

PRECISION POLYMERS AND RECLAIM (STROUD) LIMITED

(Company Number 3747491)

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR TO 30 APRIL 2006**

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DIRECTORS' REPORT

The Directors present their Report and the Financial Statements of the Company for the Year to 30 April 2006.

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	
	30.4.06	30.4.05
Michael HUGHES	95	95
Lyn BRIDGE	95	95
Meryl WILLIAMS	10	10

DIVIDENDS

Interim dividends of £24,000 have been paid which is £120.00 for each issued Ordinary Share. A final dividend is not proposed

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

On behalf of the Board



Director

BALANCE SHEET - 30 APRIL 2006

		30 April 2005
TANGIBLE FIXED ASSETS (Note 2)	129,946	153,268
CURRENT ASSETS		
Stock (Note 1)	43,919	25,750
Debtors (Note 3)	185,121	118,076
Cash at bank and in hand	-	-
	<u>229,040</u>	<u>143,826</u>
CREDITORS		
Amounts falling due within one year (Note 4)	<u>(283,277)</u>	<u>(195,685)</u>
NET CURRENT LIABILITIES	(54,237)	(51,859)
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>75,709</u>	<u>101,409</u>
CREDITORS		
Amounts falling due after more than one year	-	-
PROVISIONS FOR LIABILITIES AND CHARGES (Note 5)	(20,011)	(21,751)
	<u>£ 55,698</u>	<u>£ 79,658</u>
CAPITAL AND RESERVES		
Called up Share Capital (Note 6)	200	200
Revenue Reserves	55,498	79,458
EQUITY SHAREHOLDERS' FUNDS	<u>£ 55,698</u>	<u>£ 79,658</u>

BALANCE SHEET - 30 APRIL 2006 - Continued

For the year to 30 April 2006 this Company is entitled to take advantage of the audit exemption conferred by subsection 1 of S249A of the Companies Act 1985. No notice about the Accounts for the year has been deposited under subsection 2 of S249B of this Act.

The Directors acknowledge their responsibility to ensure that the Company keeps accounting records which comply with S221 of the Act and for preparing Accounts which give a true and fair view of the Company's state of affairs at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of S226 of the Act and which otherwise comply with the requirements of the Companies Act 1985 relating to Accounts so far as they apply to the Company.

These Financial Statements take advantage of the special provisions for small companies in Part VII of the Companies Act 1985 and are in accordance with the "Financial Reporting Standard for Smaller Entities (effective January 2005)"

Signed on behalf of the Board


A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, is written over a solid horizontal line.

DIRECTOR

These Financial Statements were approved by the Board on 21 December 2006.

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 APRIL 2006

		<i>Year to 30.4.05</i>
TURNOVER (Note 7)	531,404	<i>654,929</i>
Other Operating Income	19,408	<i>12,000</i>
Raw Materials and Consumables	(58,003)	<i>(118,925)</i>
Other External Charges	(111,804)	<i>(103,344)</i>
GROSS PROFIT	381,005	<i>444,660</i>
Staff Costs (Note 8)	(172,689)	<i>(176,628)</i>
Depreciation (Note 1)	(13,357)	<i>(13,056)</i>
Other Operating Charges	(191,811)	<i>(198,793)</i>
OPERATING PROFIT	3,148	<i>56,183</i>
Interest payable (Note 9)	(3,044)	<i>(5,882)</i>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 10)	104	<i>50,301</i>
TAXATION (Note 11)	(64)	<i>(12,778)</i>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	40	<i>37,523</i>
DIVIDENDS	(24,000)	<i>(24,164)</i>
RETAINED PROFIT FOR THE YEAR	(23,960)	<i>13,359</i>
REVENUE RESERVES BROUGHT FORWARD	79,458	<i>66,099</i>
REVENUE RESERVES CARRIED FORWARD	<u>£ 55,498</u>	<u><i>£ 79,458</i></u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2006

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 January 2005)"

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 2006 - Continued

2. TANGIBLE FIXED ASSETS

	Plant and Equipment	Motor Vehicles	Total
Cost			
1 May 2005	202,612	20,465	223,077
Additions	-	-	-
Disposals	-	(20,465)	(20,465)
30 April 2006	202,612	-	202,612
Depreciation			
1 May 2005	62,550	7,259	69,809
Eliminated on disposals	-	(10,500)	(10,500)
Charge for the Year	10,116	3,241	13,357
30 April 2006	72,666	-	72,666
Net Book Values			
30 April 2006	£ 129,946	£ -	£ 129,946
30 April 2005	£ 140,062	£ 13,206	£ 153,268

3. DEBTORS

	30.4.06	30.4.05
Trade Debtors	133,226	70,541
Prepayments and Accrued Income	17,201	16,692
Other Debtors	34,694	30,843
	£ 185,121	£ 118,076

4. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.06	30.4.05
Bank Overdraft	80,355	57,495
Trade Creditors	170,750	91,744
Accrued Charges and Deferred Income	13,914	27,938
Taxation and Social Security	4,567	5,602
Hire Purchase and Finance Leases	-	1,069
Corporation Tax	13,569	11,765
Other Creditors	122	72
	£ 283,277	£ 195,685

The Bank Loan and Overdraft are secured.

