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REGISTERED NUMBER: 1378413 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001
FOR
CLWYD COMPOUNDERS LIMITED



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CLWYD COMPOUNDERS LIMITED

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FOR THE YEAR ENDED 30TH NOVEMBER 2001

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CLWYD COMPOUNDERS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH NOVEMBER 2001

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. Chartered Accountants and Registered Auditors 25, Grosvenor Road Wrexham LL11 1BT
BANKERS:	HSBC Bank plc 14, High Street Wrexham Clwyd LL13 8HT

CLWYD COMPOUNDERS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH NOVEMBER 2001

The directors present their report with the financial statements of the company for the year ended 30th November 2001.

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.

DIVIDENDS

No dividends will be distributed for the year ended 30th November 2001.

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

- resigned 20.2.01

The beneficial interests of the directors holding office on 30th November 2001 in the issued share capital of the company were as follows:

	30.11.01	1.12.00
Ordinary £0.10 shares		
J G Haywood	247,500	247,500
S A Haywood	247,500	247,500
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 £800 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 2001

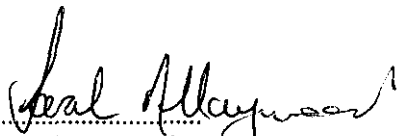
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

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:

26.11.2001

CLWYD COMPOUNDERS LIMITED

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

We have examined the abbreviated financial statements on pages five to sixteen, together with the full financial statements of the company for the year ended 30th November 2001 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.

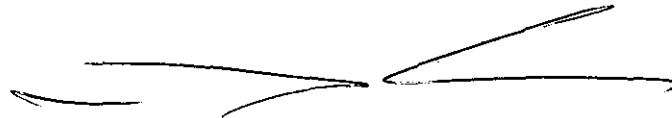
Basis of audit opinion

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 sixteen 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:

26.11.2001

CLWYD COMPOUNDERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH NOVEMBER 2001

	Notes	30.11.01		30.11.00	
		£	£	£	£
GROSS PROFIT			2,554,490		2,653,716
Distribution costs		150,771		145,387	
Administrative expenses		2,336,544		1,528,090	
		<u>2,487,315</u>		<u>1,673,477</u>	
OPERATING PROFIT	3		67,175		980,239
Income from investments		4,367		3,913	
Interest receivable and similar income		72,075		55,021	
		<u>76,442</u>		<u>58,934</u>	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			143,617		1,039,173
Tax on profit on ordinary activities	4		32,999		361,878
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			110,618		677,295
Retained profit brought forward			4,219,767		3,542,472
RETAINED PROFIT CARRIED FORWARD			<u>£4,330,385</u>		<u>£4,219,767</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

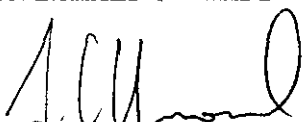
CLWYD COMPOUNDERS LIMITED


ABBREVIATED BALANCE SHEET
30TH NOVEMBER 2001

		30.11.01		30.11.00	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		1,616,624		1,621,870
Investments	6		1		1
			<u>1,616,625</u>		<u>1,621,871</u>
CURRENT ASSETS:					
Stocks	7	528,984		592,823	
Debtors	8	1,752,520		2,105,980	
Investments	9	125,810		121,880	
Cash at bank		<u>1,902,633</u>		<u>1,588,446</u>	
		4,309,947		4,409,129	
CREDITORS: Amounts falling due within one year	10	<u>1,380,859</u>		<u>1,601,746</u>	
NET CURRENT ASSETS:			<u>2,929,088</u>		<u>2,807,383</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			4,545,713		4,429,254
PROVISIONS FOR LIABILITIES AND CHARGES:	12		165,328		159,487
			<u>£4,380,385</u>		<u>£4,269,767</u>
CAPITAL AND RESERVES:					
Called up share capital	13		50,000		50,000
Profit and loss account			<u>4,330,385</u>		<u>4,219,767</u>
SHAREHOLDERS' FUNDS:	16		<u>£4,380,385</u>		<u>£4,269,767</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 29.4.2002

The notes form part of these financial statements

CLWYD COMPOUNDERS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2001**

		30.11.01		30.11.00	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		793,963		821,108
Returns on investments and servicing of finance	2		76,442		58,934
Taxation			(303,019)		(106,550)
Capital expenditure	2		(249,269)		(191,261)
			<u>318,117</u>		<u>582,231</u>
Management of liquid resources	2		(260,321)		(463,062)
Increase in cash in the period			<u>£57,796</u>		<u>£119,169</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		57,796		119,169	
Cash outflow from increase in liquid resources		<u>260,321</u>		<u>463,062</u>	
Change in net funds resulting from cash flows			<u>318,117</u>		<u>582,231</u>
Movement in net funds in the period			318,117		582,231
Net funds at 1st December			<u>1,710,326</u>		<u>1,128,095</u>
Net funds at 30th November			<u>£2,028,443</u>		<u>£1,710,326</u>

