

Company Registration No. 4568404 (England and Wales)

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

COMPANY INFORMATION

Directors	H J Waghorn	
	G Wray	(Appointed 7 December 2009)
	A Wilson	
	N G Hall	(Appointed 28 September 2010)
Secretary	A Wilson	
Company number	4568404	
Registered office	Ridings Business Park Hopwood Lane Halifax West Yorkshire HX1 3TT	
Independent Auditors	Saffery Champness 6 Windsor Court Clarence Drive Harrogate HG1 2PE	

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

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I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and financial statements for the year ended 31 March 2010

Principal activities and review of the business

The principal activities of the company during the year continued to be that of the manufacture and distribution of DIY products (under the Lynwood brand) including the manufacture of plastic products for the consumer sector and the manufacture of plastic lumber from recycling waste plastics (under the I-Plas brand) from the company's base in West Yorkshire

During the year the directors undertook a detailed strategic review of the business activities of the company. Following that review a decision was taken to focus on recycled products only, disposing of the DIY product business to a third party and transferring the I-Plas plastic lumber business unit to a new group company.

The existing I-Plas business unit was transferred into a new Group subsidiary company, I-Plas Limited, on 31 March 2010 realising a profit on sale of £1,972,185. All the relevant assets of this business were sold to the new company at market value. The disposal of the DIY products business unit to a third party successfully completed after the year end on 23 July 2010. The company changed its name from Lynwood Products Limited on 23 July 2010 to I-Plas Products Limited.

As a result of the group restructure the directors reassessed the carrying value of purchased goodwill held on the balance sheet together with the recoverability of the deferred tax asset brought forward from the previous year. The directors concluded that the trade and assets to which the goodwill brought forward related to were either sold post year end realising minimal profit or transferred to fellow group subsidiaries and as such the value of goodwill had been impaired. Similarly, the directors note that the element of the company's brought forward tax losses that may have been offset by taxable profits from DIY products trade, will take longer to utilise and as such no longer deemed appropriate for inclusion as an asset in these financial statements.

The shareholders of the parent company, I-Plas Group Limited, have and will continue to support the activities of its trading subsidiary, I-Plas Products Limited. Funds will continue to be made available to I-Plas Products Limited for both ongoing development and capital expenditure as required to ensure profitable growth. Such funds are available following the raising of funds via the parent company, from the shareholders, of £5 million over the last 18 months.

The strategy of the company is now to focus on the production of injection moulded plastic products for the consumer sector, such as buckets and paint trays, manufactured from recycled plastics.

The results for the company show a pre tax loss of £1,051,243 (2009 Loss of £2,763,894) on sales of £6,133,928 (2009 £4,919,900). The loss is stated after charging a £1,156,915 exceptional cost in relation to the impairment in the carrying value of purchased goodwill and crediting a profit of £1,972,185 on the sale of the trade and assets of the I-Plas business unit to a new Group subsidiary company, I-Plas Limited.

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Principal risks and uncertainties

The principal risk and uncertainty for the company is considered to be the current uncertainties of the UK economy and the impact this will have on consumer spending and capital projects, especially those that are publicly funded

The additional risks are the impact of currency movements and oil prices, which can have an effect on the availability and price of recycled plastic although not directly

In assessing the impact of the current economic climate, the directors have taken into account the range and cost of the Company's products and the nature of the raw materials used, waste plastics, and as a result believe the businesses are well placed for the current economic conditions.

The directors believe that the company's historical losses for both this year and the previous year have been addressed by the new strategic focus on recycled plastic products. These losses have been financed by the ongoing investment from the shareholders

Following this investment in development and capital, the business is expected to be trading profitably during the course of 2011. Additionally the directors have received the necessary assurances from parent company that the financial support required will continue to be made available. Accordingly, the directors believe it appropriate that the accounts are drawn up on a going concern basis and that the carrying value of assets reflect the current year's result and expected profitability going forward

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

Results and dividends

The results for the year are set out on page 7

The directors do not recommend payment of any dividend for the period

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2010

Directors

The following directors have held office since 1 April 2009:

H J Waghorn	
P King	(Resigned 10 September 2010)
G Whitman	(Resigned 2 October 2009)
G Wray	(Appointed 7 December 2009)
A Wilson	
K Hutchinson	(Resigned 26 March 2010)
N G Hall	(Appointed 28 September 2010)

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



A Wilson

Secretary

18 November, 2010

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

We have audited the financial statements of I-Plas Products Limited (formerly Lynwood Products Limited) for the year ended 31 March 2010 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD
PRODUCTS LIMITED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


