

REGISTERED NUMBER: 1378413 (England and Wales)

ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005  
FOR  
CLWYD COMPOUNDERS LIMITED



CLWYD COMPOUNDERS LIMITED

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FOR THE YEAR ENDED 30TH NOVEMBER 2005

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CLWYD COMPOUNDERS LIMITED

COMPANY INFORMATION  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

**DIRECTORS:** J G Haywood  
S A Haywood  
M Lee

**SECRETARY:** S A Haywood

**REGISTERED OFFICE:** Gardden Industrial Estate  
Ruabon  
Wrexham  
LL14 6RG

**REGISTERED NUMBER:** 1378413 (England and Wales)

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

**BANKERS:** HSBC Bank plc  
17-19 Regent Street  
Wrexham  
LL11 1RY

**BANKERS:** Lloyds TSB Bank plc  
Regent Street  
Wrexham  
LL11 1SE

CLWYD COMPOUNDERS LIMITED

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

The directors present their report with the accounts of the company for the year ended 30th November 2005.

**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 accounts.

The directors are satisfied with the results for the year.

**DIVIDENDS**

No dividends will be distributed for the year ended 30th November 2005.

**FUTURE DEVELOPMENTS**

The company is in a strong position to develop its operations.

**DIRECTORS**

The directors during the year under review were:

J G Haywood  
S A Haywood  
M Lee

The beneficial interests of the directors holding office on 30th November 2005 in the issued share capital of the company were as follows:

|                              | 30.11.05 | 1.12.04 |
|------------------------------|----------|---------|
| <b>Ordinary £0.10 shares</b> |          |         |
| J G Haywood                  | 207,500  | 207,500 |
| S A Haywood                  | 207,500  | 207,500 |
| M Lee                        | -        | -       |

| Director | No of Options<br>Granted | Exercise<br>Price | Date from which<br>Exercisable | Expiry<br>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 Limited 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. All administration costs incurred by Clwyd Compounders (Est 1) Limited are included in the accounts of Clwyd Compounders Limited.

**POLITICAL AND CHARITABLE DONATIONS**

Charitable donations amounting to £1,009 (2004 : £616) were made in the year. No political contributions were made in the year.

**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.

CLWYD COMPOUNDERS LIMITED

REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

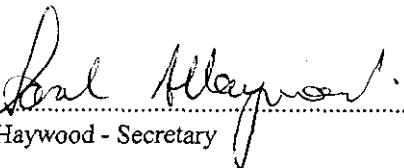
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, M. D. Coxey and Co. Limited, 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

Date: ..... 26.11.05

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

We have examined the abbreviated accounts on pages five to sixteen, together with the full financial statements of the company for the year ended 30th November 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

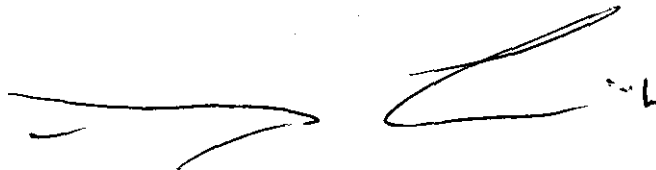
**Basis of opinion**

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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to sixteen are properly prepared in accordance with that provision.

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



Date: 26 2 06 .....

CLWYD COMPOUNDERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

|  |       | 30.11.05  |            | 30.11.04  |            |
|--|-------|-----------|------------|-----------|------------|
|  | Notes | £         | £          | £         | £          |
| <b>GROSS PROFIT</b>                                  |       |           | 2,022,641  |           | 2,084,704  |
| Distribution costs                                   |       | 202,688   |            | 201,539   |            |
| Administrative expenses                              |       | 1,605,200 |            | 1,609,732 |            |
|  |       |           | 1,807,888  |           | 1,811,271  |
| <b>OPERATING PROFIT</b>                              | 3     |           | 214,753    |           | 273,433    |
| Income from investments                              |       | -         |            | 1,291     |            |
| Interest receivable and similar income               | 4     | 100,785   |            | 95,284    |            |
|  |       |           | 100,785    |           | 96,575     |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       |           | 315,538    |           | 370,008    |
| Tax on profit on ordinary activities                 | 5     |           | 13,590     |           | 80,459     |
| <b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>  |       |           | 301,948    |           | 289,549    |
| Dividends  | 6     |           | -          |           | 90,000     |
|  |       |           | 301,948    |           | 199,549    |
| Retained profit brought forward                      |       |           | 5,036,081  |           | 4,836,532  |
| <b>RETAINED PROFIT CARRIED FORWARD</b>               |       |           | £5,338,029 |           | £5,036,081 |

