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ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000
FOR
CLWYD COMPOUNDERS LIMITED



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FOR THE YEAR ENDED 30TH NOVEMBER 2000

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CLWYD COMPOUNDERS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH NOVEMBER 2000

DIRECTORS:	J G Haywood S A Haywood R Haycocks M Lee
SECRETARY:	S.A. Haywood
REGISTERED OFFICE:	Gardden Industrial Estate Ruabon Wrexham
REGISTERED NUMBER:	1378413 (England and Wales)
AUDITORS:	M. D. Coxey and Co. Chartered Accountants and Registered Auditors 25, Grosvenor Road Wrexham LL11 1BT
BANKERS:	HSBC Bank plc 14, High Street Wrexham Clwyd LL13 8HT

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

The directors present their report with the financial statements of the company for the year ended 30th November 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacture of rubber compounds.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are satisfied with the results for the year and look forward to increased turnover and profitability in the future.

DIVIDENDS

No dividends will be distributed for the year ended 30th November 2000.

FUTURE DEVELOPMENTS

The company will continue to expand its current operations within its existing market.

DIRECTORS

The directors during the year under review were:

J G Haywood
S A Haywood
R Haycocks
M Lee

The beneficial interests of the directors holding office on 30th November 2000 in the issued share capital of the company were as follows:

	30.11.00	1.12.99
Ordinary £0.10 shares		
J G Haywood	247,500	247,500
S A Haywood	247,500	247,500
R Haycocks	5,000	5,000
M Lee	-	-

Director	No of Options Granted	Exercise Price	Date from which Exercisable	Expiry Date
M Lee	7,142	£4.20	12 April 2003	11 April 2010

SUBSIDIARY

The company has a subsidiary Clwyd Compounders (Est 1) Limited. The principal activity of the subsidiary is to act as trustee for the Clwyd Compounders Company Share Option Scheme. On 12 April 2000, share options were granted to a director, as detailed above, and to six other employees. With respect to the six employees they were each given the option to purchase 5,000 shares in the company at an exercise price of £4.20 per share exercisable not earlier than 12 April 2003.

POLITICAL AND CHARITABLE DONATIONS

Charitable donations amounting to £635 were made in the year. No political contributions were made in the year.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

STATEMENT OF 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

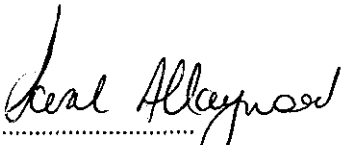
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, M. D. Coxey and Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
S.A. Haywood - SECRETARY

Dated: 22 3 - 2001

CLWYD COMPOUNDERS LIMITED

REPORT OF THE AUDITORS TO
CLWYD COMPOUNDERS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to fifteen, together with the full financial statements of the company for the year ended 30th November 2000 prepared under Section 226 of the Companies Act 1985.

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.

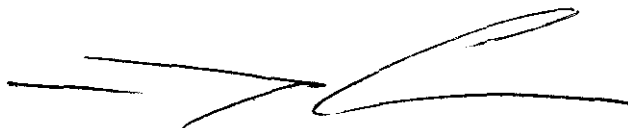
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 five to fifteen are properly prepared in accordance with that provision.

M. D. Coxey and Co.
Chartered Accountants
and Registered Auditors
25, Grosvenor Road
Wrexham
LL11 1BT



Dated: 22 3. 2001

CLWYD COMPOUNDERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH NOVEMBER 2000

	Notes	30.11.00		30.11.99	
		£	£	£	£
GROSS PROFIT			2,651,476		2,021,322
Distribution costs		145,387		147,913	
Administrative expenses		1,525,850		1,377,420	
			<u>1,671,237</u>		<u>1,525,333</u>
OPERATING PROFIT	3		980,239		495,989
Income from investments		3,913		3,876	
Interest receivable and similar income		55,021		56,247	
			<u>58,934</u>		<u>60,123</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,039,173		556,112
Tax on profit on ordinary activities	4		<u>361,878</u>		<u>152,507</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			677,295		403,605
Retained profit brought forward			<u>3,542,472</u>		<u>3,138,867</u>
RETAINED PROFIT CARRIED FORWARD			<u><u>£4,219,767</u></u>		<u><u>£3,542,472</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

