

Financial Statements
for the Year Ended 31 December 2003
for
JRD FLUOROCHEMICALS LIMITED
(Company Reg. No. 2772722)



JRD Fluorochemicals Limited

Index to the Financial Statements
For the Year Ended 31 December 2003

	Page
Company information	I
Report of the directors	2 – 3
Auditors' Report	4
Profit and loss account	5
Balance Sheet	6
Notes to the Financial Statements	7 - 10

JRD Fluorochemicals Limited

Company Information
for the year ended 31 December 2003

DIRECTORS:

Dr J Jappy
Mrs LE Jappy
RJE Tidswell
DM Patel

SECRETARY:

Mrs LE Jappy

REGISTERED OFFICE:

Unit 11
Mole Business Park
Randalls Road
Leatherhead
Surrey
KT22 7BA

REGISTERED NUMBER:

2772722 (England and Wales)

BANKERS:

Barclays Bank plc
Leatherhead Branch
5 Church Street
Leatherhead
KT22 8DE

AUDITORS:

Powers and Company
PO Box 241
Sarisbury Green
SO31 1DF

JRD Fluorochemicals Limited

Report of the Directors for the Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

Principal activity

The principal activity of the company throughout the year was that of the manufacture and supply of chemical compounds.

Directors and their interests

The directors during the year under review, together with their beneficial interests in the issued share capital of the company on 31 December 2003, were as follows:

	Ordinary shares of £1 each	
	31.12.03	31.12.02
Dr. J. Jappy	40,000	40,000
Mrs. L.E. Jappy	-	-
R.J.E. Tidswell	23,000	23,000
D.M. Patel	10,000	10,000

No share options were issued or granted during the year.

Charitable donations

During the year ended 31 December 2003, £5,000 was donated to various local charities.

Auditors

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

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 as at the end of each financial year and of its profit and loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company. In preparing those financial statements, the directors are required to:

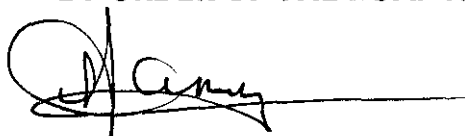
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors (continued)
for the Year Ended 31 December 2003**

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

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD:

A handwritten signature in black ink, appearing to read 'L.E. Jappy', is written over a horizontal line.

Mrs. L.E. Jappy
Secretary

Dated: 17th January 2005

Independent Auditors' Report To the Shareholders of JRD Fluorochemicals Limited

We have audited the financial statements on pages 5 to 10 which have been prepared in accordance with the Financial Reporting Standard for Small Entities (effective June 2002) and under the accounting policies set out on page 7.

This report is made solely to the company's members, as a body, in accordance with section 235 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 purposes. 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of opinion

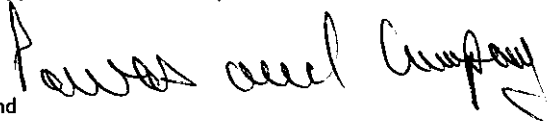
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 of 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 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Powers and Company
Chartered Accountants and
Registered Auditor
20 January 2005



PO Box 241
Sarisbury Green
SO31 1DF

JRD Fluorochemicals Limited

**Profit and Loss Account
for the Year Ended 31st December 2003**

	Notes	<u>31.12.03</u> £	<u>31.12.02</u> £
Turnover	2	1,054,289	1,088,199
Cost of sales		<u>177,344</u>	<u>118,885</u>
Gross profit		876,945	969,314
Administrative expenses		<u>572,231</u>	<u>610,025</u>
Operating (loss)/profit	3	304,714	359,289
Interest receivable		<u>23,336</u>	<u>18,928</u>
Profit on ordinary activities before taxation		328,050	378,217
Tax on profit on ordinary activities	5	<u>66,163</u>	<u>83,969</u>
Profit for the financial year after taxation		261,887	294,248
Dividends	6	<u>16,400</u>	<u>16,400</u>
		245,487	277,848
Retained profit brought forward		<u>818,488</u>	<u>540,640</u>
Retained profit carried forward		<u>1,063,975</u>	<u>818,488</u>

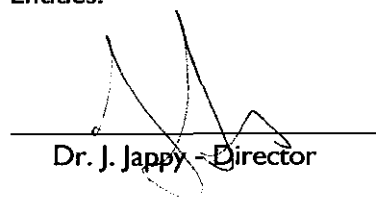
The notes form part of these financial statements.

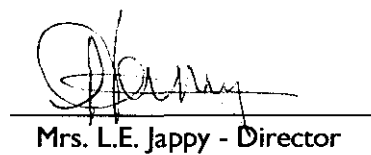
JRD Fluorochemicals Limited

Balance Sheet as at 31st December 2003

	Notes	£	31.12.03 £	£	31.12.02 £
Fixed Assets					
Tangible fixed assets	7		35,522		35,091
Current Assets					
Stock		307,008		287,254	
Debtors	8	90,887		157,960	
Cash at bank and in hand		<u>917,814</u>		<u>684,564</u>	
		1,315,709		1,129,778	
Creditors					
Amounts falling due within one year	9	<u>157,256</u>		<u>216,381</u>	
Net Current Assets			<u>1,158,453</u>		<u>913,397</u>
Total Assets less Current Liabilities			<u>1,193,975</u>		<u>948,488</u>
Capital and Reserves					
Called up share capital	11		82,000		82,000
Other reserves	12		48,000		48,000
Profit and loss account	12		<u>1,063,975</u>		<u>818,488</u>
Shareholders' Funds			<u>1,193,975</u>		<u>948,488</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.


