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Registered Number: 1990255

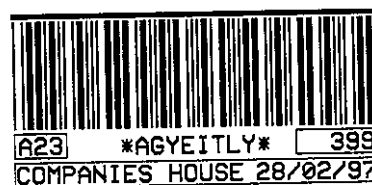
Petroplas Limited

ABBREVIATED ACCOUNTS

**For the year ended
30th April 1996**

51 Church Street
Theale
Reading
Berkshire RG7 5BX

Seymour Taylor
Chartered Accountants
High Wycombe
Buckinghamshire



ABBREVIATED ACCOUNTS

for the year ended 30th April 1996

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REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 30th April 1996.

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:-

- I select suitable accounting policies and then apply them consistently;
- I make judgements and estimates that are reasonable and prudent;
- I 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.

REVIEW OF THE BUSINESS

The principal activity of the company is that of distributing thermoplastic polymers.

The company increased its turnover during the year and the directors consider the results shown by the financial statements to be satisfactory.

The directors consider the company to be in a good position to take advantage of future opportunities.

RESULTS AND DIVIDENDS

The profit for the year and the appropriation thereof is set out on page 5.

The directors recommend that no dividend be paid in respect of the year.

FIXED ASSETS

The movements in the fixed assets during the year are set out in the notes to the financial statements.

DIRECTORS AND THEIR INTERESTS

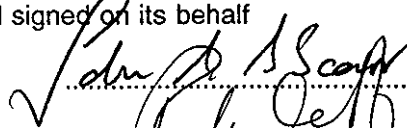
The directors of the company who have held office during the year and their shareholdings are:-

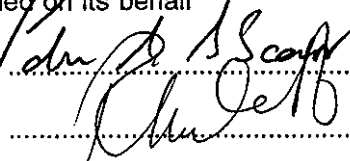
	Ordinary Shares	
	1996	1995
J.M.B.Scarr	2,000	2,000
R.K.Webb	2,000	2,000
	<u>4,000</u>	<u>4,000</u>

AUDITORS

The auditors, Seymour Taylor, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Approved by the board on 4 October 1996
and signed on its behalf

 J.M.B. Scarr, Director

 R.K. Webb, Director

AUDITORS' REPORT TO PETROPLAS LIMITED

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 4 to 12 together with the financial statements of Petroplas Limited prepared under section 226 of The Companies Act 1985 for the year ended 30th April 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to The Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 4 and whether the abbreviated accounts have been properly prepared in accordance with that schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of The Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 30th April 1996 and the abbreviated accounts on pages 4 to 12 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 4 October 1996 we reported, as auditors to Petroplas Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th April 1996 and our audit report was as follows:-

"We have audited the financial statements on pages 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out on Page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on Page 1 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 those 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 misstatement, 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.

Continued

AUDITORS' REPORT TO PETROPLAS LIMITED (CONTINUED)
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985".



Seymour Taylor
Chartered Accountants
Registered Auditor

4th October 1996

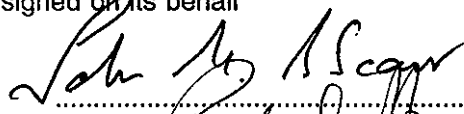
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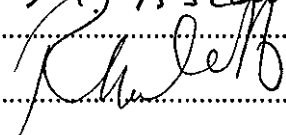
ABBREVIATED BALANCE SHEET as at 30th April 1996

NOTES		1996	1995
	FIXED ASSETS		
2	Tangible Assets	105,132	104,840
	CURRENT ASSETS		
5	Stocks	770,853	924,958
3	Debtors	1,250,873	1,365,836
	Cash at Bank and in Hand	793	42
		<u>2,022,519</u>	<u>2,290,836</u>
	CREDITORS (Amounts falling due within one year)		
6	Sundry Creditors	<u>(1,070,983)</u>	<u>(1,386,641)</u>
	NET CURRENT ASSETS	<u>951,536</u>	<u>904,195</u>
		<u>£1,056,668</u>	<u>£1,009,035</u>
	CAPITAL AND RESERVES		
4	Called Up Share Capital	4,000	4,000
	Profit and Loss Account	<u>1,052,668</u>	<u>1,005,035</u>
8		<u>£1,056,668</u>	<u>£1,009,035</u>

Advantage is taken of the exemptions conferred by Part 1 and Section B of Part III of Schedule 8 to the Companies Act 1985. In the directors's opinion, the company is entitled to those exemptions having met the qualifications for a medium sized company specified in Sections 246 and 247 of the Companies Act 1985.