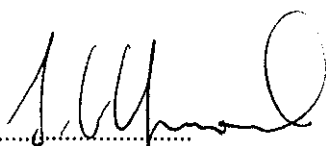
CLWYD COMPOUNDERS LIMITED

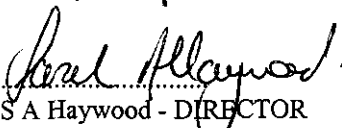
ABBREVIATED BALANCE SHEET
30TH NOVEMBER 2000

		30.11.00		30.11.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		1,621,870		1,738,527
Investments	6		1		1
			<u>1,621,871</u>		<u>1,738,528</u>
CURRENT ASSETS:					
Stocks	7	592,823		365,695	
Debtors	8	2,105,980		1,698,452	
Investments	9	121,880		118,358	
Cash at bank		1,588,446		1,009,737	
		<u>4,409,129</u>		<u>3,192,242</u>	
CREDITORS: Amounts falling due within one year	10	1,601,746		1,238,298	
NET CURRENT ASSETS:			<u>2,807,383</u>		<u>1,953,944</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			4,429,254		3,692,472
PROVISIONS FOR LIABILITIES AND CHARGES:	12		159,487		100,000
			<u>£4,269,767</u>		<u>£3,592,472</u>
CAPITAL AND RESERVES:					
Called up share capital	13		50,000		50,000
Profit and loss account			4,219,767		3,542,472
SHAREHOLDERS' FUNDS:	16		<u>£4,269,767</u>		<u>£3,592,472</u>

These 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.

ON BEHALF OF THE BOARD:


.....
J G Haywood - DIRECTOR


.....
S A Haywood - DIRECTOR

Approved by the Board on 22 3 2001

The notes form part of these financial statements

CLWYD COMPOUNDERS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2000

		<u>30.11.00</u>		<u>30.11.99</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		821,108		814,562
Returns on investments and servicing of finance	2		58,934		60,123
Taxation			(106,550)		47,995
Capital expenditure	2		(191,261)		(541,398)
Acquisitions and disposals	2		-		(1)
			<u>582,231</u>		<u>381,281</u>
Management of liquid resources	2		(463,062)		468,566
Increase in cash in the period			<u>£119,169</u>		<u>£849,847</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		119,169		849,847	
Cash outflow/(inflow) from increase/(decrease) in liquid resources		<u>463,062</u>		<u>(468,566)</u>	
Change in net funds resulting from cash flows			<u>582,231</u>		<u>381,281</u>
Movement in net funds in the period			<u>582,231</u>		<u>381,281</u>
Net funds at 1st December			<u>1,128,095</u>		<u>746,814</u>
Net funds at 30th November			<u>£1,710,326</u>		<u>£1,128,095</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2000

1. **RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	30.11.00 £	30.11.99 £
Operating profit	980,239	495,989
Depreciation charges	250,447	240,998
Loss on sale of fixed assets	57,471	2,273
(Increase)/Decrease in stocks	(227,128)	10,482
Increase in debtors	(407,528)	(163,726)
Increase in creditors	167,607	228,546
Net cash inflow from operating activities	<u>821,108</u>	<u>814,562</u>

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	30.11.00 £	30.11.99 £
Returns on investments and servicing of finance		
Interest received	55,021	56,247
Dividends received	3,913	3,876
Net cash inflow for returns on investments and servicing of finance	<u>58,934</u>	<u>60,123</u>
Capital expenditure		
Purchase of tangible fixed assets	(191,261)	(547,397)
Sale of tangible fixed assets	-	5,999
Net cash outflow for capital expenditure	<u>(191,261)</u>	<u>(541,398)</u>
Acquisitions and disposals		
Purchase of subsidiary undertaking	-	(1)
Net cash outflow for acquisitions and disposals	<u>-</u>	<u>(1)</u>
Management of liquid resources		
Purchase of investment	(3,522)	(3,369)
Withdrawals of money market funds	(459,540)	471,935
Net cash (outflow)/inflow from management of liquid resources	<u>(463,062)</u>	<u>468,566</u>

