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CLWYD COMPOUNDERS LIMITED

Registered Number : 1378413

DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 1994

M. D. COXEY AND CO.

WREXHAM



CLWYD COMPOUNDERS LIMITED

COMPANY INFORMATION

Directors	J.G. Haywood S.A. Haywood D. Smith R. Haycocks
Secretary	S.A. Haywood
Company Number	1378413 (England and Wales)
Registered Office	Gardden Industrial Estate, Ruabon, Wrexham, Clwyd.
Auditors	M. D. Coxey and Co., 25, Grosvenor Road, Wrexham, Clwyd.
Bankers	Midland Bank plc 14 High Street, Wrexham, Clwyd.

CLWYD COMPOUNDERS LIMITED

CONTENTS

	<u>Page</u>
Report of the Directors	1-2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Financial Statements	7-12

The following pages do not form part of the statutory financial statements

Trading and Profit and Loss Account	13
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CLWYD COMPOUNDERS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements of the company for the year ended 30th November 1994.

Principal Activity

The principal activity of the company is the manufacture of rubber compounds.

Review of the Business

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

Future Developments

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

Post Balance Sheet Events

There have been no events since the year end which would materially affect the financial statements.

Results, Dividends and Reserves

The results for the year are set out in detail on page 4.

The directors do not recommend the payment of a dividend. The retained profit for the year of £296,219 (1993 : £280,479) to be transferred to reserves carried forward.

Directors

The directors who served during the year and the interests in the shares of the company of those serving at the end of the year were as follows :

	At 30.11.94 Ordinary shares of £1 each	At 30.11.93 Ordinary shares of £1 each
J. G. Haywood	36500	36500
S. A. Haywood	12500	12500
D. Smith	500	500

In addition R. Haycocks was appointed director on 1st December 1994.

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.

Tangible Fixed Assets

Changes in tangible fixed assets in the year are shown in note 9 to the financial statements.

Political and Charitable Donations

Charitable donations amounting to £1,321 were made in the year. No political contributions were made in the year.

Tax Status

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

Auditors

The auditors, M.D. Coxey & Co., have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

.....*S. A. Haywood*.....
S. A. Haywood

Registered Office :

Gardden Industrial Estate,
Ruabon,
Wrexham.

Secretary.

Date :

30/3/95

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
CLWYD COMPOUNDERS LIMITED

We have audited the financial statements on pages 4 to 12.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these statements and to report our opinion to you.

Basis of opinion

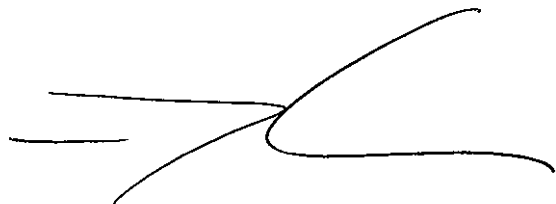
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th November 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25, Grosvenor Road,
Wrexham,
Clwyd, LL11 1BT.



M. D. Coxey and Co.
Chartered Accountants &
Registered Auditors.

Date : 30 3/95

CLWYD COMPOUNDERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
Turnover	2	3,726,223	3,341,044
Cost of Sales		(2,524,601)	(2,269,833)
Gross Profit		1,201,622	1,071,211
Distribution Costs		(80,829)	(68,571)
Administrative Expenses		(758,637)	(652,261)
Operating Profit	3	362,156	350,379
Other Interest Receivable & Similar Income	4	46,063	47,100
Profit on Ordinary Activities before Taxation		408,219	397,479
Taxation on Profit on Ordinary Activities	7	(112,000)	(117,000)
Profit for the Financial Year		296,219	280,479
Dividends	8	-	-
Retained Profit for the year	15	296,219	280,479

All the company's operations are classed as continuing.

There are no recognised gains or losses other than those recognised in the profit and loss account.

The accompanying notes form an integral part of these financial statements.

