

2899888

REGISTRAR OF  
COMPANIES

CLEAREX PLASTICS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994



CLEAREX PLASTICS LIMITED

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CLEAREX PLASTICS LIMITED

Registered in England  
on 22 February 1994  
Number 2899888

COMPANY INFORMATION

CHAIRMAN

DEREK ROBINSON

REGISTERED OFFICE

Fence Houses  
HOUGHTON LE SPRING  
Tyne & Wear  
DH4 5RF

DIRECTORS

ROY JONES  
DEREK ROBINSON  
ALAN COLES

SECRETARY

STEPHEN GRAY

TRADING ADDRESS

Fence Houses  
HOUGHTON LE SPRING  
Tyne & Wear  
DH4 5RF

AUDITORS

HIGGINSON & COMPANY  
81-83 High Street North  
DUNSTABLE  
Bedfordshire  
LU6 1JJ

BANKERS

National Westminster Bank Plc  
The Galleries  
Washington Centre  
Tyne & Wear  
NE38 7SG

**CLEAREX PLASTICS LIMITED**

**DIRECTORS' REPORT**

**FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994**

The directors submit their report together with the audited financial statements for the period ended 31st December 1994.

**Incorporation**

The company was incorporated on 22 February 1994.

**Parent Company**

Clearex Plastics is a wholly owned subsidiary of Octo Industries Limited which is part of the Octo Industries Inc group based in Canada.

**Principle Activities and Business Review**

The principal activity of the company is the plastic forming.

On 15 August 1994 the company purchased the trading assets of Evode Clearex Limited and commenced trading forthwith.

Turnover in the first period of trading exceeded £1,000,000 and produced post tax profits of £50,551. The directors are satisfied with the performance of the company and confidently anticipate an increase in profitability in the current year.

**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 and loss of the company for the that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

CLEAREX PLASTICS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994

**Directors and their Interest in Shares**

The directors who served during the period and their interests, together with the interests of their families, in the share capital of the company was as follows:

Ordinary Shares of £1 each  
31st December 1994

ROY JONES	(appointed 15.8.94)	-
DEREK ROBINSON	(appointed 8.3.94)	-
ALAN COLES	(appointed 15.8.94)	-
WATERLOW NOMINEES LIMITED	(appointed 22.2.94) (resigned 8.3.94)	-
DAVID JOHN GRAHAM	(appointed 8.3.94) (resigned 15.8.94)	-

**Political and Charitable Donations**

During the period, the company made no political donations or charitable contributions.

**AUDITORS**

A resolution will be made to reappoint Messrs Higginson & Co as auditors to the company.

By Order of the Board

  
.....  
STEPHEN GRAY, Secretary

24th February 1995

CLEAREX PLASTICS LIMITED

AUDITORS REPORT TO THE MEMBERS

ON THE ACCOUNTS FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 and 12.

**Respective responsibilities of the directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the 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 judgments 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 information and explanations which we consider 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 the 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 as at 31st December 1994 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



24th February 1995

81-83 High Street North  
DUNSTABLE  
Bedfordshire  
LU6 1JJ

HIGGINSON & COMPANY  
Accountants  
& Registered Auditors

CLEAREX PLASTICS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994

	Notes	<u>1994</u> £
<u>TURNOVER</u>	2	1,100,748
Cost of sales		<u>(768,971)</u>
<u>GROSS PROFIT</u>		331,777
Net operating expenses		<u>(247,984)</u>
<u>OPERATING PROFIT</u>	3	83,793
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		83,793
Net interest		<u>(2,517)</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		81,276
Tax on profit/(loss) on ordinary activities		<u>(30,725)</u>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		50,551
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>£50,551</u>

The notes on page 11 to 17 form part of these financial statements.

CLEAREX PLASTICS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994

Notes	<u>1994</u> £
<u>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</u>	
Profit for the financial year	50,551
Unrealised surplus on revaluation of fixed assets	337,602
Total recognised gains and losses since last annual report	<u>£388,153</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	81,276
Historical cost profit on ordinary activities before taxation	<u>£81,276</u>
Historical cost profit for the year Retained after taxation, extraordinary items and dividends	<u>£50,551</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Profit for the financial year	50,551
	50,551
Other recognised gains and losses Relating to the year (net)	337,602
New share capital subscribed	2
Net additions to shareholders' funds	<u>388,155</u>
Closing shareholders' funds	<u>£388,155</u>

CONTINUING OPERATIONS

The company purchased the trading assets of Evode Clearex Limited on 15 August 1994 and trading commenced forthwith.