The notes form part of these financial statements

CLWYD COMPOUNDERS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.99 £	Cash flow £	At 30.11.00 £
Net cash:			
Cash at bank	1,009,737		1,588,446
Less: Deposits treated as liquid resources	(540,460)		(1,000,000)
	<u>469,277</u>	<u>119,169</u>	<u>588,446</u>
	<u>469,277</u>	<u>119,169</u>	<u>588,446</u>
Liquid resources:			
Deposits included in cash	540,460	459,540	1,000,000
Current asset investments	<u>118,358</u>	<u>3,522</u>	<u>121,880</u>
	<u>658,818</u>	<u>463,062</u>	<u>1,121,880</u>
Total	<u><u>1,128,095</u></u>	<u><u>582,231</u></u>	<u><u>1,710,326</u></u>
Analysed in Balance Sheet			
Cash at bank	1,009,737		1,588,446
Current asset investments	<u>118,358</u>		<u>121,880</u>
	<u><u>1,128,095</u></u>		<u><u>1,710,326</u></u>

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical convention and in accordance with applicable accounting standards.

The company, and its subsidiary undertaking comprise a medium group. The company has taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore, represent information concerning the company only and not the group.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short Leasehold property	- The length of the lease
Plant and machinery	- 10% on cost
Equipment and Fittings	- 20% on cost
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Stocks

Stock and work in progress are valued 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

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Investments

Current asset investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

2. **STAFF COSTS**

	30.11.00	30.11.99
	£	£
Wages and salaries	1,036,913	978,652
Social security costs	104,243	94,128
Other pension costs	79,493	94,196
	<u>1,220,649</u>	<u>1,166,976</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

2. **STAFF COSTS - continued**

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

	30.11.00	30.11.99
Production	33	32
Sales and Distribution	9	9
Administration	4	4
	<u>46</u>	<u>45</u>

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.11.00	30.11.99
	£	£
Depreciation - owned assets	250,447	240,998
Loss on disposal of fixed assets	57,471	2,273
Auditors Remuneration	8,500	6,500
	<u>244,812</u>	<u>241,255</u>
Directors' emoluments	244,812	241,255
Directors' pension contributions to money purchase schemes	27,155	53,846
Compensation to directors for loss of office	-	26,000
	<u>271,967</u>	<u>321,101</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	30.11.00	30.11.99
	£	£
Emoluments etc	72,142	70,234
Pension contributions to money purchase schemes	9,935	11,207
	<u>82,077</u>	<u>81,441</u>

4. **TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.11.00	30.11.99
	£	£
UK corporation tax	302,391	107,507
Deferred taxation	59,487	45,000
	<u>361,878</u>	<u>152,507</u>

UK corporation tax has been charged at 30% (1999 - 30%).

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

5. TANGIBLE FIXED ASSETS

	Short Leasehold property	Plant and machinery	Equipment and Fittings
	£	£	£
COST:			
At 1st December 1999	828,331	1,222,054	506,255
Additions	28,605	76,406	8,256
At 30th November 2000	856,936	1,298,460	514,511
DEPRECIATION:			
At 1st December 1999	78,081	678,671	377,167
Charge for year	23,228	87,304	45,774
At 30th November 2000	101,309	765,975	422,941
NET BOOK VALUE:			
At 30th November 2000	755,627	532,485	91,570
At 30th November 1999	750,250	543,383	129,088
	Motor vehicles	Computer equipment	Totals
	£	£	£
COST:			
At 1st December 1999	77,960	532,634	3,167,234
Additions	-	77,994	191,261
Disposals	-	(57,471)	(57,471)
At 30th November 2000	77,960	553,157	3,301,024
DEPRECIATION:			
At 1st December 1999	46,320	248,468	1,428,707
Charge for year	11,658	82,483	250,447
At 30th November 2000	57,978	330,951	1,679,154
NET BOOK VALUE:			
At 30th November 2000	19,982	222,206	1,621,870
At 30th November 1999	31,640	284,166	1,738,527

