

PRECISION POLYMERS AND RECLAIM (STROUD) LIMITED

(Company Number 3747491)

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR TO 30 APRIL 2007**

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DIRECTORS' REPORT

The Directors present their Report and the Financial Statements of the Company for the Year to 30 April 2007

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

Michael HUGHES
Lyn BRIDGE
Meryl WILLIAMS

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 2007

		30 April 2006
TANGIBLE FIXED ASSETS (Note 2)	119,831	129,946
CURRENT ASSETS		
Stock (Note 1)	41,325	43,919
Debtors (Note 3)	298,127	185,121
Cash at bank and in hand	-	-
	339,452	229,040
CREDITORS		
Amounts falling due within one year (Note 4)	(414,753)	(283,277)
NET CURRENT LIABILITIES	(75,301)	(54,237)
TOTAL ASSETS LESS CURRENT LIABILITIES	44,530	75,709
CREDITORS		
Amounts falling due after more than one year	-	-
PROVISIONS FOR LIABILITIES AND CHARGES (Note 5)	(20,272)	(20,011)
	£ 24,258	£ 55,698
CAPITAL AND RESERVES		
Called up Share Capital (Note 6)	200	200
Revenue Reserves	24,058	55,498
EQUITY SHAREHOLDERS' FUNDS	£ 24,258	£ 55,698

BALANCE SHEET - 30 APRIL 2007 - Continued

For the year to 30 April 2007 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 horizontal line.

DIRECTOR

These Financial Statements were approved by the Board on 19 December 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 APRIL 2007

		<i>Year to 30 4 06</i>
TURNOVER (Note 7)	592,166	531,404
Other Operating Income	-	19,408
Raw Materials and Consumables	(133,361)	(58,003)
Other External Charges	(121,067)	(111,804)
GROSS PROFIT	337,738	381,005
Staff Costs (Note 8)	(148,067)	(172,689)
Depreciation (Note 1)	(10,115)	(13,357)
Other Operating Charges	(181,236)	(191,811)
OPERATING (LOSS)/PROFIT	(1,680)	3,148
Interest payable (Note 9)	(6,251)	(3,044)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 10)	(7,931)	104
TAXATION (Note 11)	491	(64)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	(7,440)	40
DIVIDENDS	(24,000)	(24,000)
RETAINED PROFIT FOR THE YEAR	(31,440)	(23,960)
REVENUE RESERVES BROUGHT FORWARD	55,498	79,458
REVENUE RESERVES CARRIED FORWARD	<u>£ 24,058</u>	<u>£ 55,498</u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2007

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.

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 2007 - Continued

2 TANGIBLE FIXED ASSETS

	Plant and Equipment
Cost	
1 May 2006	202,612
Additions	-
Disposals	-
30 April 2007	<u>202,612</u>
Depreciation	
1 May 2006	72,666
Eliminated on disposals	-
Charge for the Year	<u>10,115</u>
30 April 2007	<u>82,781</u>
Net Book Values	
30 April 2007	<u>£ 119,831</u>
30 April 2006	<u>£ 129,946</u>

3 DEBTORS	30 4 07	30 4 06
Trade Debtors	196,403	133,226
Prepayments and Accrued Income	14,839	17,201
Corporation Tax Repayable	752	-
Other Debtors	86,133	34,694
	<u>£ 298,127</u>	<u>£ 185,121</u>
4 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	30 4 07	30 4 06
Bank Overdraft	120,261	80,355
Trade Creditors	265,711	170,750
Accrued Charges and Deferred Income	24,657	13,914
Taxation and Social Security	3,930	4,567
Corporation Tax	-	13,569
Other Creditors	194	122
	<u>£ 414,753</u>	<u>£ 283,277</u>

The Bank Loan and Overdraft are secured

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2007 - Continued

5	PROVISIONS FOR LIABILITIES AND CHARGES	30 4 07	30 4 06
	The provision is solely for deferred taxation		
	Provision at the beginning of the Year	20,011	21,751
	Transfer from/(to) Profit and Loss account	261	(1,740)
	Provision at the end of the Year	<u>£ 20,272</u>	<u>£ 20,011</u>
6	CALLED UP SHARE CAPITAL	30 4 07	30 4 06
	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		
	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.		
8	STAFF COSTS		
	During the Year the average weekly number of employees (including directors) was 9 (2006 - 11). Payroll costs were		
		2007	2006
	Wages, Salaries, and Expenses	134,897	152,724
	Social security costs	13,170	14,965
	Other pension costs	-	-
	Compensation for Loss of Office	-	5,000
		<u>£ 148,067</u>	<u>£ 172,689</u>

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2007 - Continued

9	INTEREST PAYABLE AND SIMILAR CHARGES	2007	2006
	On Bank overdrafts and loans repayable within five years	6,251	3,018
	Hire Purchase and Finance Leases	-	26
		<u>£ 6,251</u>	<u>£ 3,044</u>
10	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2007	2006
	The Profit on ordinary activities before taxation is stated after charging		
	Directors' Emoluments		
	- remuneration and benefits as officers	£ -	£ -
11	TAX ON LOSS ON ORDINARY ACTIVITIES	2007	2006
	The provision is wholly for UK Corporation Tax		
	On the results of the Year	-	1,804
	Deferred taxation	261	(1,740)
	Previous years	(752)	-
		<u>£ (491)</u>	<u>£ 64</u>
12	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2007	2006
	(Loss)/Profit for the Financial Year	(7,440)	40
	Dividends	(24,000)	(24,000)
		<u>(31,440)</u>	<u>(23,960)</u>
	Opening shareholders' funds	55,698	79,658
	Closing shareholders' funds	<u>£ 24,258</u>	<u>£ 55,698</u>
	All shareholders' funds are attributable to equity interests		

NOTES TO THE ACCOUNTS FOR THE YEAR TO 30 APRIL 2007 - Continued

13 LEASE COMMITMENTS

On 30 April 2007 the Company's minimum annual commitment to payments due under non - cancellable operating leases was

	30 4 07	30 4 06
For Leasehold Premises		
Leases expiring within one year	-	-
Leases expiring within two to five year	74,915	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 2007, EMC had relevant bank facilities totalling £236,797 and CVP had relevant facilities of £236,686. 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	86,306	-	98,899	-
Management and Administration	-	-	-	48,000
	<u>£ 86,306</u>	<u>£ -</u>	<u>£ 98,899</u>	<u>£ 48,000</u>

On 30 April 2007, £106,200 was owed by EMC and £248,579 was owed to CVP

16 CAPITAL COMMITMENTS

There were no Capital Commitments on 30 April 2007