

PETROPLAS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30TH APRIL 1998**

Seymour Taylor

Chartered Accountants & Registered Auditors
57 London Road
High Wycombe
Buckinghamshire
HP11 1BS



PETROPLAS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 1998

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PETROPLAS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 13, together with the financial statements of the company for the year ended 30th April 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 those provisions and report our opinion to you.

BASIS OF OPINION

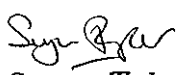
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with those provisions.

57 London Road
High Wycombe
Buckinghamshire
HP11 1BS

.....9/11/1998


Seymour Taylor
Chartered Accountants
& Registered Auditors

Seymour Taylor

PETROPLAS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH APRIL 1998

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th April 1998.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of thermoplastic polymer distribution.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 Apr 98	At 1 May 97
Mr J M B Scarr	2,000	2,000
Mr R K Webb	<u>2,000</u>	<u>2,000</u>

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Seymour Taylor

PETROPLAS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH APRIL 1998

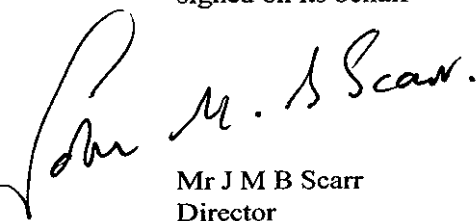
DIRECTORS' RESPONSIBILITIES *(continued)*

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. The directors 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.

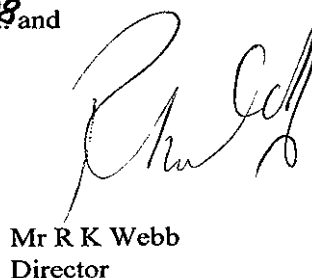
AUDITORS

A resolution to re-appoint Seymour Taylor as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Approved by the board of directors on9.11.1998 and
signed on its behalf



Mr J M B Scarr
Director



Mr R K Webb
Director

Seymour Taylor

PETROPLAS LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH APRIL 1998**

	Note	1998 £	1997 £
GROSS PROFIT		933,572	916,151
Distribution costs		(239,466)	(206,912)
Administrative expenses		(628,720)	(632,545)
OPERATING PROFIT	2	<u>65,386</u>	<u>76,694</u>
Interest payable	5	(14,929)	(10,186)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>50,457</u>	<u>66,508</u>
Tax on profit on ordinary activities	6	(11,664)	(16,446)
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>38,793</u>	<u>50,062</u>
Balance brought forward		1,102,730	1,052,668
Balance carried forward		<u>1,141,523</u>	<u>1,102,730</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 8 to 13 form part of these financial statements.

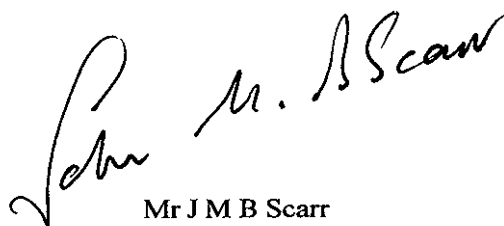
Seymour Taylor

PETROPLAS LIMITED**ABBREVIATED BALANCE SHEET****AS AT 30TH APRIL 1998**

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	7	128,121	125,119
CURRENT ASSETS			
Stocks	8	608,125	785,691
Debtors	9	1,378,258	1,134,458
Cash at bank and in hand		136	60
		<u>1,986,519</u>	<u>1,920,209</u>
CREDITORS: Amounts falling due within one year	10	<u>(969,117)</u>	<u>(938,598)</u>
NET CURRENT ASSETS		<u>1,017,402</u>	<u>981,611</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,145,523</u>	<u>1,106,730</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	4,000	4,000
Profit and loss account	13	<u>1,141,523</u>	<u>1,102,730</u>
SHAREHOLDERS' FUNDS	14	<u>1,145,523</u>	<u>1,106,730</u>

These financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

Approved by the board of directors on 9. 11 1998 and
signed on its behalf



Mr J M B Scarr
Director



Mr R K Webb
Director

The notes on pages 8 to 13 form part of these financial statements.

Seymour Taylor

PETROPLAS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30TH APRIL 1998**

	1998	1997
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	152,769	150,321
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(14,929)	(10,186)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(14,929)	(10,186)
TAXATION	(16,333)	(16,650)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(72,866)	(80,942)
Receipts from sale of fixed assets	33,000	23,401
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(39,866)	(57,541)
INCREASE IN CASH	<u>81,641</u>	<u>65,944</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	1998	1997
	£	£
Operating profit	65,386	76,694
Depreciation	33,622	32,615
Loss on disposal of fixed assets	3,242	4,939
Decrease/(Increase) in stocks	177,566	(14,838)
(Increase)/Decrease in debtors	(243,800)	116,415
Increase/(Decrease) in creditors	116,753	(65,504)
Net cash inflow from operating activities	<u>152,769</u>	<u>150,321</u>

The notes on pages 8 to 13 form part of these financial statements.