CLWYD COMPOUNDERS LIMITED

BALANCE SHEET

AS AT 30TH NOVEMBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>Fixed assets</u>			
Tangible assets	9	660,921	656,455
<u>Current assets</u>			
Stocks & Work in Progress	10	286,246	195,541
Debtors	11	910,307	856,721
Cash at Bank & In Hand		1,337,407	1,040,546
		<u>2,533,960</u>	<u>2,092,808</u>
<u>Creditors : Amounts falling due within one year</u>	12	<u>(747,083)</u>	<u>(597,684)</u>
Net Current Assets		<u>1,786,877</u>	<u>1,495,124</u>
Total Assets less Current Liabilities		<u>2,447,798</u>	<u>2,151,579</u>
<u>Provision for liabilities & charges</u>	13	<u>(55,000)</u>	<u>(55,000)</u>
Net Assets		<u><u>2,392,798</u></u>	<u><u>2,096,579</u></u>
<u>Capital and Reserves</u>			
Called up equity share capital	14	50,000	50,000
Profit and Loss Account	15	2,342,798	2,046,579
Shareholders Funds	16	<u><u>2,392,798</u></u>	<u><u>2,096,579</u></u>

Approved by the Board of Directors and signed on its behalf.

J. G. Haywood 

S. A. Haywood 

Date :

30/3/95

The accompanying notes form an integral part of these financial statements.

CLWYD COMPOUNDERS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH NOVEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
Net Cash inflow from operating activities	19	471,986	404,585
Returns on investments and servicing of finance			
Interest received		46,063	47,100
Dividends paid		-	-
		<u>46,063</u>	<u>47,100</u>
Net cash inflow from returns on investments and servicing of finance		46,063	47,100
Taxation			
Corporation tax paid		(102,219)	(136,654)
Tax paid		<u>(102,219)</u>	<u>(136,654)</u>
Investing activities			
Payments to acquire tangible fixed assets		(120,469)	(147,239)
Receipts from sales of tangible fixed assets		1,500	19,445
		<u>1,500</u>	<u>19,445</u>
Net Cash outflow from investing activities		(118,969)	(127,794)
Net Cash inflow before financing		<u>296,861</u>	<u>187,237</u>
Net cash inflow from financing		-	-
Increase in cash and cash equivalents	20/21	<u>296,861</u>	<u>187,237</u>

The accompanying notes form an integral part of these financial statements.

CLWYD COMPOUNDERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 1994

1. Accounting Policies

There have been no changes in accounting policies during the year. The significant accounting policies adopted are as follows :-

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements include the results of the activities described in the directors report all of which are continuing.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided in equal amounts each year in order to write off the cost or valuation of fixed assets less their estimated residual value, over their estimated useful economic lives as follows :-

	<u>No. of years</u>
Short Leasehold Property	Over the life of the lease
Plant and Machinery	10
Equipment and Fittings	5
Motor Vehicles	5
Computer Equipment	3

(c) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock. Cost is based on purchases on a first in first out basis. Work in progress comprises direct materials, direct labour and attributable production and other overheads.

(d) Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences only to the extent that it is considered that such a liability will become payable in the foreseeable future.

(e) Turnover

Turnover represents sales to outside customers at invoiced amounts excluding value added tax and trade discounts where applicable.

(f) Pension Scheme - Defined Contribution

The company operates five defined contribution pension schemes. The amount charged to the profit and loss account is the amount of contributions payable to the pension schemes in respect of the year.

2. Analysis of Turnover

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Turnover analysed by geographical market		
United Kingdom	3,703,272	3,323,321
European Community	22,951	17,723
	<u>3,726,223</u>	<u>3,341,044</u>

3. <u>Operating Profit</u>	<u>1994</u>	<u>1993</u>
	£	£
The operating profit is arrived at after charging/(crediting) :-		
Depreciation	115,283	116,095
Auditors Remuneration	4,500	4,000
(Profit)/Loss on disposal of fixed assets	(780)	837
Staff Costs (note 5)	695,063	554,806
	<u> </u>	<u> </u>
4. <u>Other Interest Receivable and Similar Income</u>	<u>1994</u>	<u>1993</u>
	£	£
Bank Deposit Interest	46,014	47,100
Other Interest	49	-
	<u> </u>	<u> </u>
	46,063	47,100
	<u> </u>	<u> </u>
5. <u>Employees</u>		
The average number of employees including directors, employed by the company during the year was as follows :	<u>No. of Employees</u>	<u>1993</u>
	<u>1994</u>	
Production	23	23
Sales and Distribution	3	3
Administration	3	3
	<u> </u>	<u> </u>
	29	29
	<u> </u>	<u> </u>
Costs in respect of these employees	£	£
Wages and salaries	538,449	450,383
Social Security Costs	51,400	50,520
Pension Costs	105,214	53,903
	<u> </u>	<u> </u>
	695,063	554,806
	<u> </u>	<u> </u>
6. <u>Directors Remuneration</u>	<u>1994</u>	<u>1993</u>
	£	£
Remuneration as executives	120,697	109,797
Other Emoluments (expense allowances, pension contributions, benefits in kind)	90,879	41,153
	<u> </u>	<u> </u>
	211,576	150,950
	<u> </u>	<u> </u>
Directors emoluments, excluding pension contributions include those of :		
Chairman & Highest Paid Director	51,729	46,310
	<u> </u>	<u> </u>