CLEAREX PLASTICS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1994

	Notes	<u>1994</u>	
		£	£
<b><u>FIXED ASSETS</u></b>			
Tangible assets	7		575,253
<b><u>CURRENT ASSETS</u></b>			
Stocks	8	110,448	
Debtors	9	672,893	
Cash at bank and in hand		16	
		<u>783,357</u>	
CREDITORS: Amounts falling Due within one year			<u>(544,933)</u>
<b><u>NET CURRENT ASSETS</u></b>			<u>238,424</u>
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>			<u>813,677</u>
CREDITORS: amounts falling due after more than one year	11		(322,125)
DEFERRED INCOME			<u>(103,397)</u>
			<u><u>£388,155</u></u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	12		2
Revaluation reserve	13		337,602
Profit and loss account			<u>50,551</u>
			<u><u>£388,155</u></u>

All items under capital and reserves are equity except where shown.

.....  
ROY JONES

Approved on  
24th February 1995

The notes on page 11 to 17 form part of these financial statements.

CLEAREX PLASTICS LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD 22ND FEBRUARY 1994 TO 31ST DECEMBER 1994

	Notes	<u>1994</u>	
		£	£
<u>NET CASH INFLOW FROM OPERATING</u>			
<u>ACTIVITIES</u>	1		217,261
<u>RETURNS ON INVESTMENTS AND</u>			
<u>SERVICING OF FINANCE</u>			
Interest paid		(2,517)	
<u>Net cash outflow from returns on investments and</u>			
<u>servicing of finance</u>			(2,517)
<u>TAXATION</u>			
<u>INVESTING ACTIVITIES</u>			
Payments to acquire tangible fixed assets		(262,691)	
<u>Net cash outflow from investing activities</u>			(262,691)
<u>Net cash outflow before financing</u>			(47,947)
<u>FINANCING</u>			
Issue of share capital		2	
<u>Net cash inflow from financing</u>			2
<u>Decrease in cash and cash equivalents</u>			<u>£(47,945)</u>

CLEAREX PLASTICS LIMITED

NOTES TO THE CASH FLOW STATEMENT

AS AT 31ST DECEMBER 1994

1. RECONCILIATION OF OPERATING PROFIT TO NET  
CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u>
	<u>£</u>
Operating profit	83,793
Depreciation charges	25,040
Increase in stock	(110,448)
Increase in debtors	(672,893)
Increase in creditors	788,372
Increase in deferred income	103,397
Net cash inflow from operating activities	<u><u>£217,261</u></u>

2. ANALYSIS OF CHANGES OF CASH AND  
CASH EQUIVALENTS DURING THE YEAR

	<u>£</u>
Net cash outflow	<u>(47,945)</u>
Balance at 31st December 1994	<u><u>£(47,945)</u></u>

3. ANALYSIS OF THE BALANCES OF CASH AND THE CASH  
EQUIVALENTS AS SHOWN ON THE BALANCE SHEET

	<u>31/12/93</u>	<u>31/07/93</u>	<u>Change</u> <u>in period</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cash at bank and in hand	16	-	16
Bank overdrafts	(47,961)	-	(47,961)
	<u><u>£(47,945)</u></u>	<u><u>-</u></u>	<u><u>£(47,945)</u></u>

CLEAREX PLASTICS LIMITED

NOTES TO THE CASH FLOW STATEMENT

AS AT 31ST DECEMBER 1994

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (Including Premium)	Loans and finance lease obligations
	£	£
Balance at 22nd February 1994	-	-
Cash inflow/(outflow) from financing	2	-
Balance at 31st December 1994	£2	-

CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

1. ACCOUNTING POLICIES

(a) **Accounting Convention**

The accounts have been prepared in accordance with applicable Accounting Standards on the basis of historical costs as modified by the revaluation of certain fixed assets.

(b) **Turnover**

Turnover represents the amount invoiced by the company in the normal course of business for goods supplied and services provided, excluding Value Added Tax.

(c) **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land and property held for investment, at rates calculated to write off the cost or valuation of each asset less its estimated residual value, over its expected useful life as follows:

Plant and Machinery	- 5 to 10 Years
Furniture and Equipment	- 4 to 10 Years
Motor Vehicles	- 25% WDV

(d) **Amortisation of Goodwill**

Goodwill is wholly written off in the year purchased.

(e) **Stocks**

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

CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

1. ACCOUNTING POLICIES (Continued)

(f) **Pension Scheme**

The company has a defined contribution pension scheme. The scheme is administered by an independent pension company. The payments due in this respect are charged to the profit and loss account when they become payable. The charge to the period in the profit and loss account amounted to £26,009.

(g) **Fixed Assets**

All Fixed Assets are initially recorded at cost. Plant and Equipment have subsequently been revalued during the period.

(h) **Leasing and hire purchase commitments**

Where assets are financed by leasing or hire purchase agreements, the assets are treated as if they had been purchased. The present value of the minimum lease payments payable during the lease term is capitalised as a tangible asset and the corresponding lease commitment is included as a liability.