Seymour Taylor

PETROPLAS LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 30TH APRIL 1998****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	1998	1997
	£	£
Increase in cash in the period	81,641	65,944
Net debt at 1st May 1997	<u>(348,355)</u>	<u>(414,299)</u>
Net debt at 30th April 1998	<u>(266,714)</u>	<u>(348,355)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 1997	Cash flows	At 30 Apr 1998
	£	£	£
Net cash:			
Cash in hand and at bank	60	76	136
Overdrafts	(348,415)	81,565	(266,850)
Net debt	<u>(348,355)</u>	<u>81,641</u>	<u>(266,714)</u>

The notes on pages 8 to 13 form part of these financial statements.

Seymour Taylor

PETROPLAS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998**

1. ACCOUNTING POLICIES**Basis of accounting**

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and Machinery	Reducing balance	25% and 15%
	Straight line	25%
Motor Vehicles	Reducing balance	25%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Seymour Taylor

PETROPLAS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	1998	1997
	£	£
Depreciation	33,622	32,615
Loss on disposal of fixed assets	3,242	4,939
Auditors' remuneration		
- as auditors	8,880	6,745
Net profit on foreign currency translation	(539)	-
	<u> </u>	<u> </u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	1998	1997
	No.	No.
Administrative	10	10
Sales	5	5
	<u>15</u>	<u>15</u>

The aggregate payroll costs of the above were:

	1998	1997
	£	£
Wages and salaries	350,710	354,082
Health Insurance	4,451	4,599
Social security costs	36,374	37,249
Other pension costs	29,483	30,860
	<u>421,018</u>	<u>422,790</u>

PETROPLAS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****4. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	1998 £	1997 £
Emoluments receivable	169,446	152,215
Value of company pension contributions to money purchase schemes	10,000	10,000
	<u>179,446</u>	<u>162,215</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	1998 No.	1997 No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. INTEREST PAYABLE

	1998 £	1997 £
Interest payable on bank borrowing	<u>14,929</u>	<u>10,186</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
Corporation tax based on the results for the year at 21% (1997 - 23.92%)	<u>11,664</u>	<u>16,446</u>

PETROPLAS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****7. TANGIBLE FIXED ASSETS**

	Plant & Machinery	Motor Vehicles	Total
	£	£	£
COST			
At 1st May 1997	51,169	139,652	190,821
Additions	23,021	49,845	72,866
Disposals	-	(58,924)	(58,924)
At 30th April 1998	<u>74,190</u>	<u>130,573</u>	<u>204,763</u>
DEPRECIATION			
At 1st May 1997	36,473	29,229	65,702
Charge for the year	4,496	29,126	33,622
On disposals	-	(22,682)	(22,682)
At 30th April 1998	<u>40,969</u>	<u>35,673</u>	<u>76,642</u>
NET BOOK VALUE			
At 30th April 1998	<u>33,221</u>	<u>94,900</u>	<u>128,121</u>
At 30th April 1997	<u>14,696</u>	<u>110,423</u>	<u>125,119</u>

8. STOCKS

	1998	1997
	£	£
Finished goods	<u>608,125</u>	<u>785,691</u>

9. DEBTORS

	1998	1997
	£	£
Trade debtors	1,258,875	1,085,496
Other debtors	1,789	2,315
Prepayments and accrued income	117,594	46,647
	<u>1,378,258</u>	<u>1,134,458</u>

Seymour Taylor

PETROPLAS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****10. CREDITORS: Amounts falling due within one year**

	1998 £	1997 £
Bank overdraft	266,850	348,415
Trade creditors	431,182	334,305
Other creditors including taxation and social security:		
Corporation tax	11,777	16,446
PAYE and social security	1,122	5,482
VAT	197,262	186,341
Other creditors	2,370	4,446
Directors' current accounts	12,332	7,165
	<u>224,863</u>	<u>219,880</u>
Accruals and deferred income	46,222	35,998
	<u>969,117</u>	<u>938,598</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank overdraft	<u>266,850</u>	<u>348,415</u>

11. COMMITMENTS UNDER OPERATING LEASES

At 30th April 1998 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 1998 £	1997 £
Operating leases which expire:		
Within 2 to 5 years	<u>18,000</u>	<u>18,000</u>

Seymour Taylor

PETROPLAS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 1998****12. SHARE CAPITAL****Authorised share capital:**

	1998 £	1997 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>4,000</u>	<u>4,000</u>

13. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Balance brought forward	1,102,730	1,052,668
Retained profit for the financial year	38,793	50,062
Balance carried forward	<u>1,141,523</u>	<u>1,102,730</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	38,793	50,062
Opening shareholders' equity funds	1,106,730	1,056,668
Closing shareholders' equity funds	<u>1,145,523</u>	<u>1,106,730</u>

Seymour Taylor