Approved by the board of directors on 4 October 1996
and signed on its behalf

 J.M.B. Scarr, Director

 R.K. Webb, Director

The notes on pages 8 to 12 form part of these abbreviated accounts

ABBREVIATED PROFIT AND LOSS ACCOUNT for the year ended 30th April 1996

NOTES	1996	1995
GROSS PROFIT	891,969	1,074,479
Distribution Costs	(190,001)	(172,443)
Administrative Expenses	(633,723)	(755,426)
10,11 OPERATING PROFIT	68,245	146,610
Profit/(Loss) on Disposal of Fixed Assets	(3,220)	(5,713)
13 Other Income	21,481	20,364
14 Interest Payable and Similar Charges	(21,441)	(10,652)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	65,065	150,609
15 Tax on Profit on Ordinary Activities	(17,432)	(38,426)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	47,633	112,183
Dividends	—	—
	47,633	112,183
RETAINED PROFITS BROUGHT FORWARD	1,005,035	892,852
RETAINED PROFITS CARRIED FORWARD	£1,052,668	£1,005,035

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 8 to 12 form part of these abbreviated accounts

ABBREVIATED CASH FLOW STATEMENT for the year ended 30th April 1996

NOTES

1	NET CASH INFLOW/[OUTFLOW] FROM OPERATING ACTIVITIES	(4,983)	(221,235)
	RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
	Interest Paid	(21,441)	(10,652)
	Rent and Service Charges Received	21,481	20,364
	NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	40	9,712
	TAXATION		
	Corporation Tax Paid	(39,208)	(13,891)
	INVESTING ACTIVITIES		
	Payments to Acquire Tangible Fixed Assets	(53,714)	(74,039)
	Receipts from Sale of Tangible Fixed Assets	21,375	28,050
	NET CASH INFLOW/[OUTFLOW] FROM INVESTING ACTIVITIES	(32,339)	(45,989)
3	INCREASE/(DECREASE) IN CASH AND NET CASH EQUIVALENTS	<u>£(76,490)</u>	<u>£(271,403)</u>

The notes on page 7 form part of this cash flow statement

NOTES TO THE ABBREVIATED CASH FLOW STATEMENT for the year ended 30th April 1996

NOTES

1.

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/[OUTFLOW] FROM OPERATING ACTIVITIES	1996	1995
Operating Profit	68,245	146,610
Depreciation	28,827	30,420
(Increase)/Decrease in Stocks	154,105	(645,150)
(Increase)/Decrease in Debtors	114,963	(352,682)
Increase/(Decrease) in Creditors	(371,123)	599,567
	<u>£(4,983)</u>	<u>£(221,235)</u>

2.

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR	1996	1995
Balance at 1st May 1995	(337,809)	(66,406)
Net Cash Inflow/(Outflow)	(76,490)	(271,403)
Balance at 30th April 1996	<u>£(414,299)</u>	<u>£(337,809)</u>

3.

ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	1996	1995	Change In Year
Cash at Bank and in Hand	793	42	751
Bank Overdraft	(415,092)	(337,851)	(77,241)
	<u>£(414,299)</u>	<u>£(337,809)</u>	<u>£(76,490)</u>

The notes on page 7 form part of this cash flow statement

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 30th April 1996

1. ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in compliance with the provisions of the Companies Act 1985.

The financial statements have been prepared under the historical cost basis of accounting.

Turnover

Turnover represents net invoiced sales of goods and services excluding VAT.

Depreciation

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

	Method	Depreciation Rate
Office Equipment, Fixtures and Fittings	Reducing Balance and Straight Line	25%
Motor Vehicles	Reducing Balance	25%

Stocks

Stocks have been valued at the lower of cost and net realisable value, consistent with previous years.

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.

Pensions

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme. The scheme funds are administered by trustees and are independent of the company's finances.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated 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.

