

**Financial Statements**  
**for the Year Ended 31 December 2001**  
**for**  
**JRD FLUOROCHEMICALS LIMITED**  
(Company Reg. No. 2772722)



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for the Year Ended 31 December 2001**

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**Company Information**  
**for the Year Ended 31 December 2001**

<b>DIRECTOR:</b>	Dr. J. Jappy Mrs. L.E. Jappy R.J.E. Tidwell D.M. Patel
<b>SECRETARY:</b>	Mrs. L.E. Jappy
<b>REGISTERED OFFICE:</b>	Unit 11 Mole Business Park Randalls Road Leatherhead Surrey KT22 7BA
<b>REGISTERED NUMBER:</b>	2772722 (England and Wales)
<b>BANKERS:</b>	Barclays Bank plc Leatherhead Branch 5 Church Street Leatherhead KT22 8DE
<b>ACCOUNTANTS:</b>	AIMS - Accountants for Business 4 Pine View Fairmile Park Road Cobham Surrey KT11 2PG

## JRD Fluorochemicals Limited

### Report of the Directors for the Year Ended 31 December 2001

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

#### 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 2001, were as follows:

	Ordinary shares of £1 each	
	31.12.01	31.12.00
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 2001, £3,500 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:

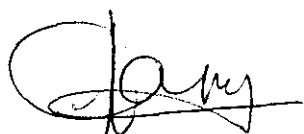
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

**Report of the Directors (continued)  
for the Year Ended 31 December 2001**

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', with a large, stylized initial 'J'.

Mrs. L.E. Jappy  
Secretary

Dated: 19<sup>th</sup> March 2002

# AIMS

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## **Auditors report to the shareholders of JRD Fluorochemicals Limited**

We have audited the financial statements on pages 5 to 10 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 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 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, except that the scope of our work was limited as explained below.

An audit included 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 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. However, the evidence available to us was limited because, for the previous year ended 31 December 2000, the company was entitled to exemption from the requirement to have an audit under the provisions of S249A(1) of the Companies Act 1985. As a result the comparative figures, and in particular the opening value of Stock have not been subject to audit. There are no satisfactory audit procedures that we could adopt to confirm that the financial statements at 31 December 2000 are true and fair.

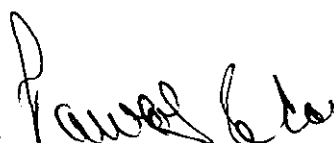
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Qualified opinion arising from limitation in audit scope**

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning comparative figures, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work concerning comparative figures, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

19 March 2002



**POWERS AND COMPANY**  
REGISTERED TO CARRY ON AUDIT WORK BY THE  
INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND  
AND WALES

AIMS IS A NATIONAL ASSOCIATION OF INDEPENDENT  
ACCOUNTANCY PRACTICES OPERATING UNDER LICENCE GRANTED  
BY AIMS PARTNERSHIP PLC

**JRD Fluorochemicals Limited**

**Profit and Loss Account  
for the Year Ended 31st December 2001**

	Notes	<u>31.12.01</u> £	<u>31.12.00</u> £
<b>Turnover</b>	2	1,087,689	779,116
Cost of sales		<u>171,513</u>	<u>143,006</u>
<b>Gross profit</b>		916,176	636,110
Administrative expenses		<u>547,780</u>	<u>451,357</u>
<b>Operating (loss)/profit</b>	3	368,396	184,753
Interest receivable		<u>12,019</u>	<u>17,676</u>
<b>Profit on ordinary activities before taxation</b>		380,415	202,429
Tax on profit on ordinary activities	5	<u>87,103</u>	<u>38,144</u>
<b>Profit for the financial year after taxation</b>		293,312	164,285
Dividends	6	<u>16,400</u>	<u>26,000</u>
		276,912	138,285
Retained profit brought forward		<u>263,728</u>	<u>376,693</u>
		540,640	514,978
Purchase of own shares		<u>-</u>	<u>(251,250)</u>
<b>Retained profit carried forward</b>		<u>540,640</u>	<u>263,728</u>


The notes form part of these financial statements.

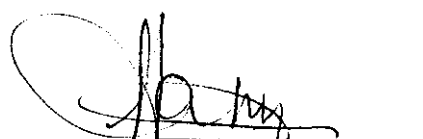
**JRD Fluorochemicals Limited**

**Balance Sheet  
as at 31st December 2001**

	Notes	£	<u>31.12.01</u>	£	<u>31.12.00</u>	£
<b>Fixed Assets</b>						
Tangible fixed assets	7			31,738		44,730
<b>Current Assets</b>						
Stock		203,158			164,512	
Debtors	8	152,426			121,054	
Cash at bank and in hand		<u>490,928</u>			<u>151,899</u>	
		846,512			437,465	
<b>Creditors</b>						
Amounts falling due within one year	9	<u>207,610</u>			<u>88,467</u>	
<b>Net Current Assets</b>				<u>638,902</u>		<u>348,998</u>
<b>Total Assets less Current Liabilities</b>				<u>670,640</u>		<u>393,728</u>
<b>Capital and Reserves</b>						
Called up share capital	11			82,000		82,000
Other reserves	12			48,000		48,000
Profit and loss account	12			<u>540,640</u>		<u>263,728</u>
<b>Shareholders' Funds</b>				<u>670,640</u>		<u>393,728</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 (effective March 2000).

