

Company Registration No. 4932732 (England and Wales)

AVALON PLASTICS LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED 30 NOVEMBER 2004



AVALON PLASTICS LIMITED

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AVALON PLASTICS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2004

The directors present their report and financial statements for the period ended 30 November 2004.

Principal activities and review of the business

The company incorporated on 15 October 2003, and commenced trading on 16 November 2004. Its principal activity is the manufacture of plastic products.

The results for the period and the financial position at the period end of the company were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the period are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Future developments

The directors anticipate continued profitability in future years.

Directors

The following directors have held office since 15 October 2003:

S Boyd	(Appointed 15 October 2003)
K Butler	(Appointed 15 October 2003)
P Darley	(Appointed 15 October 2003)
S Dyer	(Appointed 15 October 2003)
K Jones	(Appointed 15 October 2003)
L Pickering	(Appointed 12 December 2003)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary A shares of £ 1 each	
	30 November 2004	15 October 2003
S Boyd	5,000	-
K Butler	2,625	-
P Darley	1,500	-
S Dyer	625	-
K Jones	250	-
L Pickering	-	-

	Ordinary B shares of £ 1 each	
	30 November 2004	15 October 2003
S Boyd	-	-
K Butler	-	-
P Darley	-	-
S Dyer	-	-
K Jones	-	-
L Pickering	-	-

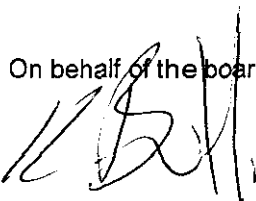
AVALON PLASTICS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 NOVEMBER 2004**

Auditors

Albert Goodman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

On behalf of the board

A handwritten signature in black ink, appearing to be 'K Butler', written over the text 'On behalf of the board'.

K Butler

Director

24 March 2005

AVALON PLASTICS LIMITED

DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 30 NOVEMBER 2004

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.

AVALON PLASTICS LIMITED

INDEPENDENT AUDITORS' REPORT TO AVALON PLASTICS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 15, together with the financial statements of the company for the period ended 30 November 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit 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 audit opinion

We have carried out the procedures we considered 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 Companies Act 1985, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with that provision.



Albert Goodman
Chartered Accountants
Registered Auditor
24 March 2005

Mary Street House
Taunton
Somerset
TA1 3NW

AVALON PLASTICS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 NOVEMBER 2004

	Notes	Period ended 30 November 2004 £
Gross profit		948,203
Administrative expenses		(645,496)
Operating profit	2	302,707
Other interest receivable and similar income		1,423
Interest payable and similar charges	3	(119,054)
Profit on ordinary activities before taxation		185,076
Tax on profit on ordinary activities	4	(36,641)
Profit on ordinary activities after taxation	13	148,435

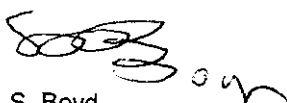
AVALON PLASTICS LIMITED

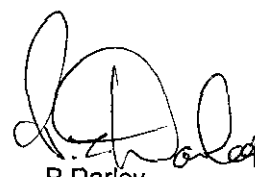
ABBREVIATED BALANCE SHEET AS AT 30 NOVEMBER 2004

	Notes	2004 £	£
Fixed assets			
Tangible assets	5		739,363
Current assets			
Stocks	6	535,711	
Debtors	7	1,609,883	
Cash at bank and in hand		79,841	
		<u>2,225,435</u>	
Creditors: amounts falling due within one year	8	(2,055,649)	
		<u></u>	
Net current assets			169,786
Total assets less current liabilities			<u>909,149</u>
Creditors: amounts falling due after more than one year	9		(742,681)
Provisions for liabilities and charges	10		(5,675)
			<u>160,793</u>
Capital and reserves			
Called up share capital	12		10,786
Share premium account	13		1,572
Profit and loss account	13		148,435
			<u></u>
Shareholders' funds - equity interests	14		<u>160,793</u>

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.

The financial statements were approved by the Board on 24 March 2005


S Boyd
Director


P Darley
Director

AVALON PLASTICS LIMITED**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 NOVEMBER 2004**

	Period ended 30 November 2004	
	£	£
Net cash inflow/(outflow) from operating activities		129,405
Returns on investments and servicing of finance		
Interest received	1,423	
Interest paid	(119,054)	
Net cash outflow for returns on investments and servicing of finance		(117,631)
Capital expenditure		
Payments to acquire tangible assets	(371,722)	
Receipts from sales of tangible assets	5,400	
Net cash outflow for capital expenditure		(366,322)
Net cash outflow before management of liquid resources and financing		(354,548)
Financing		
Issue of ordinary share capital	12,358	
Other new long term loans	481,951	
Other new short term loans	61,613	
Capital element of hire purchase contracts	(121,533)	
Net cash inflow/(outflow) from financing		434,389
Increase/(decrease) in cash in the period		79,841

AVALON PLASTICS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2004

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2004	2003
			£	£
	Operating profit/(loss)		302,707	-
	Depreciation of tangible assets		82,224	-
	(Increase)/decrease in stocks		(535,711)	-
	Increase in debtors		(1,609,883)	-
	Increase in creditors within one year		1,890,068	-
	Net cash inflow/(outflow) from operating activities		129,405	-

