressed their willingness to continue in office and a resolution for their reappointment will be put to the forthcoming Annual General Meeting.

This report takes advantage of the special exemptions available to small companies.

On behalf of the Board

Director

A handwritten signature in black ink, consisting of a stylized 'M' followed by a large loop and a long horizontal stroke.

TO THE SHAREHOLDERS OF PRECISION POLYMERS AND RECLAIM (STROUD) LIMITED

We have audited the Accounts of Precision Polymers and Reclaim (Stroud) Limited for the Year to 30 April 2003 that are set out on pages 5 to 12. They have been prepared according to the "Financial Reporting Standard for Smaller Entities (effective June 2002)", the historical cost convention, and the accounting policies described in Note 1.

Auditors' and Directors' Responsibilities

The Directors' Report describes the Directors' responsibility for preparing the Company's Accounts according to applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the Accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards and then to report to you whether, in our opinion, they give a true and fair view and are prepared properly in accordance with the Companies Act 1985. If we are of the opinion that the Directors' Report and the Accounts are inconsistent, that the Company has not kept proper accounting records, that we have not received all the information and explanations we require for our audit, or that information specified by law about directors' remuneration and transactions with the Company is not disclosed, we report on these matters too. Our Report is made solely to the Company's members, as a body, in accordance with S235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to enable us to report to the Company's members those matters that we are required to include in an Auditors Report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this Report, or for the opinions we have formed.

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

Basis of opinion

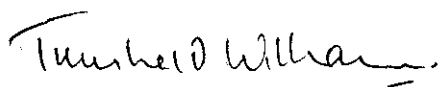
We conducted our audit according to United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors when they prepared the Accounts, and of whether the Company's Accounting Policies are appropriate, applied consistently, and adequately disclosed.

We planned and performed our audit to obtain all the information and explanations that we considered necessary to provide sufficient evidence to give us reasonable assurance that the Accounts are free from material misstatement, whether caused by fraud, other irregularity, or error. To form our opinion we also evaluated the overall adequacy of the way that information is presented in the Accounts.

TO THE SHAREHOLDERS OF PRECISION POLYMERS AND RECLAIM (STROUD) LIMITED - Continued

Opinion

Our opinion is that the Accounts give a true and fair view of the Company's state of affairs on 30 April 2003 and of its results for the Year which ended on that day and that they have been prepared properly in accordance with the provisions of the Companies Act 1985.



TRENFIELD WILLIAMS
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
13 TRIANGLE SOUTH
CLIFTON
BRISTOL BS8 1BB

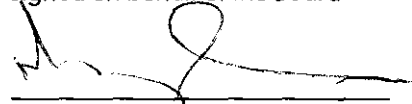
19 December 2003

BALANCE SHEET - 30 APRIL 2003

		30 April 2002
TANGIBLE FIXED ASSETS (Note 2)	170,292	172,630
CURRENT ASSETS		
Stock (Note 1)	36,555	52,618
Debtors (Note 3)	220,135	213,259
Cash at bank and in hand	279	-
	<u>256,969</u>	<u>265,877</u>
CREDITORS		
Amounts falling due within one year (Note 4)	<u>215,538</u>	<u>214,086</u>
NET CURRENT ASSETS	41,431	51,791
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>211,723</u>	<u>224,421</u>
CREDITORS		
Amounts falling due after more than one year (Note 5)	(9,350)	(25,946)
PROVISIONS FOR LIABILITIES AND CHARGES (Note 7)	(19,939)	(18,356)
	<u>£ 182,434</u>	<u>£ 180,119</u>
CAPITAL AND RESERVES		
Called up Share Capital (Note 8)	200	200
Revenue Reserves	182,234	179,919
EQUITY SHAREHOLDERS' FUNDS	<u>£ 182,434</u>	<u>£ 180,119</u>

These Accounts have been prepared according to the special provisions for small companies in Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the Board


Director

These Financial Statements were approved by the Board on 19 December 2003.

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 APRIL 2003

		<i>Year to 30.4.02</i>
TURNOVER (Note 9)	782,253	710,134
Raw Materials and Consumables	(237,062)	(181,457)
Other External Charges	(93,315)	(95,895)
GROSS PROFIT	451,876	432,782
Staff Costs (Note 10)	(168,984)	(162,437)
Depreciation Note 1)	(12,131)	(12,140)
Other Operating Charges	(168,843)	(175,459)
OPERATING PROFIT	101,918	82,746
Interest payable (Note 11)	(6,004)	(9,232)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 12)	95,914	73,514
TAXATION (Note 13)	(18,269)	(13,802)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	77,645	59,712
DIVIDENDS	(75,330)	-
RETAINED PROFIT FOR THE YEAR	2,315	59,712
REVENUE RESERVES BROUGHT FORWARD	179,919	120,207
REVENUE RESERVES CARRIED FORWARD	<u>£ 182,234</u>	<u>£ 179,919</u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2003

1. ACCOUNTING POLICIES

Basis of Accounting

The Financial Statements have been prepared according to the historical cost convention, prevailing Accounting Standards, the terms of the Companies Act 1985 and the provisions of Part VII of the Act available to small companies, and the "Financial Reporting Standard for Smaller Entities (effective June 2002)"

Depreciation

The provision for depreciation is calculated on the net cost of Tangible Fixed Assets in order to write off their cost over their estimated useful lives. Items of Plant and Machinery are written off evenly over periods of between five and twenty years depending on the characteristics of the asset in question and Motor Vehicles are written off evenly over seven years.

Stocks

Stocks are valued at the lower of cost or net realisable value.

Hire Purchase and Leases

Assets acquired under Hire Purchase, Lease Purchase, and Finance Lease agreements are included in Fixed Assets at their cash equivalent purchase price and depreciated according to the Company's usual depreciation policies. Payments under operating leases are charged against revenue as the expenditure is incurred.

