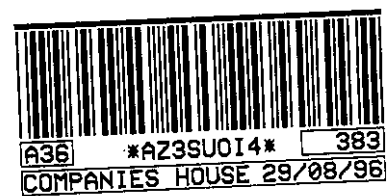


Begg & Co Thermoplastics Limited

Financial statements

for the year ended 31 October 1995

Registered no: 574711



Begg & Co Thermoplastics Limited

Financial statements for the year ended 31 October 1995

	Page
Directors and advisers	1
Directors' report	2
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Principal accounting policies	9
Notes to the financial statements	10

Begg & Co Thermoplastics Limited

Directors and advisers

Directors

Mrs J L Begg (Chairman)
M W C Begg
Mrs M Begg
Mrs J C W Brown
Mrs M Gouldson

Secretary

Mrs M Gouldson

Registered auditors

Reeves & Neylan
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Midland Bank Plc
184 High Street
Bromley
Kent
BR1 1HL

Registered office

37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Begg & Co Thermoplastics Limited

Directors' report for the year ended 31 October 1995

The directors submit their annual report and the audited financial statements for the year ended 31 October 1995.

Results and dividends

The company made a trading profit for the year after taxation of £38,595 [1994 £33,231] which has been transferred to reserves.

Owing to the continuing working capital requirements of the company the directors do not recommend the payment of a final ordinary dividend.

Principal activities and review of the business

The company's principal activities continued to be supplying and compounding plastic moulding powders and other ancillary activities.

During the year, the company has maintained its position in this market sector. It is the intention of the directors to continue to seek opportunities to expand and consolidate the business.

Fixed assets

The changes in fixed assets during the year are summarised in note 8 to the accounts.

Directors and their interests

The directors who have held office during the year and their shareholdings at 31 October 1995 and 1 November 1994 were as follows:-

	31 October 1995	1 November 1994
	Ordinary £1 shares	Ordinary £1 shares
Mrs J L Begg	668	668
M W C Begg	665	665
Mrs M Begg	-	-
Mrs J C W Brown	665	665
Mrs M Gouldson	-	-

Begg & Co Thermoplastics Limited

Directors' report for the year ended 31 October 1995

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 W C Begg
Director
26 August 1996

Begg & Co Thermoplastics Limited

Report of the auditors to the shareholders of Begg & Co Thermoplastics Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

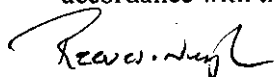
Basis of opinion

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements 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 of the state of the company's affairs as at 31 October 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Reeves & Neylan

Chartered Accountants and Registered Auditors

Canterbury

27 August 1996

Begg & Co Thermoplastics Limited

Profit and loss account for the year ended 31 October 1995

	Note	1995 £	1994 £
Turnover	1	6,022,891	3,601,131
Cost of sales		<u>5,051,571</u>	<u>2,811,635</u>
Gross profit		971,320	789,496
Operating expenses	2	<u>898,450</u>	<u>727,879</u>
Operating profit	3	72,870	61,617
Interest payable and similar charges	6	<u>34,275</u>	<u>28,386</u>
Profit on ordinary activities before taxation		38,595	33,231
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
Retained profit for the year	15	<u><u>38,595</u></u>	<u><u>33,231</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 9 to 16 form part of the financial statements.

Begg & Co Thermoplastics Limited

Balance sheet at 31 October 1995

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	8	327,253	348,587
Current assets			
Stocks	9	337,043	538,671
Debtors	10	1,060,812	884,592
		<u>1,397,855</u>	<u>1,423,263</u>
Creditors: amounts falling due within one year	11	<u>1,143,329</u>	<u>1,183,912</u>
Net current assets		<u>254,526</u>	<u>239,351</u>
Total assets less current liabilities		<u>581,779</u>	<u>587,938</u>
Creditors: amounts falling due after more than one year	12	<u>68,357</u>	<u>113,111</u>
Net assets		<u><u>513,422</u></u>	<u><u>474,827</u></u>
Capital and reserves			
Called up share capital	14	1,998	1,998
Other reserve	15	185,000	185,000
Profit and loss account	15	326,424	287,829
Equity shareholders' funds	16	<u><u>513,422</u></u>	<u><u>474,827</u></u>

The financial statements were approved by the board of directors on 26 August 1996 and signed on their behalf by:-



M W C Begg
Director

Begg & Co Thermoplastics Limited**Cash flow statement
for the year ended 31 October 1995**

	1995 £	1994 £
Net cash inflow from continuing operating activities (a)	180,646	116,143
Return on investments and servicing of finance		
Interest paid	(33,518)	(29,773)
Interest element of finance lease rentals paid	-	(320)
Net cash outflow from returns on investments and servicing of finance	(33,518)	(30,093)
Taxation		
UK corporation tax paid/refunded	-	-
Investment activities		
Purchase of tangible fixed assets	(36,648)	(13,171)
Sales of tangible fixed assets	9,000	-
Net cash outflow from investing activities	(27,648)	(13,171)
Net cash inflow before financing	119,480	72,879
Financing		
Net cash (outflow) from loan capital (b)	(42,019)	(39,210)
Capital element of finance lease rental payments (b)	-	(4,042)
Net cash (outflow) from financing	(42,019)	(43,252)
Increase in cash and cash equivalents (c)	77,461	29,627

The notes on page 8 form part of the cash flow statement.

