

COMPANIES HOUSE

ADHESIVE SPECIALITIES LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2002**



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ADHESIVE SPECIALITIES LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 to 3
Auditors' Report	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Financial Statements	8 to 15

ADHESIVE SPECIALITIES LIMITED

COMPANY INFORMATION

Directors	Mr R.S. Goddard Mrs V. Goddard Mr B. Gibson Mr S.W. Gibson
Secretary	Mrs V. Goddard
Company Number	957040
Registered Office	Tickitape House Ladywell Road Lewisham London SE13 7UT
Auditors	Bright Grahame Murray 124/130 Seymour Place London W1H 1BG

ADHESIVE SPECIALITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2002

The directors present their report together with the audited financial statements for the year ended 31st March 2002.

Principal Activity

The company's principal activity continued to be the manufacture, processing and wholesaling of adhesive tapes. During the year the company acquired the trade and certain assets of TAGSA Limited.

Directors and Their Interests

Mr R S Goddard and Mr B J Gibson have a beneficial interest in the share capital of the company by holding shares in the parent undertaking, Adhesive Specialities (Group) Ltd where their interests are disclosed. Mr S.W. Gibson had no beneficial interest in the share capital of the company during the period under review. Mrs V Goddard transferred her shares held to Mr R S Goddard during the year. A list of directors who served during the year is given on page 1 of the accounts.

Directors' Responsibilities for the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. 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 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.

ADHESIVE SPECIALITIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2002

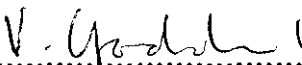
Auditors

A resolution to re-appoint Messrs Bright Grahame Murray, Chartered Accountants, of 124/130 Seymour Place, London, W1H 1BG., as auditors of the company will be proposed at the Annual General Meeting.

Medium Sized Companies Exemptions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

By order of the board

.....
.....
Secretary

Date: 25.1.03

INDEPENDENT AUDITORS' REPORT TO ADHESIVE SPECIALITIES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 4 to 14 together with the financial statements of Adhesive Specialities Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March 2002.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 15 are properly prepared in accordance with that provision.

Bright Grahame Murray
Chartered Accountants
and Registered Auditors
124/130 Seymour Place
London
W1H 1BG



Date: 30th January 2003

ADHESIVE SPECIALITIES LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 2002**

	Notes	2002 £	2001 £
Gross Profit		3,028,956	2,620,612
Distribution costs		535,657	447,226
Administrative expenses		2,375,304	2,074,095
Operating Profit	2	117,995	99,291
Interest receivable		86,905	89,805
Interest payable	4	(31,240)	(34,731)
Profit on Ordinary Activities before Taxation		173,660	154,365
Tax on profit on ordinary activities	5	40,511	30,861
Profit for the Financial Year		133,149	123,504
Retained profit brought forward		588,163	464,659
Retained profit carried forward		721,312	588,163

All amounts relate to continuing activities.

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED BALANCE SHEET AS AT 31ST MARCH 2002

	Notes	2002	2001
		£	£
Fixed Assets			
Tangible assets	6	1,104,696	585,689
Current Assets			
Stocks and work in progress		1,539,214	1,277,531
Debtors	7	2,399,089	2,185,903
Cash at bank and in hand		1,064	909
		<u>3,939,367</u>	<u>3,464,343</u>
Creditors			
Amounts falling due within one year	8	<u>2,667,631</u>	<u>2,217,367</u>
Net Current Assets		<u>1,271,736</u>	<u>1,246,976</u>
Total Assets Less Current Liabilities		<u>2,376,432</u>	<u>1,832,665</u>
Creditors			
Amounts falling due after more than one year	9	138,039	20,941
Provision for Liabilities and Charges			
Deferred Taxation	12	<u>64,072</u>	<u>23,561</u>
		<u>2,174,321</u>	<u>1,788,163</u>
Capital and Reserves			
Share capital	13	1,200,000	1,200,000
Revaluation reserve		253,009	-
Profit and loss account		<u>721,312</u>	<u>588,163</u>
Shareholders' funds	18	<u>2,174,321</u>	<u>1,788,163</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

.....
Director

.....
Director

Approved on: 15.1.03

The notes on pages 8 to 15 form part of these financial statements.

ADHESIVE SPECIALITIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2002

	Notes	2002 £	2001 £
Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities			
Operating profit		117,995	99,291
Depreciation		132,659	171,479
Loss on sale of fixed assets		6,369	2,841
(Increase) in stocks		(261,683)	(243,931)
(Increase)/Decrease in debtors		(213,186)	78,578
Increase in other creditors		139,299	303,469
Net Cash Outflow/Inflow from Operating Activities		(78,547)	411,727
CASH FLOW STATEMENT			
Net Cash Outflow/Inflow from Operating Activities		(78,547)	411,727
Returns on Investments and Servicing of Finance	15	55,665	55,074
Taxation		(29,237)	(25,196)
Capital Expenditure	15	(405,026)	(139,655)
Financing	15	(17,762)	(93,082)
(Decrease)/Increase in Cash		(474,907)	208,868
Reconciliation of Net Cash Flow to Movement in Net Debt			
(Decrease)/Increase in Cash in the Year		(474,907)	208,868
Cash inflow from increase in net debt and lease financing		17,762	93,082
(Increase)/Decrease in Net Debt		(457,145)	301,950
Net Debt at 1st April 2001		(588,125)	(890,075)
Net Debt at 31st March 2002	16	(1,045,270)	(588,125)

The notes on pages 8 to 15 form part of these financial statements.