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2006 - Continued

5. PROVISIONS FOR LIABILITIES AND CHARGES	30.4.06	30.4.05
The provision is solely for deferred taxation:		
Provision at the beginning of the Year	21,751	20,738
Transfer (to)/from Profit and Loss account	(1,740)	1,013
Provision at the end of the Year	<u>£ 20,011</u>	<u>£ 21,751</u>
6. CALLED UP SHARE CAPITAL	30.4.06	30.4.05
Authorised:		
1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, issued and fully paid:		
200 Ordinary shares of £1 each	<u>£ 200</u>	<u>£ 200</u>
7. TURNOVER		
8. STAFF COSTS		
During the Year the average weekly number of employees (including directors) was 9 (2005 - 11). Payroll costs were:		
	2006	2005
Wages, Salaries, and Expenses	152,724	159,468
Social security costs	14,965	17,160
Other pension costs	-	-
Compensation for Loss of Office	5,000	-
	<u>£ 172,689</u>	<u>£ 176,628</u>
9. INTEREST PAYABLE AND SIMILAR CHARGES	2006	2005
On Bank overdrafts and loans repayable within five years	3,018	5,612
Hire Purchase and Finance Leases	26	270
	<u>£ 3,044</u>	<u>£ 5,882</u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2006 - Continued

10. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2006	2005
The Profit on ordinary activities before taxation is stated after charging:		
Directors' Emoluments		
- remuneration and benefits as officers	£ -	£ -
Hire of Equipment	£ -	£ 2,335
11. TAX ON PROFIT ON ORDINARY ACTIVITIES	2006	2005
The provision is wholly for UK Corporation Tax:		
On the results of the Year	1,804	11,765
Deferred taxation	(1,740)	1,013
	<u>£ 64</u>	<u>£ 12,778</u>
12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2006	2005
Profit for the Financial Year	40	37,523
Dividends	(24,000)	(24,164)
	<u>(23,960)</u>	<u>13,359</u>
Opening shareholders' funds	79,658	66,299
Closing shareholders' funds	<u>£ 55,698</u>	<u>£ 79,658</u>

All shareholders' funds are attributable to equity interests.

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2006 - Continued

13. LEASE COMMITMENTS

On 30 April 2006 the Company's minimum annual commitment to payments due under non - cancellable operating leases was:

	30.4.06	30.4.05
For Leasehold Premises		
Leases expiring within one year	-	-
Leases expiring within two to five year	74,915	-
Leases expiring after more than five years	-	74,915
	<u>£ 74,915</u>	<u>£ 74,915</u>

14. GUARANTEES

The Company has given an unlimited guarantee to secure the bank facilities granted to Extrusion and Moulding Compounds Ltd (EMC) and Capital Valley Plastics Ltd (CVP) which are Companies under common control. The guarantee is secured in the same way as this Company's own bank facilities. On 30 April 2006, EMC had relevant bank facilities totalling £128,597 and CVP had relevant facilities of £212,883. However the directors believe that these liabilities are covered sufficiently by the other companies' own assets and so no provision is either made or called for in these financial statements.

15. TRANSACTIONS WITH DIRECTORS AND RELATED COMPANIES

The Company trades goods and services with Extrusion and Moulding Compounds Limited (EMC) and Capital Valley Plastics Limited (CVP) - Companies in which the directors of this Company have a controlling interest. The following transactions have taken place during the Year:

	Sales to EMC	Purchases from EMC	Sales to CVP	Purchases from CVP
Raw Materials	26,135	4,295	167,065	-
Management and Administration	-	-	-	48,000
	<u>£ 26,135</u>	<u>£ 4,295</u>	<u>£ 167,065</u>	<u>£ 48,000</u>

On 30 April 2006, £44,560 was owed by EMC and £136,614 was owed to CVP.

16. CAPITAL COMMITMENTS

There were no Capital Commitments on 30 April 2006.