**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.

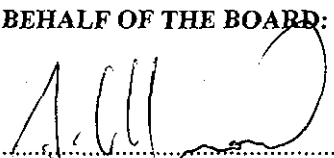
CLWYD COMPOUNDERS LIMITED

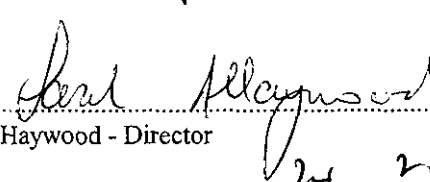
ABBREVIATED BALANCE SHEET  
30TH NOVEMBER 2005

|   |       | 30.11.05        |                  | 30.11.04        |                  |
|---|-------|-----------------|------------------|-----------------|------------------|
|   | Notes | £               | £                | £               | £                |
| <b>FIXED ASSETS:</b>                                  |       |                 |                  |                 |                  |
| Tangible assets                                       | 7     |                 | 1,227,931        |                 | 1,220,162        |
| Investments   | 8     |                 | 1                |                 | 1                |
|   |       |                 | <hr/> 1,227,932  |                 | <hr/> 1,220,163  |
| <b>CURRENT ASSETS:</b>                                |       |                 |                  |                 |                  |
| Stocks  | 9     | 752,275         |                  | 602,154         |                  |
| Debtors   | 10    | 1,443,436       |                  | 1,568,855       |                  |
| Investments   | 11    | 151,611         |                  | 151,611         |                  |
| Cash at bank and in hand                              |       | 2,665,598       |                  | 2,505,690       |                  |
|   |       | <hr/> 5,012,920 |                  | <hr/> 4,828,310 |                  |
| <b>CREDITORS: Amounts falling due within one year</b> | 12    | 764,608         |                  | 834,344         |                  |
|   |       |                 |                  | <hr/>           |                  |
| <b>NET CURRENT ASSETS:</b>                            |       |                 | <hr/> 4,248,312  |                 | <hr/> 3,993,966  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>         |       |                 | 5,476,244        |                 | 5,214,129        |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>        | 14    |                 | 88,215           |                 | 128,048          |
|   |       |                 | <hr/> £5,388,029 |                 | <hr/> £5,086,081 |
|   |       |                 | <hr/>            |                 | <hr/>            |
| <b>CAPITAL AND RESERVES:</b>                          |       |                 |                  |                 |                  |
| Called up share capital                               | 15    |                 | 50,000           |                 | 50,000           |
| Profit and loss account                               |       |                 | 5,338,029        |                 | 5,036,081        |
|   |       |                 | <hr/>            |                 | <hr/>            |
| <b>SHAREHOLDERS' FUNDS:</b>                           | 19    |                 | <hr/> £5,388,029 |                 | <hr/> £5,086,081 |
|   |       |                 | <hr/>            |                 | <hr/>            |

These abbreviated accounts 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 .....  
24 206