  
Dr. J. Jappy - Director

  
Mrs. L.E. Jappy - Director

Approved by the Board on 19<sup>th</sup> March 2002

The notes form part of these financial statements.

**Notes to the Financial Statements  
for the Year Ended 31 December 2001**

**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:

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 2001**

**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:

	2001	2000
United Kingdom	53.61%	55.92%
Europe	9.91%	23.90%
Rest of the world	<u>36.48%</u>	<u>20.18%</u>
	<u>100.00%</u>	<u>100.00%</u>

**3. OPERATING PROFIT**

31/12/01	31/12/00
£	£

The operating profit is stated after charging:

Depreciation - owned tangible fixed assets	12,992	9,109
Pension costs	29,347	13,425
Auditors' remuneration	<u>2,580</u>	<u>—</u>

**4. DIRECTORS**

31/12/01	31/12/00
£	£
285,617	242,790

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:

	31/12/01	31/12/00
	£	£
UK Corporation tax	<u>87,103</u>	<u>38,144</u>

**6. DIVIDENDS**

	31/12/01	31/12/00
	£	£
Dividend paid	<u>16,400</u>	<u>26,000</u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2001**

**7. TANGIBLE FIXED ASSETS**

	Scientific Equipment £	Fixtures & Fittings £	Computer Equipment £	Total £
<b>Cost :</b>				
At 1 January 2001	<u>193,484</u>	<u>11,885</u>	<u>6,344</u>	<u>211,713</u>
At 31 December 2001	<u>193,484</u>	<u>11,885</u>	<u>6,344</u>	<u>211,713</u>
<b>Depreciation:</b>				
At 1 January 2001	149,750	11,061	6,172	166,983
Charge for the year	<u>12,534</u>	<u>337</u>	<u>121</u>	<u>12,992</u>
At 31 December 2001	<u>162,284</u>	<u>11,398</u>	<u>6,293</u>	<u>179,975</u>
<b>Net Book Value:</b>				
At 31 December 2001	<u>31,200</u>	<u>487</u>	<u>51</u>	<u>31,738</u>
At 31 December 2000	<u>43,734</u>	<u>824</u>	<u>172</u>	<u>44,730</u>

**8. DEBTORS**

	31/12/01 £	31/12/00 £
Trade debtors	131,056	96,715
Other debtors	2,597	3,084
Prepayments	<u>18,773</u>	<u>21,255</u>
	<u>152,426</u>	<u>121,054</u>

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

	31/12/01 £	31/12/00 £
Trade creditors	36,819	28,949
Other creditors	9,137	-
Social security and other taxes	29,161	-
Corporation tax	87,103	38,144
Accruals	<u>45,390</u>	<u>21,374</u>
	<u>207,610</u>	<u>88,467</u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2001**

**10. OPERATING LEASE COMMITMENTS**

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

	31/12/01	31/12/00
	£	£
On leases expiring in more than 5 years	<u>31,742</u>	<u>31,742</u>

**11. CALLED UP SHARE CAPITAL**

**Authorised:**

Number:	Class:	Nominal Value:	31/12/01	31/12/00
			£	£
130,000	Ordinary	£1	<u>130,000</u>	<u>130,000</u>

**Allotted, issued and fully paid:**

Number:	Class:	Nominal Value:	31/12/01	31/12/00
			£	£
130,000	Ordinary	£1	<u>82,000</u>	<u>82,000</u>

**12. RESERVES**

	Profit and loss £	Other £	Profit and loss £	Other £
Balance brought forward - 1 January 2001	263,728	48,000	376,693	-
Profit for the year after taxation	<u>293,312</u>	-	<u>164,285</u>	-
	557,040	48,000	540,978	-
Purchase of own shares	-	-	(251,250)	48,000
Dividends	<u>(16,400)</u>	-	<u>( 26,000)</u>	-
Balance carried forward - 31 December 2001	<u>540,640</u>	<u>48,000</u>	<u>263,728</u>	<u>48,000</u>

In 2000, the company purchased back 48,000 Ordinary £1 shares from a shareholder for a consideration of £251,250. The nominal value of these shares is shown under 'Other reserves'.

**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.