2	Analysis of net debt	15 October 2003	Cash flow	Other non-cash changes	30 November 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	-	79,841	-	79,841
	Debt:				
	Finance leases	-	121,533	(455,265)	(333,732)
	Debts falling due within one year	-	(61,613)	-	(61,613)
	Debts falling due after one year	-	(481,951)	-	(481,951)
		-	(422,031)	(455,265)	(877,296)
	Net debt	-	(342,190)	(455,265)	(797,455)

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	Increase in cash in the period	79,841	-
	Cash inflow from increase in debt and lease financing	(422,031)	-
	Change in net debt resulting from cash flows	(342,190)	-
	New finance lease	(455,265)	-
	Movement in net debt in the period	(797,455)	-
	Opening net debt	-	-
	Closing net debt	(797,455)	-

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 30 NOVEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10 - 33.3% Straight line
Fixtures, fittings & equipment	33.3% Straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes direct manufacturing costs, plus an appropriate proportion of production overheads.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating profit 2004 £

Operating profit is stated after charging:

Depreciation of tangible assets	82,224
Auditors' remuneration	14,331

3 Interest payable 2004 £

On bank loans and overdrafts	69,971
Hire purchase interest	9,333
Other interest	39,750
	<u>119,054</u>

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2004

4	Taxation	2004 £
	Domestic current year tax	
	U.K. corporation tax	30,966
	Current tax charge	30,966
	Deferred tax	
	Deferred tax charge/credit current year	5,675
		36,641
	Factors affecting the tax charge for the period	
	Profit on ordinary activities before taxation	185,076
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.36% (2003: 0.00%)	35,831
	Effects of:	
	Non deductible expenses	648
	Depreciation add back	15,919
	Capital allowances	(21,432)
		(4,865)
	Current tax charge	30,966

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2004

5 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 15 October 2003	-	-	-
Additions	799,151	27,836	826,987
Disposals	(5,400)	-	(5,400)
At 30 November 2004	793,751	27,836	821,587
Depreciation			
At 15 October 2003	-	-	-
Charge for the period	77,995	4,229	82,224
At 30 November 2004	77,995	4,229	82,224
Net book value			
At 30 November 2004	715,756	23,607	739,363

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 30 November 2004	430,178
Depreciation charge for the period	
30 November 2004	25,087

6 Stocks

	2004 £
Finished goods and goods for resale	535,711

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2004

7	Debtors	2004
		£
	Trade debtors	1,587,527
	Prepayments and accrued income	22,356
		<u>1,609,883</u>
8	Creditors: amounts falling due within one year	2004
		£
	Net obligations under hire purchase contracts	73,002
	Trade creditors	484,552
	Corporation tax	30,966
	Other taxes and social security costs	127,733
	Other creditors	1,231,007
	Accruals and deferred income	108,389
		<u>2,055,649</u>
	Debt due in one year or less	<u>61,613</u>
	Hire purchase liabilities and debt factoring advances (£1,110,807) are secured on the assets to which they relate.	
9	Creditors: amounts falling due after more than one year	2004
		£
	Other loans	481,951
	Net obligations under hire purchase contracts	260,730
		<u>742,681</u>
	Analysis of loans	
	Wholly repayable within five years	<u>543,564</u>
		543,564
	Included in current liabilities	<u>(61,613)</u>
		<u>481,951</u>
	Loan maturity analysis	
	In more than two years but not more than five years	<u>481,951</u>

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2004

10 Provisions for liabilities and charges

	Deferred tax liability £
Profit and loss account	5,675
Balance at 30 November 2004	<u>5,675</u>

The deferred tax liability is made up as follows:

	2004 £
Accelerated capital allowances	<u>5,675</u>

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. The amount accrued at the year end was £4,726.

	2004 £
Contributions payable by the company for the period	<u>53,109</u>

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2004

12 Share capital	2004 £
Authorised	
1,000,000 Ordinary A shares of £1 each	1,000,000
200,000 Ordinary B shares of £1 each	200,000
	<u>1,200,000</u>
Allotted, called up and fully paid	
10,000 Ordinary A shares of £1 each	10,000
786 Ordinary B shares of £1 each	786
	<u>10,786</u>

During the period the company issued 10,000 ordinary A shares at par, and 786 ordinary B shares for a consideration of £2,358.

Both classes of share have full rights to participate in distributions and any surplus on winding up. The A shares carry one vote per share, and the B shares have no voting rights.

13 Statement of movements on reserves	Share premium account £	Profit and loss account £
Retained profit for the period	-	148,435
Premium on shares issued during the period	1,572	-
	<u>1,572</u>	<u>148,435</u>
Balance at 30 November 2004	<u>1,572</u>	<u>148,435</u>

14 Reconciliation of movements in shareholders' funds	2004 £
Profit for the financial period	148,435
Proceeds from issue of shares	12,358
	<u>160,793</u>
Net addition to shareholders' funds	160,793
Opening shareholders' funds	-
	<u>160,793</u>
Closing shareholders' funds	<u>160,793</u>

AVALON PLASTICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 30 NOVEMBER 2004

15 Directors' emoluments	2004
	£
Emoluments for qualifying services	230,122
Company pension contributions to money purchase schemes	23,985
	<hr/>
	254,107
	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2003- 0).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	70,314
Company pension contributions to money purchase schemes	8,228
	<hr/>

16 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2004
	Number
Administration and management	11
Production and other	109
	<hr/>
	120
	<hr/>

Employment costs

	£
Wages and salaries	2,308,676
Social security costs	197,633
Other pension costs	53,109
	<hr/>
	2,559,418
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