The notes form part of these abbreviated accounts



CLWYD COMPOUNDERS LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

|  |       | 30.11.05 |                          | 30.11.04           |                          |
|--|-------|----------|--------------------------|--------------------|--------------------------|
|  | Notes | £        | £                        | £                  | £                        |
| Net cash inflow from operating activities                | 1     |          | 284,247                  |                    | 383,703                  |
| Returns on investments and servicing of finance          | 2     |          | 100,785                  |                    | 96,575                   |
| Taxation   |       |          | (78,318)                 |                    | (140,322)                |
| Capital expenditure                                      | 2     |          | (146,806)                |                    | (139,769)                |
| Equity dividends paid                                    |       |          | -                        |                    | (90,000)                 |
|  |       |          | <u>159,908</u>           |                    | <u>110,187</u>           |
| Management of liquid resources                           | 2     |          | -                        |                    | 2,122,082                |
| Increase in cash in the period                           |       |          | <u><u>£159,908</u></u>   |                    | <u><u>£2,232,269</u></u> |
| <hr/>  |       |          |                          |                    |                          |
| Reconciliation of net cash flow to movement in net funds | 3     |          |                          |                    |                          |
| Increase in cash in the period                           |       | 159,908  |                          | 2,232,269          |                          |
| Cash inflow from decrease in liquid resources            |       | -        |                          | (2,122,082)        |                          |
|  |       | <u>-</u> |                          | <u>(2,122,082)</u> |                          |
| Change in net funds resulting from cash flows            |       |          | <u>159,908</u>           |                    | <u>110,187</u>           |
| Movement in net funds in the period                      |       |          | 159,908                  |                    | 110,187                  |
| Net funds at 1st December                                |       |          | <u>2,657,301</u>         |                    | <u>2,547,114</u>         |
| Net funds at 30th November                               |       |          | <u><u>£2,817,209</u></u> |                    | <u><u>£2,657,301</u></u> |

The notes form part of these abbreviated accounts

CLWYD COMPOUNDERS LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

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

|  | 30.11.05              | 30.11.04              |
|--|-----------------------|-----------------------|
|  | £                     | £                     |
| Operating profit                                     | 214,753               | 273,433               |
| Depreciation charges                                 | 146,717               | 166,558               |
| Profit on sale of fixed assets                       | (7,680)               | -                     |
| Increase in stocks                                   | (150,121)             | (21,161)              |
| Decrease in debtors                                  | 125,419               | 252,815               |
| Decrease in creditors                                | (44,841)              | (287,942)             |
| <b>Net cash inflow<br/>from operating activities</b> | <u><u>284,247</u></u> | <u><u>383,703</u></u> |

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

|  | 30.11.05                | 30.11.04                |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| <b>Returns on investments and<br/>servicing of finance</b>                     |                         |                         |
| Interest received  | 100,785                 | 95,284                  |
| Dividends received   | -                       | 1,291                   |
| <b>Net cash inflow<br/>for returns on investments and servicing of finance</b> | <u><u>100,785</u></u>   | <u><u>96,575</u></u>    |
| <b>Capital expenditure</b>   |                         |                         |
| Purchase of tangible fixed assets  | (154,485)               | (139,769)               |
| Sale of tangible fixed assets  | 7,679                   | -                       |
| <b>Net cash outflow<br/>for capital expenditure</b>                            | <u><u>(146,806)</u></u> | <u><u>(139,769)</u></u> |
| <b>Management of liquid resources</b>  |                         |                         |
| Purchase of investment   | -                       | (1,291)                 |
| Increase of money market funds   | -                       | 2,123,373               |
| <b>Net cash inflow<br/>from management of liquid resources</b>                 | <u><u>-</u></u>         | <u><u>2,122,082</u></u> |

CLWYD COMPOUNDERS LIMITED

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

3. ANALYSIS OF CHANGES IN NET FUNDS

|                           | At 1.12.04<br>£  | Cash flow<br>£ | At 30.11.05<br>£ |
|---------------------------|------------------|----------------|------------------|
| Net cash:                 |                  |                |                  |
| Cash at bank and in hand  | 2,505,690        | 159,908        | 2,665,598        |
|                           | <u>2,505,690</u> | <u>159,908</u> | <u>2,665,598</u> |
| Liquid resources:         |                  |                |                  |
| Current asset             |                  |                |                  |
| investments               | 151,611          | -              | 151,611          |
|                           | <u>151,611</u>   | <u>-</u>       | <u>151,611</u>   |
| Total                     | <u>2,657,301</u> | <u>159,908</u> | <u>2,817,209</u> |
| Analysed in Balance Sheet |                  |                |                  |
| Cash at bank and in hand  | 2,505,690        |                | 2,665,598        |
| Current asset             |                  |                |                  |
| investments               | 151,611          |                | 151,611          |
|                           | <u>2,657,301</u> |                | <u>2,817,209</u> |