Begg & Co Thermoplastics Limited

Notes to the cash flow statement
for the year ended 31 October 1995

(a) Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	1994 £
Operating profit	72,870	67,946
Depreciation on tangible fixed assets	53,482	57,528
Profit on sale of tangible fixed assets	(4,500)	-
Decrease/(increase) in stocks	201,628	(213,102)
(Increase) in debtors	(176,220)	(64,771)
(Decrease)/increase in creditors	(43,714)	268,542
Net cash inflow from operating activities	<u>180,646</u>	<u>116,143</u>

(b) Analysis of changes in financing during the year

	1995 Bank loans £	1995 Finance lease obligations £	1994 Bank loans £	1994 Finance lease obligations £
At 1 November 1994	152,060	-	191,270	4,402
Repayment of loan capital	(42,019)	-	(39,210)	-
Capital element of finance lease rental payments	-	-	-	(4,042)
At 31 October 1995	<u>110,041</u>	<u>-</u>	<u>152,060</u>	<u>-</u>

(c) Cash and cash equivalents

	1995 £	1994 £
Changes during the year		
At 1 November 1994	(275,297)	(304,924)
Net cash inflow/(outflow)	<u>77,461</u>	<u>29,627</u>
At 31 October 1995	<u>(197,836)</u>	<u>(275,297)</u>

	1995 £	1994 £	1995 Change in year £	1994 £	1993 £	1994 Change in year £
Analysis of balances						
Bank overdrafts	<u>(197,836)</u>	<u>(275,297)</u>	<u>77,461</u>	<u>(275,297)</u>	<u>(304,924)</u>	<u>29,627</u>

Begg & Co Thermoplastics Limited

Principal accounting policies

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

These financial statements are prepared in accordance with the historical cost convention.

Turnover

Turnover represents the value of invoiced goods and services provided during the year and is stated net of Value Added Tax.

Fixed assets

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

	%
	over the remaining life of the lease
Long leasehold premises	10
Plant and machinery	25
Office equipment	20
Motor vehicles	20

Stocks

Stocks are stated at the lower of cost and net realisable value. Manufactured compounds are valued at the lower of direct material cost and net realisable value.

Deferred taxation

Deferred taxation is provided under the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Pension costs

Pensions relating to current service are funded by annual contributions to pension plans. Annual contributions in respect of current service are charged against trading profits in the year in which they arise.

Operating leases

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Foreign currencies

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction.

Begg & Co Thermoplastics Limited

Notes to the financial statements for the year ended 31 October 1995

1 Turnover

Turnover arises from the principal activities of the company and is wholly attributable to markets within the EEC.

2 Operating expenses

	1995 £	1994 £
Distribution costs	202,054	176,401
Administrative expenses	696,396	551,478
	<u>898,450</u>	<u>727,879</u>

3 Operating profit

Operating profit is stated after charging:

	1995 £	1994 £
Profit on disposal of fixed assets	4,500	-
Depreciation	55,562	57,528
Auditors' remuneration	4,000	4,000
Operating lease rentals	<u>3,750</u>	<u>3,750</u>

4 Directors' emoluments

	1995 £	1994 £
Fees	194,647	120,892
Pension costs	<u>5,301</u>	<u>5,178</u>
	<u>199,948</u>	<u>126,070</u>

For the year under review, fees and other emoluments (excluding pension contributions) include amounts paid to:

	1995	1994
Chairman	<u>£23,418</u>	<u>£22,732</u>
Highest paid director	<u>£74,337</u>	<u>£42,540</u>

Begg & Co Thermoplastics Limited

Notes to the financial statements for the year ended 31 October 1995

4 Directors' emoluments (cont'd)

Emoluments of other directors who served during the year (excluding pension contributions) fell within the following ranges:

	1995 Number	1994 Number
£ 5,001 - £10,000	1	1
£10,001 - £15,000	-	1
£20,001 - £25,000	1	1
£25,001 - £30,000	1	-
£35,001 - £40,000	-	1
£40,001 - £45,000	-	1
£55,001 - £60,000	1	-
£70,001 - £75,000	1	-

5 Employee information

Staff costs for all employees including executive directors consist of:-

	1995 £	1994 £
Wages and salaries	461,378	341,013
Social security costs	45,200	33,315
Other pension costs	6,601	5,178
	<u>513,179</u>	<u>379,506</u>

The average weekly number of persons (including directors) employed during the year was:

	1995 Number	1994 Number
By activity		
Office and management	11	10
Compounding and supply	13	12
	<u>24</u>	<u>22</u>

The company operates four defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £6,601 (1994 £5,178).