Martin Holden (Senior Statutory Auditor)
for and on behalf of Saffery Champness

14/12/10

**Chartered Accountants
Statutory Auditors**

6 Windsor Court
Clarence Drive
Harrogate
HG1 2PE

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	2010 £	2009 £
Turnover	2	6,133,928	4,919,900
Cost of sales		<u>(4,435,569)</u>	<u>(3,956,769)</u>
Gross profit		1,698,359	963,131
Distribution costs		(947,203)	(705,045)
Administrative expenses		(1,932,270)	(1,734,530)
Exceptional item	3	(1,156,915)	(767,336)
Other operating income		<u>-</u>	<u>5,807</u>
Operating loss	3	(2,338,029)	(2,237,973)
Profit on transfer of trade and assets		<u>1,972,185</u>	<u>-</u>
		<u>1,972,185</u>	<u>-</u>
Loss on ordinary activities before interest		(365,844)	(2,237,973)
Other interest receivable and similar income		-	7,824
Interest payable and similar charges	4	<u>(685,399)</u>	<u>(533,745)</u>
Loss on ordinary activities before taxation		(1,051,243)	(2,763,894)
Tax on loss on ordinary activities	5	<u>(798,190)</u>	<u>834,473</u>
Loss for the year	15	<u><u>(1,849,433)</u></u>	<u><u>(1,929,421)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

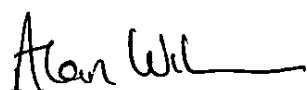
The notes on pages 10 to 22 form part of these financial statements

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**BALANCE SHEET
AS AT 31 MARCH 2010**

	Notes	2010 £	£	2009 £	£
Fixed assets					
Intangible assets	6	-		1,234,000	
Tangible assets	7	543,711		832,290	
		543,711		2,066,290	
Current assets					
Stocks	9	684,564		732,548	
Debtors	10	4,404,806		2,113,317	
Cash at bank and in hand		30,174		58,224	
		5,119,544		2,904,089	
Creditors: amounts falling due within one year	11	(2,170,896)		(1,654,371)	
Net current assets		2,948,648		1,249,718	
Total assets less current liabilities		3,492,359		3,316,008	
Creditors: amounts falling due after more than one year	12	6,843,863		4,818,080	
Capital and reserves					
Called up share capital		25,000		25,000	
Share premium account	15	222,000		222,000	
Profit and loss account	15	(3,598,504)		(1,749,072)	
Shareholders' funds - equity interests		(3,351,504)		(1,502,072)	
		3,492,359		3,316,008	

The notes on pages 10 to 22 form part of these financial statements

The financial statements were approved by the board on 18 November, 2010



A Wilson
Director

Company Registration No. 4568404 (England and Wales)

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	Notes	£	2010 £	£	2009 £
Net cash outflow from operating activities	24		(1,431,794)		(1,546,155)
Returns on investments and servicing of finance					
Interest received		-	7,824		
Interest paid		(685,399)	(533,745)		
Net cash outflow for returns on investments and servicing of finance			(685,399)		(525,921)
Capital expenditure					
Payments to acquire tangible assets		(436,011)	(370,369)		
Receipts from sales of tangible assets		503,105	1,999		
Net cash inflow/(outflow) for capital expenditure			67,094		(368,370)
Net cash outflow before management of liquid resources and financing			(2,050,099)		(2,440,446)
Financing					
Other new long term loans		2,111,340	1,244,475		
Capital element of hire purchase contracts		(89,291)	28,126		
Net cash inflow from financing			2,022,049		1,272,601
Decrease in cash in the year	25, 26		(28,050)		(1,167,845)

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

In assessing the impact of the current economic climate, the directors have taken into account the range and cost of the Company's products and the nature of the raw materials used, waste plastics, and as a result believe the businesses are well placed for the current economic conditions

The directors believe that the company's historical losses for both this year and the previous year have been addressed by the new strategic focus on recycled plastic products. These losses have been financed by the ongoing investment from the shareholders

Following this investment in development and capital, the business is expected to be trading profitably during the course of 2011. Additionally the directors have received the necessary assurances from parent company that the financial support required will continue to be made available. Accordingly, the directors believe it appropriate that the accounts are drawn up on a going concern basis and that the carrying value of assets reflect the current year's result and expected profitability going forward

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

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

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 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% - 50% reducing balance
Fixtures, fittings & equipment	25% - 33 1/3% reducing balance
Motor vehicles	20% straight line

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

(continued)

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises direct materials and direct labour, plus attributable production overheads based on a normal level of activity.