6. FIXED ASSET INVESTMENTS

	£
COST:	
At 1st December 1999 and 30th November 2000	1
NET BOOK VALUE:	
At 30th November 2000	1
At 30th November 1999	1

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

6. **FIXED ASSET INVESTMENTS - continued**

	30.11.00	30.11.99
	£	£
Unlisted investments	<u>1</u>	<u>1</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Clwyd Compounders (Est 1) Limited

Nature of business: Trustee for Share Option Scheme

	%
Class of shares:	holding
Ordinary	100.00

	30.11.00	30.11.99
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

7. **STOCKS**

	30.11.00	30.11.99
	£	£
Raw materials and consumables	433,996	287,413
Finished goods	158,827	78,282
	<u>592,823</u>	<u>365,695</u>

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.11.00	30.11.99
	£	£
Trade debtors	2,032,203	1,646,907
Other debtors	24,823	7,303
Prepayments	26,863	24,887
Amounts owed from subsidiary	22,091	19,355
	<u>2,105,980</u>	<u>1,698,452</u>

9. **CURRENT ASSET INVESTMENTS**

	30.11.00	30.11.99
	£	£
Listed investments	<u>121,880</u>	<u>118,358</u>

Market value of listed investments at 30th November 2000 - £174,242 (1999 - £169,717).

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.11.00	30.11.99
	£	£
Trade creditors	905,338	783,685
Other creditors and accruals	154,476	152,624
Social security & other taxes	236,389	192,287
Taxation	305,542	109,701
Amounts owed to subsidiary	1	1
	<u>1,601,746</u>	<u>1,238,298</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

11. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	30.11.00 £	Land and buildings operating leases 30.11.99 £
Expiring: In more than five years	<u>66,500</u>	<u>65,500</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	30.11.00 £	30.11.99 £
Deferred taxation	<u>159,487</u>	<u>100,000</u>
Balance at 1st December 1999	100,000	
Movement during the year	<u>59,487</u>	
Balance at 30th November 2000	<u>159,487</u>	

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided 30.11.00 £	30.11.99 £	Not provided 30.11.00 £	30.11.99 £
Excess tax allowances over fixed asset depreciation	<u>159,487</u>	<u>100,000</u>	<u>-</u>	<u>53,974</u>
	<u>159,487</u>	<u>100,000</u>	<u>-</u>	<u>53,974</u>

13. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.11.00 £	30.11.99 £
1,000,000	Ordinary	£0.10	<u>50,000</u>	<u>50,000</u>

On 23 July 1999, the Authorised Share Capital was amended so that every ordinary share of £1 was subdivided into 10 ordinary shares of £0.10 each.

14. PENSION COMMITMENTS

The company operates two defined contribution 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 and amounted to £79,493 (1999: £94,196).

Contributions totalling £9,685 (1999: £10,731) were payable to the funds at the year end and are included in creditors.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2000

15. CAPITAL COMMITMENTS

	30.11.00	30.11.99
	£	£
Contracted but not provided for in the financial statements	<u>32,000</u>	<u>51,000</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.11.00	30.11.99
	£	£
Profit for the financial year	677,295	403,605
Issued share capital		
Net addition to shareholders' funds	<u>677,295</u>	<u>403,605</u>
Opening shareholders' funds	<u>3,592,472</u>	<u>3,188,867</u>
Closing shareholders' funds	<u>4,269,767</u>	<u>3,592,472</u>
Equity interests	<u>4,269,767</u>	<u>3,592,472</u>