The company also operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with an insurance company. Contributions are charged to the profit and loss account as they fall due.

Begg & Co Thermoplastics Limited

Notes to the financial statements for the year ended 31 October 1995

5 Staff costs (cont'd)

Since the scheme is operated for the benefit of only one employee the company is exempt from obtaining triennial valuations by a qualified actuary. The directors have departed from the requirement of Statement of Standard Accounting Practice 24 (SSAP 24) to calculate the pension costs based upon an actuarial valuation. It is the opinion of the directors that the cost of obtaining such a valuation is disproportionate to the benefit derived from the valuation. The directors are also of the opinion that the scheme is adequately funded. The pension charge for the period was £nil (1994 £nil).

6 Interest payable

	1995 £	1994 £
Bank loans and overdrafts	33,425	28,066
Obligations under finance leases hire purchase contracts	-	320
	<u>33,425</u>	<u>28,386</u>

7 Tax on profit on ordinary activities

	1995 £	1994 £
Transfer from deferred taxation	-	-
	<u>-</u>	<u>-</u>

The company has unrelieved trading losses of approximately £82,000 available to offset against future profits.

The company also has unrelieved capital losses of approximately £11,000 to carry forward at 31 October 1995.

Begg & Co Thermoplastics Limited

Notes to the financial statements
for the year ended 31 October 1995

8 Tangible fixed assets

	Total £	Long leasehold premises £	Plant and machinery £	Office equipment £	Motor vehicles £
Cost					
At 1 November 1994	725,724	122,903	489,981	19,834	93,006
Additions	36,648	16,894	18,479	1,275	-
Disposals	(22,500)	-	-	-	(22,500)
At 31 October 1995	739,872	139,797	508,460	21,109	70,506
Depreciation					
At 1 November 1994	377,137	66,594	211,037	17,800	81,706
Charge for year	53,482	5,119	43,491	1,472	3,400
Disposals	(18,000)	-	-	-	(18,000)
At 31 October 1995	412,619	71,713	254,528	19,272	67,106
Net book value					
At 31 October 1995	327,253	68,084	253,932	1,837	3,400
At 31 October 1994	348,587	56,309	278,944	2,034	11,300

9 Stocks

	1995 £	1994 £
Raw materials and consumables	337,043	538,671

10 Debtors

	1995 £	1994 £
Trade debtors	1,007,287	849,872
Corporation tax repayable	10,989	10,989
Other debtors	7,948	7,548
Prepayments	34,588	16,183
	1,060,812	884,592

Begg & Co Thermoplastics Limited

Notes to the financial statements for the year ended 31 October 1995

11 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank loans	41,684	38,949
Bank overdraft	197,836	275,297
Obligations under finance leases including hire purchase contracts	-	-
Trade creditors	704,371	808,932
Other creditors and social security costs	129,097	30,466
Directors' current account	46,712	13,191
Accruals	23,629	17,077
	<u>1,143,329</u>	<u>1,183,912</u>

The bank loan is secured by a first legal mortgage over the leasehold land and buildings of the company.

The bank overdraft is secured by a first mortgage debenture, being a fixed and floating charge, over the assets and undertakings of the company.

12 Creditors: amounts falling due after one year

	1995 £	1994 £
Bank loans	<u>68,357</u>	<u>113,111</u>
Analysis of loan repayments		
	1995 £	1994 £
Between one and two years	45,627	43,024
Between two and five years	22,730	70,087
	<u>68,357</u>	<u>113,111</u>

13 Deferred taxation

In view of the accumulated tax losses available, and the unrelieved Advanced Corporation Tax, no deferred tax liability exists.

Begg & Co Thermoplastics Limited

Notes to the financial statements for the year ended 31 October 1995

14 Called up share capital

	1995 £	1994 £
Authorised		
Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1,998</u>	<u>1,998</u>

15 Reserves

	Total £	Profit and loss account £	Other reserve £
At 1 November 1994	472,829	287,829	185,000
Profit for the year	<u>38,595</u>	<u>38,595</u>	-
At 31 October 1995	<u>511,424</u>	<u>326,424</u>	<u>185,000</u>

The other reserve comprises a development reserve. The purpose of this reserve is for the provision of possible future developments of the company.

16 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	38,595	33,231
Opening shareholders funds	<u>474,827</u>	<u>441,596</u>
Closing shareholders' funds	<u>513,422</u>	<u>474,827</u>

Begg & Co Thermoplastics Limited**Notes to the financial statements
for the year ended 31 October 1995**

	1995 £	1994 £
17 Capital commitments		
Capital expenditure that has been authorised by the directors but not yet contracted for	<u>nil</u>	<u>nil</u>
Capital expenditure that has been contracted for but has not been provided in the financial statements	<u>£10,000</u>	<u>nil</u>
18 Other financial commitments		

The company has a financial commitment for the year ended 31 October 1996 of £3,750 for rentals under an operating lease due to expire after more than 5 years.