The notes form part of these financial statements

CLWYD COMPOUNDERS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2001

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

	30.11.01 £	30.11.00 £
Operating profit	67,175	980,239
Depreciation charges	258,190	250,447
Loss on sale of fixed assets	-	57,471
Profit on sale of fixed assets	(3,675)	-
Decrease/(Increase) in stocks	63,839	(227,128)
Decrease/(Increase) in debtors	353,460	(407,528)
Increase in creditors	54,974	167,607
Net cash inflow from operating activities	793,963	821,108

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

	30.11.01 £	30.11.00 £
Returns on investments and servicing of finance		
Interest received	72,075	55,021
Dividends received	4,367	3,913
Net cash inflow for returns on investments and servicing of finance	76,442	58,934
Capital expenditure		
Purchase of tangible fixed assets	(265,269)	(191,261)
Sale of tangible fixed assets	16,000	-
Net cash outflow for capital expenditure	(249,269)	(191,261)
Management of liquid resources		
Purchase of investment	(3,930)	(3,522)
Withdrawals of money market funds	(256,391)	(459,540)
Net cash outflow from management of liquid resources	(260,321)	(463,062)

The notes form part of these financial statements

CLWYD COMPOUNDERS LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH NOVEMBER 2001

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.00 £	Cash flow £	At 30.11.01 £
Net cash:			
Cash at bank	1,588,446		1,902,633
Less: Deposits treated as liquid resources	(1,000,000)		(1,256,391)
	<u>588,446</u>	<u>57,796</u>	<u>646,242</u>
	<u>588,446</u>	<u>57,796</u>	<u>646,242</u>
Liquid resources:			
Deposits included in cash	1,000,000	256,391	1,256,391
Current asset investments	<u>121,880</u>	<u>3,930</u>	<u>125,810</u>
	<u>1,121,880</u>	<u>260,321</u>	<u>1,382,201</u>
Total	<u>1,710,326</u>	<u>318,117</u>	<u>2,028,443</u>
Analysed in Balance Sheet			
Cash at bank	1,588,446		1,902,633
Current asset investments	<u>121,880</u>		<u>125,810</u>
	<u>1,710,326</u>		<u>2,028,443</u>

The notes form part of these financial statements

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

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**

	30.11.01	30.11.00
	£	£
Wages and salaries	1,546,804	1,036,913
Social security costs	164,098	104,243
Other pension costs	331,979	79,493
	<hr/>	<hr/>
	2,042,881	1,220,649
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CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

2. **STAFF COSTS - continued**

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

	30.11.01	30.11.00
Production	40	33
Sales and Distribution	9	9
Administration	4	4
	—	—
	53	46
	<u>==</u>	<u>==</u>

3. **OPERATING PROFIT**

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

	30.11.01	30.11.00
	£	£
Depreciation - owned assets	258,190	250,447
(Profit)/Loss on disposal of fixed assets	(3,675)	57,471
Auditors Remuneration	8,500	8,500
	<u>=====</u>	<u>=====</u>
Directors' emoluments	613,018	244,812
Directors' pension contributions to money purchase schemes	215,140	27,155
Compensation to director for loss of office	30,000	-
	<u>=====</u>	<u>=====</u>

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

Money purchase schemes	3	4
	<u>==</u>	<u>==</u>

Information regarding the highest paid director is as follows:

	30.11.01	30.11.00
	£	£
Emoluments etc	276,788	72,142
Pension contributions to money purchase schemes	5,052	9,935
	<u>=====</u>	<u>=====</u>

4. **TAXATION**

Analysis of the tax charge

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

	30.11.01	30.11.00
	£	£
Current tax:		
UK corporation tax	27,158	302,391
Deferred tax:		
Deferred taxation	5,841	59,487
	<u>=====</u>	<u>=====</u>
Tax on profit on ordinary activities	32,999	361,878
	<u>=====</u>	<u>=====</u>

UK corporation tax has been charged at 20% (2000 - 30%).