Continued

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 30th April 1996

2. TANGIBLE ASSETS

	Office Equipment Fixtures & Fittings	Motor Vehicles	Total
Cost			
As at 1st May 1995	44,026	107,504	151,530
Additions	7,624	46,090	53,714
	51,650	153,594	205,244
Disposals	(695)	(41,578)	(42,273)
AS AT 30TH APRIL 1996	£50,955	£112,016	£162,971
Depreciation			
As at 1st May 1995	25,534	21,156	46,690
Charge for the Year	6,000	22,827	28,827
	31,534	43,983	75,517
On Disposals	(258)	(17,420)	(17,678)
AS AT 30TH APRIL 1996	£31,276	£26,563	£57,839
NET BOOK VALUES			
Owned Assets			
AS AT 30TH APRIL 1995	£18,492	£86,348	£104,840
Owned Assets			
AS AT 30TH APRIL 1996	£19,679	£85,453	£105,132

3. DEBTORS

	1996	1995
Due within one year		
Trade Debtors	1,228,030	1,331,190
Prepayments and Accrued Income	21,954	20,409
Other Debtors	889	14,237
	£1,250,873	£1,365,836

Continued

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 30th April 1996

4.	CALLED UP SHARE CAPITAL	1996	1995
	Authorised Ordinary Shares of £1 each	£10,000	£10,000
	Issued and Fully Paid Ordinary Shares of £1 each	£4,000	£4,000
5.	STOCKS	1996	1995
	Goods for Resale	£770,853	£924,958
6.	CREDITORS	1996	1995
	Payable within one year		
	Bank Overdraft (Secured)	415,092	337,851
	Trade Creditors	413,748	944,803
	Accruals and Deferred Income	31,793	57,042
	Corporation Tax	16,650	38,426
	Other Taxes and Social Security	190,104	4,923
	Other Creditors	3,596	3,596
		£1,070,983	£1,386,641
7.	DEFERRED TAXATION		
	No potential liability to deferred taxation exists as at 30th April 1996 or 30th April 1995.		
8.	RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS	1996	1995
	Profit for the financial year after taxation	47,633	112,183
	Opening Shareholders Funds at 1st May 1995	1,009,035	896,852
	Closing Shareholders Funds at 30th April 1996	£1,056,668	£1,009,035
	- Equity Interests		

Continued

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 30th April 1996

9. **TURNOVER**

The turnover and profit on ordinary activities before taxation are wholly attributable to the principal activity of the company and are attributable entirely to geographical markets within the United Kingdom.

10. OPERATING PROFIT	1996	1995
This is stated after charging		
Directors' Emoluments (See Note 12)	£175,530	£277,578
Auditors' Remuneration	£3,750	£3,750
Depreciation – Owned Fixed Assets	£28,827	£30,420

11. STAFF COSTS (including directors)	1996	1995
Wages and Salaries	£347,704	£425,072
Social Security Costs	£35,040	£44,419
Other Pensions Costs	£38,714	£57,320
Life Assurance	£7,998	£7,483

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

	1996	1995
Sales	4	4
Administration	11	11
	15	15

12. DIRECTORS' EMOLUMENTS	1996	1995
Salaries and Bonuses	135,340	217,405
Other Emoluments (including Pension Contributions)	40,190	60,173
	£175,530	£277,578

	1996	1995
The emoluments of the chairman and the highest paid director were	£73,480	£114,539

The emoluments of the other director (excluding Pension Contributions) fell within the following bands:–

£70,001 – £75,000	1	–
£110,001 – £115,000	–	1

Continued

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) for the year ended 30th April 1996

13.	OTHER INCOME	1996	1995
	Other Service Charges	5,677	5,274
	Rent Receivable	15,804	15,090
		<u>£21,481</u>	<u>£20,364</u>
14.	INTEREST PAYABLE AND SIMILAR CHARGES	1996	1995
	Interest on Bank Overdraft repayable within 5 years:-		
	Not by Instalments	<u>£21,441</u>	<u>£10,652</u>
15.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1996	1995
	Corporation Tax payable at 24.92% [1995 :25%]		
	based on taxable profits of the year	16,650	38,426
	Adjustment in respect of previous years	782	-
		<u>£17,432</u>	<u>£38,426</u>
16.	COMMITMENTS		
	Operating Leases		
	At 30th April 1996 the company had annual commitments		
	under non-cancellable operating leases as set out below:-		
		1996	1995
		Land and	Land and
		Buildings	Buildings
	Operating Leases which expire:-		
	Between 2 - 5 years	<u>£18,000</u>	<u>£20,000</u>