

Company Number
4100497

POSITIVE ASSOCIATES LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2005



James Harman & Co
The Atrium
Curtis Road
Dorking
Surrey RH4 1XA

POSITIVE ASSOCIATES LIMITED

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POSITIVE ASSOCIATES LIMITED

Director	A L Watson
Secretary	V J Watson
Registered office	James Harman & Co The Atrium Curtis Road Dorking Surrey RH4 1XA
Accountants	James Harman & Co The Atrium Curtis Road Dorking Surrey RH4 1XA
Company number	4100497

POSITIVE ASSOCIATES LIMITED

DIRECTOR'S REPORT

The director submits his report and financial statements for the year ended 31st December 2005.

PRINCIPAL ACTIVITY

The company's principal activity was that of supply of raw materials and consultants to manufacturing companies.

DIRECTOR AND HIS INTERESTS

The director who served during the year and his interests in the share capital of the company were as follows:

	<u>£1 Ordinary shares</u>	
	<u>31st December 2005</u>	<u>1st January 2005</u>
A L Watson	1,000	1,000

GENERAL MEETING

The company has elected in pursuance of S252 Companies Act 1985, not to lay accounts before the members in general meeting. Members, however, may by notice in writing to the company at its Registered Office require that the Accounts are laid before the Company in general meeting.

In preparing the above report, the directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on *July 11th* 2006

and signed on its behalf by:


A L Watson **DIRECTOR**

**CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR OF
POSITIVE ASSOCIATES LIMITED
ON THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2005**

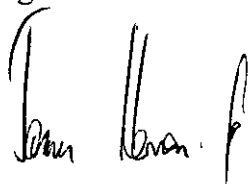
In accordance with the engagement letter dated 20th March 2006, and in order to assist you to fulfill your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters which we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31st December 2005 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



James Harman & Co
Chartered Accountants

Date: July 14th 2006

POSITIVE ASSOCIATES LIMITED

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDING 31ST DECEMBER 2005**

	<u>Notes</u>	<u>2005</u> £	<u>2004</u> £
TURNOVER	1	183,231	154,459
Cost of sales		(154,415)	(119,158)
GROSS PROFIT		28,816	35,301
Administrative expenses		(28,281)	(28,860)
OPERATING PROFIT	2	535	6,441
Bank interest received		56	77
Bank interest paid		(262)	(88)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		329	6,430
Taxation on profit on ordinary activities	4	(97)	(91)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		232	6,339
Dividends		-	(3,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		232	3,339
RETAINED PROFIT BROUGHT FORWARD		4,039	700
RETAINED PROFIT CARRIED FORWARD		4,271	4,039

The notes on pages 6-9 form part of these accounts

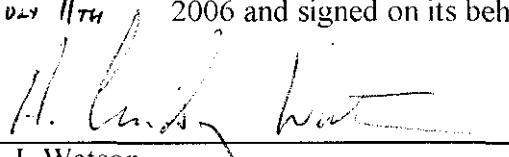
POSITIVE ASSOCIATES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		£	£
Tangible assets	5	367	667
		<u>367</u>	<u>667</u>
CURRENT ASSETS			
Stocks		4,401	2,818
Debtors	6	36,423	28,739
Cash at bank & in hand		10,319	8,956
		<u>51,143</u>	<u>40,513</u>
CREDITORS: Amounts falling due within one year	7	(46,239)	(36,141)
NET CURRENT ASSETS		<u>4,904</u>	<u>4,372</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,271</u>	<u>5,039</u>
CAPITAL & RESERVES			
Called up share capital	9	1,000	1,000
Profit & loss account		4,271	4,039
SHAREHOLDERS' FUNDS		<u>5,271</u>	<u>5,039</u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of S.249A(1) of the **Companies Act 1985**. Members have not required the company, under S.249B(2) of the **Companies Act 1985**, to obtain an audit for the year ended 31st December 2005. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with S.221 of the **Companies Act 1985**, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December 2005 and of its profit for the year then ended in accordance with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements which have been prepared in accordance with the special provisions of Part VII of the **Companies Act 1985** applicable to small companies were approved by the board on July 11th 2006 and signed on its behalf.


A L Watson
Director

The notes on pages 6-9 form part of these accounts

POSITIVE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2005

1 ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax.

Stocks

Stock and work in progress is valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:-

Office equipment	- 50% and 33 1/3% on cost
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Deferred Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on the tax rates and laws that have been enacted by the balance sheet date.

Foreign Currency Transactions

Foreign currency transactions during the financial period have been converted at the rate ruling on the date of the transaction.

Exchange differences are taken into account in arriving at the operating profit.

Pensions

The company operates a money purchase scheme, and the pension charge represents the amounts payable by the company to the fund in respect of the year. No amounts are unpaid at the balance sheet date. The scheme accrues retirement benefits to the director.

POSITIVE ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2005**

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
2 OPERATING PROFIT		
is stated after charging:-		
Director's remuneration	13,500	13,850
Depreciation	300	300
Director's money purchase pension	2,750	1,000

During the period retirement benefits were accruing to the director in respect of money purchase pension schemes. (2004: 1)

3 STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Wages and salaries	13,500	13,850
Social security costs	913	1,322
	<u>14,413</u>	<u>15,172</u>

The average monthly number of employees, including directors, during the year was as follows:

	<u>2006</u>	<u>2005</u>
Sales and consultancy	1	1

4 TAXATION

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
UK Corporation tax @ 0%	-	111
Adjustment to previous year	97	(20)
	<u>97</u>	<u>91</u>

POSITIVE ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST DECEMBER 2005**

5 TANGIBLE FIXED ASSETS

	Office Equipment
	£
Cost	
At 1 January 2005	1,966
Additions	
At 31 December 2005	<u>1,966</u>
Depreciation	
At 1 January 2005	1,299
Charge for the year	300
At 31 December 2005	<u>1,599</u>
Net Book Value	
At 31 December 2005	<u>367</u>
At 31 December 2004	<u>667</u>

6 DEBTORS

	2005	2004
	£	£
Trade debtors	35,738	28,054
Amounts due from related companies	500	500
Corporation tax recoverable	185	185
	<u>36,423</u>	<u>28,739</u>

**7 CREDITORS: Amounts falling due
within one year**

	2005	2004
	£	£
Bank loans and overdraft	8,141	642
Trade creditors	30,143	24,130
Other taxes & social security	3,955	6,358
Directors loan (see note 10)	4,000	3,000
Corporation tax	-	111
Other creditors and accruals	-	1,900
	<u>46,239</u>	<u>36,141</u>

The company's overdraft is secured by the personal guarantee of the director.

8 DEFERRED TAXATION

No provision is made for deferred taxation as the amount would be immaterial.

POSITIVE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST DECEMBER 2005

9 CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	=====	=====	=====	=====

10 RELATED PARTY DISCLOSURE

The company is under the control of the director by virtue of his holding of 100% of the company's issued share capital. At 31 December 2005, the director was owed £4,000 (2004: £3,000) by the company.

The outstanding amount was unsecured, interest free and with no set terms for repayment.

The company's overdraft is secured by the personal guarantee of the director (see note 7).

P A L Chemicals Limited is a connected company by virtue of common ownership. At 31 December 2005, the company was owed £500 (£1,500) in respect of a loan to PAL Chemicals Limited. The outstanding amount was unsecured, interest free and with no set terms for repayment. During the year, the company made sales for materials to PAL Chemicals Limited, of £794 and charged £1,000 for management services. These transactions were on normal commercial terms.

11 POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date which require adjustment to or additional disclosure in these financial statements.