Rentals payable are apportioned between interest, which is charged to the Profit and Loss Account, and capital which reduces the outstanding commitment.

All other leases are treated as operating leases. Their annual rentals are charged to the Profit and Loss Account on a payable basis.

(i) **Deferred Government Grant**

The company obtained a grant under the Industrial Development Act 1982 to provide assistance for the initial capital expenditure incurred by the company. The grant is to be written off over the life of the assets to which it relates.

2. TURNOVER

The turnover and pre-tax profit are attributable to the principal activity of the company carried out wholly in the United Kingdom.

CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

3. OPERATING PROFIT

1994

£

Net operating expenses for the period are:

Administrative expenses	251,359
Other income	(3,375)
	<u>£247,984</u>

Other operating income includes:

Government grants	<u>3,375</u>
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(a) This is stated after charging  
or crediting:

1994

£

Directors remuneration	22,899
Auditor's remuneration - audit work	2,500
Depreciation	25,040
Amortisation of intangible assets	10,002
Hire of plant and machinery	1,204
Operating leases - land and buildings	<u>22,500</u>

1994

£

(b) Directors remuneration

Directors remuneration	20,781
Directors national insurance contributions	2,118
	<u>£22,899</u>

CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

4. PENSION COSTS

	<u>1994</u>
	£
Pension costs	<u>£26,009</u>

5. TRANSACTIONS INVOLVING DIRECTORS

Management charges have been paid to group companies during the period of trading.

The above transactions were authorised by the board.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

U.K. Corporation tax has been charged on the company profits at the rates specified in the Finance Act.

Corporation tax charge for year	<u>30,725</u>
---------------------------------	---------------

7. TANGIBLE FIXED ASSETS

	Plant and Machinery	Motor Vehicles	Furniture and Equipment	Total
	£	£	£	£
<b>COST</b>				
Additions	244,998	2,693	15,000	262,691
Surplus on valuation	317,402	-	20,200	337,602
At 31st December 1994	<u>562,400</u>	<u>2,693</u>	<u>35,200</u>	<u>600,293</u>
<b>DEPRECIATION</b>				
Charge during the period	21,870	253	2,917	25,040
At 31st December 1994	<u>21,870</u>	<u>253</u>	<u>2,917</u>	<u>25,040</u>
<b>NET BOOK VALUE</b>				
At 31st December 1994	<u>£540,530</u>	<u>£2,440</u>	<u>£32,283</u>	<u>£575,253</u>



CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

8. STOCKS

	<u>1994</u>
	£
Raw materials	55,051
Work in progress	55,397
	<u>£110,448</u>

9. DEBTORS

	<u>1994</u>
	£
Trade debtors	638,538
Prepayments	34,355
	<u>£672,893</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1994</u>
	£
Bank overdraft	47,961
Trade creditors	282,279
Current corporation tax	30,725
V. A. T. Account	45,910
P.A.Y.E. And N.I.	45,189
Other creditors	16,369
Accruals	76,500
	<u>£544,933</u>

Security

The bank overdraft is secured under a mortgage debenture over the company's assets dated 26 August 1994.

11. CREDITORS: AMOUNTS FALLING DUE AFTER  
MORE THAN ONE YEAR

	<u>1994</u>
	£
Other amounts:	
Group companies	322,125
	<u>£322,125</u>

CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

12. SHARE CAPITAL

	<u>1994</u>
Authorised	
1,000 ordinary shares of £1 each	<u>£1,000</u>
Allotted, called up and fully paid	
2 ordinary shares of £1 each	<u>£2</u>

13. REVALUATION RESERVE

	<u>1994</u>
	£
Surplus arising during the year	<u>337,602</u>
At 31st December 1994	<u>£337,602</u>

The plant and machinery were valued by Henry Butcher & Company, Leeds. 80% of the surplus on revaluation has been credited to the revaluation reserve in the period.

14. DEFERRED INCOME

	Deferred Government grants
Received during year	60,000
Released during year	<u>(3,375)</u>
Balance as at 31 December 1994	<u>56,625</u>

The company raises sales invoices in advance for certain tooling contracts. These invoices have been treated as deferred income until such time as the work is completed. The balance at 31 December amounted to £46,772.

CLEAREX PLASTICS LIMITED

NOTES TO THE ACCOUNTS

AS AT 31ST DECEMBER 1994

15. CONTINGENT LIABILITIES

In the event of the company not fulfilling the terms under which the Industrial Development grant was made there exists a potential repayment of the monies received. The directors are confident that this situation will not arise.

16. HOLDING COMPANY

Clearex Plastics Limited is a wholly owned subsidiary of Octo Industries Limited, a company incorporated in Great Britain.

17. FINANCIAL COMMITMENT

At 31 December 1994 the company had annual committments under operating leases amounting to £60,000 per annum. This represents a lease in respect of the company's trading premises which expires in July 2001.