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

1 Accounting Policies

Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable Accounting Standards.

Depreciation

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

Plant and machinery	10% p.a. on a straight line basis
Motor vehicles	15% to 25% p.a. on a reducing balance basis
Telephone installation	20% p.a. on a straight line basis
Fixtures and fittings	25% p.a. on a reducing balance basis
Computer equipment	20% p.a. on a straight line basis

The company's policy is to write off the book value of each tangible asset over its estimated remaining life. Reviews are made periodically of the estimated remaining useful lives of individual productive assets, taking into account commercial and technological obsolescence as well as normal wear and tear.

Stock and Work in Progress

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

The provisions of FRS 19 'Accounting for Deferred Tax' have been adopted. Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date. Deferred tax assets are only recognised to the extent that the Directors consider that it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign Currencies

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

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

All exchange differences are taken to the profit and loss account.

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

Pensions

The company operates a defined contribution scheme. Contributions are charged in the Profit and Loss account as they become payable in accordance with the rules of the scheme.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 Operating Profit

<i>This is stated after charging:</i>	2002	2001
	£	£
Depreciation of owned assets	80,486	118,755
Depreciation of assets held under finance leases and hire purchase contracts	52,173	52,724
Profit/(Loss) on disposal of fixed assets	6,369	2,841
Directors' remuneration	114,933	112,138
Operating lease rentals - land and buildings	240,184	238,800
Auditors' remuneration	22,966	15,000

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

3 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2002 £	2001 £
Wages and salaries	1,607,432	1,305,450
Social security costs	114,437	83,525
Other pension costs	30,140	24,752
	<u>1,752,009</u>	<u>1,413,727</u>

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

	2002 Number	2001 Number
Office & Administration	13	16
Selling and Distribution	55	41
Production	42	38
	<u>110</u>	<u>95</u>

Directors' emoluments

	2002 £	2001 £
For management services	<u>114,933</u>	<u>112,138</u>

4 Interest Payable and Similar Charges

	2002 £	2001 £
Interest payable includes:		
On finance lease and hire purchase contracts	11,044	6,323

5 Taxation

	2002 £	2001 £
Analysis of charge in year		
Current tax		
UK corporation tax at 20% (2001: 21%)	-	29,247
Adjustments in respect of previous periods	-	(12)
Total current tax	<u>-</u>	<u>29,235</u>
Deferred tax		
Deferred tax charge	40,511	1,626
Total deferred tax	<u>40,511</u>	<u>1,626</u>
Tax on profit on ordinary activities	<u>40,511</u>	<u>30,861</u>

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

Tax charge reconciliation

Profit on ordinary activities before taxation	<u>173,660</u>	<u>154,365</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax 20% (2001:20%)	34,732	30,873
Effects of:		
Capital allowances in excess of depreciation	(40,511)	(1,638)
Group relief	<u>5,779</u>	<u>-</u>
Current tax charge for year	<u>-</u>	<u>29,235</u>

6 Tangible Fixed Assets

	Other Fixed Assets	Total
	£	£
Cost		
At 1st April 2001	1,563,843	1,563,843
Additions	454,026	454,026
Disposals	(177,920)	(177,920)
Revaluations	(80,958)	(80,958)
At 31st March 2002	<u>1,758,991</u>	<u>1,758,991</u>
Depreciation		
At 1st April 2001	978,154	978,154
Charge for the year	132,659	132,659
On disposals	(122,551)	(122,551)
On revaluations	(333,967)	(333,967)
At 31st March 2002	<u>654,295</u>	<u>654,295</u>
Net Book Value		
At 31st March 2002	<u>1,104,696</u>	<u>1,104,696</u>
<i>At 31st March 2001</i>	<u>585,689</u>	<u>585,689</u>

The net book value of tangible fixed assets includes £279,726 (1997: £333,814) in respect of assets held under finance leases and hire purchase contracts. The amount charged as depreciation on these assets during the year amounted to £72,005.

7 Debtors	2002	2001
	£	£
Trade Debtors	1,402,774	1,097,955
Amounts owed by immediate parent undertaking	929,637	1,043,707
Other debtors	<u>66,678</u>	<u>44,241</u>
	<u>2,399,089</u>	<u>2,185,903</u>

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

8	Creditors: Amounts Falling Due Within One Year	2002	2001
		£	£
	Bank loans and overdrafts (Note 10)	815,494	535,904
	Obligations under hire purchase and finance lease contracts (Note 11)	92,801	32,189
	Trade creditors	1,484,008	1,257,480
	Corporation tax	10	29,247
	Other taxes and social security	132,278	131,784
	Other creditors	77,620	137,461
	Directors' loan accounts	65,420	93,302
		<u>2,667,631</u>	<u>2,217,367</u>

The bank loan and overdrafts are secured by a fixed and floating charge over the assets of the company.