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

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             |
| Computer equipment       | - 10-33% 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 tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Hire purchase and leasing commitments**

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

**Pensions**

The company operates defined contribution pension schemes. Contributions payable for the year are charged in the profit & 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**

|                       | 30.11.05         | 30.11.04         |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,294,493        | 1,217,488        |
| Social security costs | 123,835          | 121,681          |
| Other pension costs   | 91,707           | 108,902          |
|                       | <u>1,510,035</u> | <u>1,448,071</u> |

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

2. **STAFF COSTS - continued**

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

|                        | 30.11.05  | 30.11.04  |
|------------------------|-----------|-----------|
| Production             | 37        | 38        |
| Sales and Distribution | 5         | 5         |
| Administration         | 11        | 10        |
|                        | <u>—</u>  | <u>—</u>  |
|                        | 53        | 53        |
|                        | <u>==</u> | <u>==</u> |

3. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

|  | 30.11.05  | 30.11.04  |
|--|-----------|-----------|
|  | £         | £         |
| Depreciation - owned assets                                | 146,717   | 166,558   |
| Profit on disposal of fixed assets                         | (7,680)   | -         |
| Auditors Remuneration                                      | 8,000     | 8,000     |
|  | <u>==</u> | <u>==</u> |
| Directors' emoluments                                      | 191,192   | 191,263   |
| Directors' pension contributions to money purchase schemes | 17,547    | 17,360    |
|  | <u>==</u> | <u>==</u> |

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

|                        |           |           |
|------------------------|-----------|-----------|
| Money purchase schemes | 3         | 3         |
|                        | <u>==</u> | <u>==</u> |

4. **INTEREST RECEIVABLE AND SIMILAR INCOME**

|                          | 30.11.05  | 30.11.04  |
|--------------------------|-----------|-----------|
|                          | £         | £         |
| Deposit account interest | 100,785   | 95,284    |
|                          | <u>==</u> | <u>==</u> |

5. **TAXATION**

**Analysis of the tax charge**

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

|                                      | 30.11.05  | 30.11.04  |
|--------------------------------------|-----------|-----------|
|                                      | £         | £         |
| Current tax:                         |           |           |
| UK corporation tax                   | 53,423    | 77,900    |
| Deferred taxation                    | (39,833)  | 2,559     |
|                                      | <u>==</u> | <u>==</u> |
| Tax on profit on ordinary activities | 13,590    | 80,459    |
|                                      | <u>==</u> | <u>==</u> |

UK corporation tax has been charged at 16.93% (2004 - 21.40%).

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

5. **TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

|  | 30.11.05       | 30.11.04       |
|--|----------------|----------------|
|  | £              | £              |
| Profit on ordinary activities before tax   | <u>315,538</u> | <u>370,008</u> |
| Profit on ordinary activities<br>multiplied by the standard rate of corporation tax<br>in the UK of 19% (2004 - 21.402%) | 59,952         | 79,189         |
| Effects of:  |                |                |
| Permanent timing differences   | 589            | 954            |
| Deferred tax   | -              | (2,559)        |
| Deferred tax rate adjustment   | (7,118)        | 734            |
| Underprovision in prior year   | -              | (418)          |
| Current tax charge   | <u>53,423</u>  | <u>77,900</u>  |

6. **DIVIDENDS**

|                     | 30.11.05 | 30.11.04      |
|---------------------|----------|---------------|
|                     | £        | £             |
| Equity shares:      |          |               |
| Final 18p per share | <u>-</u> | <u>90,000</u> |