6. cont'd ...

The number of directors (excluding the chairman and highest paid director) who received fees and other emoluments in the year (excluding pension contributions) in the following ranges were :-

	<u>1994</u> No.	<u>1993</u> No.
35,001 - 40,000	1	1
40,001 - 45,000	-	1
45,001 - 50,000	1	-
	<u>1</u>	<u>1</u>

7. Taxation

The taxation charge which is based on the results for the year, comprises :-

	<u>1994</u> £	<u>1993</u> £
Corporation Tax at 33%	112,000	102,000
Transfers to deferred taxation	-	15,000
	<u>112,000</u>	<u>117,000</u>

8. Dividends (equity shares)

Ordinary
Nil paid per share (1993 : £Nil per share)

<u>1994</u> £	<u>1993</u> £
-	-
<u>-</u>	<u>-</u>

9. Tangible Fixed Assets

	<u>Short</u> <u>Leasehold</u> <u>Property</u>	<u>Motor</u> <u>Vehicles</u>	<u>Plant &</u> <u>Machinery</u>	<u>Computer</u> <u>Equipment</u>	<u>Equipment</u> <u>& Fittings</u>	<u>Total</u>
	£	£	£	£	£	£
<u>Cost</u>						
At 1st December 1993	153,845	64,357	709,718	75,282	256,578	1,259,780
Additions	8,672	-	36,790	43,719	31,288	120,469
Disposals	-	-	-	-	(1,200)	(1,200)
At 30th November 1994	<u>162,517</u>	<u>64,357</u>	<u>746,508</u>	<u>119,001</u>	<u>286,666</u>	<u>1,379,049</u>
<u>Depreciation</u>						
At 1st December 1993	36,301	15,989	299,317	64,965	186,753	603,325
Charge for the year	11,628	13,020	59,152	7,965	23,518	115,283
Disposals	-	-	-	-	(480)	(480)
At 30th November 1994	<u>47,929</u>	<u>29,009</u>	<u>358,469</u>	<u>72,930</u>	<u>209,791</u>	<u>718,128</u>
<u>Net Book Value</u>						
At 30th November 1994	<u>114,588</u>	<u>35,348</u>	<u>388,039</u>	<u>46,071</u>	<u>76,875</u>	<u>660,921</u>
At 30th November 1993	<u>117,544</u>	<u>48,368</u>	<u>410,401</u>	<u>10,317</u>	<u>69,825</u>	<u>656,455</u>

10. <u>Stocks and Work in Progress</u>	<u>1994</u> £	<u>1993</u> £
Raw Materials and Consumables	236,496	165,883
Finished Goods and goods for resale	49,750	29,658
	<u>286,246</u>	<u>195,541</u>
11. <u>Debtors</u>	<u>1994</u> £	<u>1993</u> £
Amounts falling due within one year		
Trade debtors	905,610	815,417
Other debtors	-	47
Prepayments	4,697	41,257
	<u>910,307</u>	<u>856,721</u>
12. <u>Creditors : Amounts falling due within one year</u>	<u>1994</u> £	<u>1993</u> £
Trade creditors	489,012	368,728
Corporation tax	113,127	103,346
Other taxes and social security	71,023	71,891
Other creditors and accruals	73,921	53,719
	<u>747,083</u>	<u>597,684</u>
13. <u>Provision for liabilities and charges</u>	<u>1994</u> £	<u>1993</u> £
Deferred Taxation		
At 1st December 1993	55,000	40,000
Movement during the year	-	15,000
At 30th November 1994	<u>55,000</u>	<u>55,000</u>
14. <u>Called up equity share capital</u>		
<u>Authorised</u>	<u>Issued and fully paid</u> <u>1994</u> £	<u>1993</u> £
100,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
15. <u>Profit and Loss Account</u>	<u>1994</u> £	<u>1993</u> £
At 1st December 1993	2,046,579	1,766,100
Retained Profit for the year	296,219	280,479
At 30th November 1994	<u>2,342,798</u>	<u>2,046,579</u>