9	Creditors: Amounts Falling Due After One Year	2002	2001
		£	£
	Obligations under hire purchase and finance lease contracts (Note 11)	<u>138,039</u>	<u>20,941</u>

10	Borrowings	2002	2001
		£	£
	Bank overdraft	815,494	340,432
	Bank loan	-	195,472
		<u>815,494</u>	<u>535,904</u>

Analysis of repayments:

Within one year or on demand	<u>815,494</u>	<u>535,904</u>
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11	Obligations Under Hire Purchase and Finance Lease	2002	2001
		£	£
	Due within one year	92,801	32,189
	Due after more than one year	138,039	20,941
		<u>230,840</u>	<u>53,130</u>

Analysis of repayments:

Within one year	92,801	32,189
After more than one year and less than five years	138,039	20,941
	<u>230,840</u>	<u>53,130</u>

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

12 Deferred Taxation

Deferred taxation provided for in the financial statements is set out below.

	2002	2001
	£	£
Accelerated capital allowances	<u>64,072</u>	<u>23,561</u>
Provision at 1st April 2001		23,561
Deferred tax charge in profit and loss account for the year (Note 5)		<u>40,511</u>
Provision at 31st March 2002		<u>64,072</u>

13 Share Capital

	2002	2001
	£	£
Authorised Equity Shares		
1,200,000 Ordinary shares of £1.00 each	<u>1,200,000</u>	<u>1,200,000</u>
Allotted, called up and fully paid Equity Shares		
1,200,000 Ordinary shares of £1.00 each	<u>1,200,000</u>	<u>1,200,000</u>

14 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of certain directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Mr R.S. Goddard, Mrs V. Goddard and Mr B.Gibson are members of the company's pension scheme.

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

15 Gross Cash Flows

	2002 £	2001 £
Returns on Investments and Servicing of Finance		
Interest received	86,905	89,805
Interest paid	(20,196)	(28,408)
Interest element of finance lease rentals payment	(11,044)	(6,323)
Net cash inflow for returns on investments and servicing of finance	<u>55,665</u>	<u>55,074</u>
Capital Expenditure		
Payments to acquire tangible fixed assets	(454,026)	(169,255)
Proceeds from the sale of fixed assets	49,000	29,600
Net cash outflow for capital expenditure	<u>(405,026)</u>	<u>(139,655)</u>
Financing		
Decrease/Increase in other bank loans due within 1 year	(195,472)	147,472
Decrease in bank loans due after more than 1 year	-	(153,709)
Capital element of finance lease rentals payments	177,710	(86,845)
Net cash outflow for financing	<u>(17,762)</u>	<u>(93,082)</u>

16 Analysis of Changes in Net Debt

	2001 £	Cash flows £	2002 £
Cash at Bank and in Hand	909	155	1,064
Overdrafts	(340,432)	(475,062)	(815,494)
	<u>(339,523)</u>	<u>(474,907)</u>	<u>(814,430)</u>
Debt due within one year	(195,472)	195,472	-
Finance leases	(53,130)	(177,710)	(230,840)
	<u>(248,602)</u>	<u>17,762</u>	<u>(230,840)</u>
	<u>(588,125)</u>	<u>(457,145)</u>	<u>(1,045,270)</u>

17 Operating Lease Commitments

The company has annual operating lease commitments which expire:

	<u>Land and buildings</u>	
	2002 £	2001 £
Between two and five years	238,800	238,800
	<u>238,800</u>	<u>238,800</u>

ADHESIVE SPECIALITIES LIMITED

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2002

18	Reconciliation of Shareholders' Funds	2002 £	2001 £
	Profit for the financial year	133,149	123,504
	Other recognised gains and losses	253,009	-
	Increase in the shareholders' funds	386,158	123,504
	Opening shareholders' funds	1,788,163	1,664,659
	Closing shareholders' funds	2,174,321	1,788,163

19 Related Party Transactions

During the year the company sold a motor vehicle to Roy Goddard. The vehicle was valued independently and was sold for £47,500.

During the year the company paid rent in the normal course of business to its immediate parent undertaking, Adhesive Specialities (Holdings) Ltd, of £216,000 (2001: £218,560). The rent charged was the normal market rent. A management charge of £40,000 (2000: £40,000) was also made by Adhesive Specialities (Holdings) Ltd.

During the year, Adhesive Specialities (Holdings) Limited paid loan interest of £78,000 (2001: £72,000) to Adhesive Specialities Limited in respect of the inter company loan.

The company is ultimately controlled by R S Goddard, the Chairman and Managing Director.

20 Ultimate Parent Undertaking

The immediate parent undertaking is Adhesive Specialities (Holdings) Ltd and its ultimate parent undertaking is Adhesive Specialities (Group) Ltd, both of which are registered in England & Wales.

Accounts of the ultimate parent undertaking are available from the registered office of that company.