7. **TANGIBLE FIXED ASSETS**

|                         | Short<br>Leasehold<br>property | Plant and<br>machinery | Equipment<br>and<br>Fittings | Computer<br>equipment | Totals           |
|-------------------------|--------------------------------|------------------------|------------------------------|-----------------------|------------------|
|                         | £                              | £                      | £                            | £                     | £                |
| <b>COST:</b>            |                                |                        |                              |                       |                  |
| At 1st December 2004    | 882,329                        | 1,417,783              | 667,829                      | 728,779               | 3,696,720        |
| Additions               | -                              | -                      | 49,635                       | 104,850               | 154,485          |
| Disposals               | -                              | -                      | (18,167)                     | -                     | (18,167)         |
| At 30th November 2005   | <u>882,329</u>                 | <u>1,417,783</u>       | <u>699,297</u>               | <u>833,629</u>        | <u>3,833,038</u> |
| <b>DEPRECIATION:</b>    |                                |                        |                              |                       |                  |
| At 1st December 2004    | 200,895                        | 1,060,297              | 595,359                      | 620,006               | 2,476,557        |
| Charge for year         | 25,238                         | 62,493                 | 35,025                       | 23,961                | 146,717          |
| Eliminated on disposals | -                              | -                      | (18,167)                     | -                     | (18,167)         |
| At 30th November 2005   | <u>226,133</u>                 | <u>1,122,790</u>       | <u>612,217</u>               | <u>643,967</u>        | <u>2,605,107</u> |
| <b>NET BOOK VALUE:</b>  |                                |                        |                              |                       |                  |
| At 30th November 2005   | <u>656,196</u>                 | <u>294,993</u>         | <u>87,080</u>                | <u>189,662</u>        | <u>1,227,931</u> |
| At 30th November 2004   | <u>681,434</u>                 | <u>357,486</u>         | <u>72,469</u>                | <u>108,773</u>        | <u>1,220,162</u> |

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

8. **FIXED ASSET INVESTMENTS**

|                        |          |          |   |
|------------------------|----------|----------|---|
|                        | £        |          |   |
| <b>COST:</b>           |          |          |   |
| At 1st December 2004   |          |          |   |
| and 30th November 2005 |          |          | 1 |
|                        |          |          | — |
| <b>NET BOOK VALUE:</b> |          |          |   |
| At 30th November 2005  |          |          | 1 |
|                        |          |          | = |
| At 30th November 2004  |          |          | 1 |
|                        |          |          | = |
|                        | 30.11.05 | 30.11.04 |   |
|                        | £        | £        |   |
| Unlisted investments   | 1        | 1        |   |
|                        | =        | =        |   |

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  |

|                                |          |          |
|--------------------------------|----------|----------|
|                                | 30.11.05 | 30.11.04 |
|                                | £        | £        |
| Aggregate capital and reserves | 1,764    | 1,798    |
|                                | =        | =        |

9. **STOCKS**

|                               |          |          |
|-------------------------------|----------|----------|
|                               | 30.11.05 | 30.11.04 |
|                               | £        | £        |
| Raw materials and consumables | 749,366  | 597,986  |
| Finished goods                | 2,909    | 4,168    |
|                               | =        | =        |
|                               | 752,275  | 602,154  |
|                               | =        | =        |

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

10. **DEBTORS**

|   | 30.11.05         | 30.11.04         |
|---|------------------|------------------|
|   | £                | £                |
| Amounts falling due within one year:          |                  |                  |
| Trade debtors                                 | 1,363,417        | 1,483,639        |
| Other debtors                                 | 16,337           | 30,110           |
| Prepayments                                   | 42,090           | 30,282           |
| Amounts owed from subsidiary                  | 21,117           | 21,117           |
|   | <u>1,442,961</u> | <u>1,565,148</u> |
| Amounts falling due after more than one year: |                  |                  |
| Other debtors                                 | <u>475</u>       | <u>3,707</u>     |
| Aggregate amounts                             | <u>1,443,436</u> | <u>1,568,855</u> |

11. **CURRENT ASSET INVESTMENTS**

|  | 30.11.05       | 30.11.04       |
|--|----------------|----------------|
|  | £              | £              |
| Listed investments   | <u>151,611</u> | <u>151,611</u> |
| Market value of listed investments at 30th November 2005 - £188,737 (2004 - £156,815). |                |                |

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

|                               | 30.11.05       | 30.11.04       |
|-------------------------------|----------------|----------------|
|                               | £              | £              |
| Trade creditors               | 437,334        | 470,504        |
| Other creditors and accruals  | 128,143        | 134,012        |
| Social security & other taxes | 145,707        | 151,509        |
| Taxation                      | 53,423         | 78,318         |
| Amounts owed to subsidiary    | 1              | 1              |
|                               | <u>764,608</u> | <u>834,344</u> |