16. Reconciliation of movement in shareholders' funds

	<u>1994</u> £	<u>1993</u> £
Profit for the year	296,219	280,479
Dividend	-	-
Retained profit for the year	296,219	280,479
Shareholders funds at 30th November 1993	2,096,579	1,816,100
Shareholders funds at 30th November 1994	<u>2,392,798</u>	<u>2,096,579</u>

Shareholders funds comprise wholly of equity interests.

17. Capital Commitments

	<u>1994</u> £	<u>1993</u> £
Capital expenditure contracted for but not provided for in the financial statements	21,500	-
Authorised but not contracted for	250,000	-
	<u>271,500</u>	<u>-</u>

18. Pension Commitments

Defined contribution scheme

The company operates five 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 £105,214 (1993 : £53,903).

Contributions totalling £1,431 (1993 : £1,165) were payable to the funds at the year end and are included in creditors.

19. Reconciliation of operating profit to net cash inflow from operating activities

	<u>1994</u> £	<u>1993</u> £
Operating Profit	362,156	350,379
Depreciation charges	115,283	116,095
(Profit)/Loss on sale of tangible fixed assets	(780)	837
(Increase)/Decrease in Stocks	(90,705)	79,503
(Increase)/Decrease in Debtors	(53,586)	8,192
Increase/(Decrease) in Creditors	139,618	(150,421)
Net Cash inflow from operating activities	<u>471,986</u>	<u>404,585</u>

20. Analysis of changes in cash and cash equivalents during the year

	<u>1994</u> £	<u>1993</u> £
Balance at 1st December 1993	1,040,546	853,309
Net cash inflow	296,861	187,237
Balance at 30th November 1994	<u>1,337,407</u>	<u>1,040,546</u>

21. Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	<u>1994</u>	<u>1993</u>	<u>Change</u> <u>in year</u>	<u>1993</u>	<u>1992</u>	<u>Change</u> <u>in year</u>
	£	£	£	£	£	£
Cash in hand	189	128	61	128	195	(67)
Bank	<u>1,337,218</u>	<u>1,040,418</u>	<u>296,800</u>	<u>1,040,418</u>	<u>853,114</u>	<u>187,304</u>
	<u>1,337,407</u>	<u>1,040,546</u>	<u>296,861</u>	<u>1,040,546</u>	<u>853,309</u>	<u>187,237</u>

CLWYD COMPOUNDERS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH NOVEMBER 1994

		<u>1994</u> £		<u>1993</u> £
Sales		3,726,223		3,341,044
Cost of Materials	2,155,718		1,972,275	
Direct Labour	368,883	2,524,601	297,558	2,269,833
Gross Profit		1,201,622		1,071,211
<u>Factory Expenses</u>				
Rent and Rates	69,877		65,009	
Power	60,061		56,815	
Insurance	18,116		15,187	
Repairs and Renewals - Property	3,322		6,223	
- Plant	33,554		33,185	
Sundries	3,630		2,661	
Packaging	36,424		25,856	
Consumables	16,259		16,177	
Laboratory Expenses	17,311		11,863	
	258,554		232,976	
<u>Selling & Distribution Expenses</u>				
Motor Expenses	13,718		12,595	
Carriage	64,639		54,249	
Sundries	2,472		1,727	
	80,829		68,571	
<u>Administration Expenses</u>				
Salaries & Pensions	130,748		121,823	
Office Expenses & Telephone	29,360		39,205	
Audit and Accountancy	6,350		5,900	
	166,458		166,928	
Bad Debts	23,690		-	
Directors Emoluments	120,697		109,797	
Directors Pension Scheme	74,735		25,628	
Depreciation	115,283		116,095	
	334,405		251,520	
		(840,246)		(719,995)
		361,376		351,216
Other Interest	49		-	
Bank Interest Received	46,014		47,100	
Profit/(Loss) on sale of fixed assets	780	46,843	(837)	46,263
Net Profit		408,219		397,479