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

5. **TANGIBLE FIXED ASSETS**

	Short Leasehold property	Plant and machinery	Equipment and Fittings
	£	£	£
COST:			
At 1st December 2000	856,936	1,298,460	514,511
Additions	19,972	45,813	77,564
At 30th November 2001	876,908	1,344,273	592,075
DEPRECIATION:			
At 1st December 2000	101,309	765,975	422,941
Charge for year	23,875	87,476	44,024
At 30th November 2001	125,184	853,451	466,965
NET BOOK VALUE:			
At 30th November 2001	751,724	490,822	125,110
At 30th November 2000	755,627	532,485	91,570
	Motor vehicles	Computer equipment	Totals
	£	£	£
COST:			
At 1st December 2000	77,960	553,157	3,301,024
Additions	67,268	54,652	265,269
Disposals	(64,859)	-	(64,859)
At 30th November 2001	80,369	607,809	3,501,434
DEPRECIATION:			
At 1st December 2000	57,978	330,951	1,679,154
Charge for year	12,920	89,895	258,190
Eliminated on disposals	(52,534)	-	(52,534)
At 30th November 2001	18,364	420,846	1,884,810
NET BOOK VALUE:			
At 30th November 2001	62,005	186,963	1,616,624
At 30th November 2000	19,982	222,206	1,621,870

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

6. **FIXED ASSET INVESTMENTS**

	£		
COST:			
At 1st December 2000			
and 30th November 2001			1
			—
NET BOOK VALUE:			
At 30th November 2001			1
			=
At 30th November 2000			1
			=
	30.11.01	30.11.00	
	£	£	
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		
		30.11.01	30.11.00
		£	£
Aggregate capital and reserves		1	1
		=	=

7. **STOCKS**

	30.11.01	30.11.00
	£	£
Raw materials and consumables	456,484	433,996
Finished goods	72,500	158,827
	=	=
	528,984	592,823
	=	=

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

8. **DEBTORS**

	30.11.01	30.11.00
	£	£
Amounts falling due within one year:		
Trade debtors	1,670,276	2,032,203
Other debtors	10,040	24,823
Prepayments	43,858	26,863
Amounts owed from subsidiary	21,146	22,091
	<u>1,745,320</u>	<u>2,105,980</u>
Amounts falling due after more than one year:		
Other debtors	<u>7,200</u>	<u>-</u>
Aggregate amounts	<u>1,752,520</u>	<u>2,105,980</u>

9. **CURRENT ASSET INVESTMENTS**

	30.11.01	30.11.00
	£	£
Listed investments	<u>125,810</u>	<u>121,880</u>
Market value of listed investments at 30th November 2001 - £161,170 (2000 - £174,242).		

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

	30.11.01	30.11.00
	£	£
Trade creditors	622,101	905,338
Other creditors and accruals	371,397	154,476
Social security & other taxes	357,679	236,389
Taxation	29,681	305,542
Amounts owed to subsidiary	1	1
	<u>1,380,859</u>	<u>1,601,746</u>

11. **OBLIGATIONS UNDER LEASING AGREEMENTS**

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

	Land and buildings operating leases	30.11.00
	30.11.01	£
	£	
Expiring:		
In more than five years	<u>67,500</u>	<u>66,500</u>

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

12. **PROVISIONS FOR LIABILITIES AND CHARGES**

	30.11.01	30.11.00
	£	£
Deferred tax	<u>165,328</u>	<u>159,487</u>
	Deferred	
	tax	
	£	
Balance at 1st December 2000	159,487	
Movement in the year due to:		
Changes in tax rates	4,344	
Changes in tax allowances	<u>1,497</u>	
Balance at 30th November 2001	<u>165,328</u>	
Deferred tax provision		
	30.11.01	30.11.00
	£	£
Excess tax allowances over fixed asset depreciation	<u>165,328</u>	<u>159,487</u>
	<u>165,328</u>	<u>159,487</u>

13. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	30.11.01	30.11.00
		value:	£	£
1,000,000	Ordinary	£0.10	<u>100,000</u>	<u>50,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	30.11.01	30.11.00
		value:	£	£
500,000	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 £331,979 (2000: £79,493).

Contributions totalling £17,535 (2000: £9,685) were payable to the funds at the year end and are included in creditors.

CLWYD COMPOUNDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH NOVEMBER 2001

15. **CAPITAL COMMITMENTS**

	30.11.01	30.11.00
	£	£
Contracted but not provided for in the financial statements	-	32,000

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

	30.11.01	30.11.00
	£	£
Profit for the financial year	110,618	677,295
Issued share capital		
Net addition to shareholders' funds	110,618	677,295
Opening shareholders' funds	4,269,767	3,592,472
Closing shareholders' funds	4,380,385	4,269,767
Equity interests	4,380,385	4,269,767