13. **OPERATING LEASE COMMITMENTS**

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

|                         | Land and<br>buildings<br>operating<br>leases |               |
|-------------------------|--|---------------|
|                         | 30.11.05                                     | 30.11.04      |
|                         | £  | £             |
| Expiring:               |  |               |
| In more than five years | <u>71,500</u>                                | <u>70,500</u> |



CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

14. **PROVISIONS FOR LIABILITIES AND CHARGES**

|   | 30.11.05      | 30.11.04       |
|---|---------------|----------------|
|   | £             | £              |
| Deferred tax  | 88,215        | 128,048        |
|   | <u>88,215</u> | <u>128,048</u> |
|   | Deferred tax  |                |
|   | £             |                |
| Balance at 1st December 2004                        | 128,048       |                |
| Movement in the year due to:                        |               |                |
| Changes in tax rates                                | (46,951)      |                |
| Changes in tax allowances                           | 7,118         |                |
|   | <u>88,215</u> |                |
| Balance at 30th November 2005                       | <u>88,215</u> |                |
|   |               |                |
| Deferred tax provision                              | 30.11.05      | 30.11.04       |
|   | £             | £              |
| Excess tax allowances over fixed asset depreciation | 88,215        | 128,048        |
|   | <u>88,215</u> | <u>128,048</u> |

15. **CALLED UP SHARE CAPITAL**

|                                  |          |                |                |                |
|----------------------------------|----------|----------------|----------------|----------------|
| Authorised:                      |          |                |                |                |
| Number:                          | Class:   | Nominal value: | 30.11.05       | 30.11.04       |
|                                  |          |                | £              | £              |
| 1,000,000                        | Ordinary | £0.10          | 100,000        | 100,000        |
|                                  |          |                | <u>100,000</u> | <u>100,000</u> |
| Allotted, issued and fully paid: |          |                |                |                |
| Number:                          | Class:   | Nominal value: | 30.11.05       | 30.11.04       |
|                                  |          |                | £              | £              |
| 500,000                          | Ordinary | £0.10          | 50,000         | 50,000         |
|                                  |          |                | <u>50,000</u>  | <u>50,000</u>  |

16. **PENSION COMMITMENTS**

The company operates 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 and amounted to £95,501 (2004: £108,902).

Contributions totalling £10,727 (2004: £7,633) were payable to the funds at the year end and are included in creditors.

17. **CAPITAL COMMITMENTS**

|   | 30.11.05 | 30.11.04      |
|---|----------|---------------|
|   | £        | £             |
| Contracted but not provided for in the financial statements | -        | 22,050        |
|   | <u>-</u> | <u>22,050</u> |

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2005

18. **TRANSACTIONS WITH DIRECTORS**

The following loan to directors subsisted during the year ended 30th November 2005:

|   |              |
|---|--------------|
|   | £            |
| <b>M Lee</b>                            |              |
| Balance outstanding at start of year    | 2,392        |
| Balance outstanding at end of year      | 1,500        |
| Maximum balance outstanding during year | <u>2,392</u> |

19. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|  |                  |                  |
|--|------------------|------------------|
|  | 30.11.05         | 30.11.04         |
|  | £                | £                |
| Profit for the financial year              | 301,948          | 289,549          |
| Dividends                                  | -                | (90,000)         |
|  | <u>301,948</u>   | <u>199,549</u>   |
| <b>Net addition to shareholders' funds</b> | <b>301,948</b>   | <b>199,549</b>   |
| Opening shareholders' funds                | 5,086,081        | 4,886,532        |
|  | <u>5,388,029</u> | <u>5,086,081</u> |
| <b>Closing shareholders' funds</b>         | <b>5,388,029</b> | <b>5,086,081</b> |
|  | <u>5,388,029</u> | <u>5,086,081</u> |
| Equity interests                           | 5,388,029        | 5,086,081        |
|  | <u>5,388,029</u> | <u>5,086,081</u> |