Dr. J. Jappy - Director


Mrs. L.E. Jappy - Director

Approved by the Board on 17th January 2005

The notes form part of these financial statements.

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

I. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents the net invoiced value of goods sold, excluding value added tax.

Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvements -	20% straight line
Scientific equipment -	20% straight line
Fixtures and fittings -	25% straight line
Computer equipment -	25% straight line

Stock

Bulk stock is stated at the lower of cost and net realisable value. Manufactured products and intermediaries are valued at 25% of anticipated selling price, full provision being made for obsolete items and those not moving during the financial year.

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.

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 result.

Operating leases

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

Pension scheme arrangements

The company operates a defined contribution scheme, the assets of the scheme being held separately from the assets of the company in an independently administered fund. The pension contributions charge represents contributions payable to the scheme during the year.

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

2. TURNOVER

Turnover and profit before taxation are attributable to the principal activity of the company.

An analysis of turnover by geographical market is given below:

	2003	2002
United Kingdom	46.46%	53.33%
Europe	12.72%	7.41%
Rest of the world	<u>40.82%</u>	<u>39.26%</u>
	<u>100.00%</u>	<u>100.00%</u>

3. OPERATING PROFIT

31/12/03	31/12/02
£	£

The operating profit is stated after charging:

Depreciation - owned tangible fixed assets	11,569	16,523
Pension costs	28,342	30,884
Auditors' remuneration	<u>3,000</u>	<u>3,000</u>

4. DIRECTORS

31/12/03	31/12/02
£	£
Total director's remuneration	<u>275,281</u>
	<u>319,111</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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5. TAXATION

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

	31/12/03	31/12/02
	£	£
UK Corporation tax	<u>66,163</u>	<u>83,969</u>

6. DIVIDENDS

	31/12/03	31/12/02
	£	£
Dividend paid	<u>16,400</u>	<u>16,400</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

7. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Scientific Equipment £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost :					
At 1 January 2003	15,900	184,444	11,885	7,701	219,403
Additions	12,000	-	-	-	12,000
Disposals	-	-	-	-	-
At 31 December 2003	<u>27,900</u>	<u>184,444</u>	<u>11,358</u>	<u>7,701</u>	<u>231,403</u>
Depreciation:					
At 1 January 2003	3,180	163,521	10,928	6,683	184,312
Charge for the year	3,180	7,834	216	339	11,569
Eliminated on disposals	-	-	-	-	-
At 31 December 2003	<u>6,360</u>	<u>171,355</u>	<u>11,144</u>	<u>7,022</u>	<u>195,881</u>
Net Book Value:					
At 31 December 2003	<u>21,540</u>	<u>13,089</u>	<u>214</u>	<u>679</u>	<u>35,522</u>
At 31 December 2002	<u>12,720</u>	<u>20,923</u>	<u>430</u>	<u>1,018</u>	<u>35,091</u>

8. DEBTORS

	31/12/03 £	31/12/02 £
Trade debtors	59,532	129,935
Prepayments	<u>31,355</u>	<u>28,025</u>
	<u>90,887</u>	<u>157,960</u>

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

	31/12/03 £	31/12/02 £
Trade creditors	47,572	43,693
Other creditors	16,400	-
Social security and other taxes	21,633	35,306
Corporation tax	66,326	84,132
Accruals	<u>5,325</u>	<u>53,250</u>
	<u>157,256</u>	<u>216,381</u>

**Notes to the Financial Statements
for the Year Ended 31 December 2003**

10. OPERATING LEASE COMMITMENTS

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

	31/12/03	31/12/02
	£	£
On leases expiring in more than 5 years	<u>39,920</u>	<u>31,742</u>

11. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	31/12/03	31/12/02
			£	£
130,000	Ordinary	£1	<u>130,000</u>	<u>130,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	31/12/03	31/12/02
			£	£
82,000	Ordinary	£1	<u>82,000</u>	<u>82,000</u>

12. RESERVES

	- 2003 -		- 2002 -	
	Profit and loss £	Other £	Profit and loss £	Other £
Balance brought forward - 1 January	818,488	48,000	540,640	48,000
Profit for the year after taxation	<u>261,887</u>	<u>-</u>	<u>294,248</u>	<u>-</u>
	1,080,375	48,000	834,888	48,000
Dividends	<u>(16,400)</u>	<u>-</u>	<u>(16,400)</u>	<u>-</u>
Balance carried forward - 31 December	<u>1,063,975</u>	<u>48,000</u>	<u>818,488</u>	<u>48,000</u>

13. TRANSACTIONS WITH DIRECTORS/RELATED PARTY TRANSACTIONS

Directors' remuneration is set out in note 4. There were no other transactions with related parties.

14. CONTROLLING PARTIES

The company is under the control of the directors by virtue of their owning the majority of the issued share capital.