Deferred Tax

The Company's policy is to provide for deferred tax in full by the liability method at rates currently in force. Tax is deferred because the tax relief obtained from capital allowances exceeds depreciation charged against the cost of relevant fixed assets.

Cash Flow Statement

The Company has not published a cash flow statement. It has chosen to take advantage of the exemption afforded by Financial Reporting Standard No. 1 on the grounds that it is a small company.

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2003 - Continued

2. TANGIBLE FIXED ASSETS

	Plant and Equipment	Motor Vehicles	Total
Cost			
1 May 2002	200,000	10,700	210,700
Additions	-	14,915	14,915
Disposals	-	(10,700)	(10,700)
30 April 2003	<u>200,000</u>	<u>14,915</u>	<u>214,915</u>
Depreciation			
1 May 2002	32,492	5,578	38,070
Eliminated on disposals	-	(5,578)	(5,578)
Charge for the Year	10,000	2,131	12,131
30 April 2003	<u>42,492</u>	<u>2,131</u>	<u>44,623</u>
Net Book Values			
30 April 2003	<u>£ 157,508</u>	<u>£ 12,784</u>	<u>£ 170,292</u>
30 April 2002	<u>£ 167,508</u>	<u>£ 5,122</u>	<u>£ 172,630</u>

On 30 April 2003 a motor vehicle with a net book value of £12,784 (2002 - £5,122) was held under a hire purchase contract. The Year's depreciation charge for this asset was £2,131 (2002 - £2,140).

3. DEBTORS

	30.4.03	30.4.02
Trade Debtors	162,487	185,538
Prepayments and Accrued Income	28,059	15,588
Other Debtors	29,589	12,133
	<u>£ 220,135</u>	<u>£ 213,259</u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2003 - Continued

4. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	30.4.03	30.4.02
Bank Overdraft	68,545	99,451
Bank Loan	23,556	23,592
Other Loans	-	3,472
Trade Creditors	71,469	42,476
Accrued Charges and Deferred Income	13,168	13,689
Taxation and Social Security	5,457	5,695
Hire Purchase and Finance Leases	4,336	562
Corporation Tax	29,007	25,146
Other Creditors	-	3
	<u>£ 215,538</u>	<u>£ 214,086</u>

The Bank Loan and Overdraft are secured by a floating charge over all the assets and undertakings of the Company. This charge incorporates a fixed charge over Fixed Assets and Book Debts.

5. CREDITORS : AMOUNTS FALLING DUE AFTER ONE YEAR	30.4.03	30.4.02
Bank Loan	4,803	25,946
Hire Purchase and Finance Leases	4,547	-
	<u>£ 9,350</u>	<u>£ 25,946</u>

All creditors are payable within five years

6. LOANS AND MATURITY OF DEBT

On 30 April 2003 the loan liability to the Company's bank was £28,359. This loan is repayable in monthly instalments of £1,967. At current interest rates this means that the loan should be repaid by June 2004.

7. PROVISIONS FOR LIABILITIES AND CHARGES	30.4.03	30.4.02
The provision is solely for deferred taxation :		
Provision at the beginning of the Year	18,356	16,683
Transfer from Profit and Loss account	1,583	1,673
Provision at the end of the Year	<u>£ 19,939</u>	<u>£ 18,356</u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2003 - Continued

8. CALLED UP SHARE CAPITAL 30.4.03 30.4.02

Authorised:

1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u> </u>	<u> </u>

Allotted, issued and fully paid:

200 Ordinary shares of £1 each	£ 200	£ 200
	<u> </u>	<u> </u>

9. TURNOVER

Turnover is the amount receivable for goods and services provided during the Year. It excludes Value Added Tax and trade discounts. All turnover was within the United Kingdom.

10. STAFF COSTS

During the Year the average weekly number of employees (including directors) was 11 (2002 - 11). Payroll costs were:

	2003	2002
Wages, Salaries, and Expenses	153,932	147,817
Social security costs	15,052	14,620
	<u> </u>	<u> </u>
	£ 168,984	£ 162,437
	<u> </u>	<u> </u>

11. INTEREST PAYABLE AND SIMILAR CHARGES 2003 2002

On Bank overdrafts and loans repayable within five years	5,196	8,977
Hire Purchase and Finance Leases	808	255
	<u> </u>	<u> </u>
	£ 6,004	£ 9,232
	<u> </u>	<u> </u>

12. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION 2003 2002

The Profit on ordinary activities before
taxation is stated after charging:

Directors' Emoluments		
- remuneration and benefits as executives	£ -	£ -
Auditors' remuneration	£ 1,500	£ 1,250

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2003 - Continued

13. TAX ON PROFIT ON ORDINARY ACTIVITIES	2003	2002
The provision is wholly for UK Corporation Tax:		
On the results of the Year	16,686	12,129
Deferred taxation	1,583	1,673
	<u>£ 18,269</u>	<u>£ 13,802</u>
 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	 2003	 2002
Profit for the Financial Year	77,645	59,712
Dividends	(75,330)	-
	<u>2,315</u>	<u>59,712</u>
 Opening shareholders' funds	 180,119	 120,407
 Closing shareholders' funds	 <u>£ 182,434</u>	 <u>£ 180,119</u>

All shareholders' funds are attributable to equity interests.

15. LEASE COMMITMENTS

On 30 April 2003 the Company's minimum annual commitment to payments due under non - cancellable operating leases was:

	30.4.03	30.4.02
For Leasehold Premises		
Leases expiring within one year	-	-
Leases expiring within two to five year	-	-
Leases expiring after more than five years	62,044	62,044
	<u>£ 62,044</u>	<u>£ 62,044</u>