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.9 Deferred taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between taxable profits and results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010****2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating loss	2010	2009
	£	£
Operating loss is stated after charging		
Exceptional item - impairment of goodwill	1,156,915	767,336
Amortisation of intangible assets	77,085	115,454
Depreciation of tangible assets	200,299	117,128
Loss on disposal of tangible assets	21,187	-
Operating lease rentals		
- Plant and machinery	52,708	14,274
- Other assets	250,000	300,406
Auditors' remuneration (including expenses and benefits in kind)	33,376	16,499
and after crediting:		
Profit on foreign exchange transactions	(8,602)	-

4 Interest payable	2010	2009
	£	£
On bank loans and overdrafts	41,181	42,049
On other loans wholly repayable within five years	629,408	482,509
Hire purchase interest	12,335	9,187
Other interest paid	2,475	-
	<u>685,399</u>	<u>533,745</u>

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

5 Taxation	2010	2009
	£	£
Domestic current year tax		
U K corporation tax	(36,283)	-
Current tax charge	<u>(36,283)</u>	<u>-</u>
Deferred tax charge/credit current year	-	(523,390)
Deferred tax adjust re previous year	834,473	(311,083)
	<u>834,473</u>	<u>(834,473)</u>
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	<u>(1,051,243)</u>	<u>(2,763,894)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2009 - 28 00%)	<u>(294,348)</u>	<u>(773,890)</u>
Effects of		
Non deductible expenses	405,464	35,646
Non-taxable income	(552,212)	-
Depreciation in excess of capital allowances	62,016	250,073
Tax losses carried forward	380,224	488,171
R&D tax credits	(28,823)	-
Other tax adjustments	(8,604)	-
	<u>258,065</u>	<u>773,890</u>
Current tax charge	<u>(36,283)</u>	<u>-</u>

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2009	1,234,000
Written off against reserves	(1,234,000)
	<u>-</u>
At 31 March 2010	<u>-</u>
Amortisation	
At 1 April 2009	-
Charge for the year	77,085
Impairment	(77,085)
	<u>-</u>
Net book value	
At 31 March 2010	<u>-</u>
	<u>-</u>
At 31 March 2009	<u>1,234,000</u>

Goodwill is being amortised over 20 years, being the directors' estimate of the period over which the benefits of the goodwill will be derived

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2009	1,881,914	203,061	36,322	2,121,297
Additions	422,209	13,802	-	436,011
Disposals	(621,697)	(8,219)	(24,822)	(654,738)
At 31 March 2010	<u>1,682,426</u>	<u>208,644</u>	<u>11,500</u>	<u>1,902,570</u>
Depreciation				
At 1 April 2009	1,172,707	82,277	34,022	1,289,006
On disposals	(98,017)	(7,607)	(24,822)	(130,446)
Charge for the year	164,439	33,560	2,300	200,299
At 31 March 2010	<u>1,239,129</u>	<u>108,230</u>	<u>11,500</u>	<u>1,358,859</u>
Net book value				
At 31 March 2010	<u>443,297</u>	<u>100,414</u>	<u>-</u>	<u>543,711</u>
At 31 March 2009	<u>709,208</u>	<u>120,784</u>	<u>2,298</u>	<u>832,290</u>

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

	Plant and machinery
	£
Net book values	
At 31 March 2010	<u>303,270</u>
At 31 March 2009	<u>352,440</u>
Depreciation charge for the year	
At 31 March 2010	<u>49,170</u>
At 31 March 2009	<u>49,170</u>

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2009 & at 31 March 2010	<u>1,726,783</u>
Provisions for diminution in value	
At 1 April 2009 & at 31 March 2010	<u>1,726,783</u>
Net book value	
At 31 March 2010	<u><u>-</u></u>
At 31 March 2009	<u><u>-</u></u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Mirus Plastics Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves 2010 £	Profit for the year 2010 £
Mirus Plastics Limited	100	-

9 Stocks	2010 £	2009 £
Raw materials and consumables	236,518	198,255
Finished goods and goods for resale	<u>448,046</u>	<u>534,293</u>
	<u><u>684,564</u></u>	<u><u>732,548</u></u>

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

10 Debtors	2010	2009
	£	£
Trade debtors	1,276,970	1,008,546
Amounts owed by parent and fellow subsidiary undertakings	2,655,239	-
Corporation tax	37,427	1,144
Other debtors	172,729	120,897
Prepayments and accrued income	262,441	148,257
Deferred tax asset (see note)	-	834,473
	<u>4,404,806</u>	<u>2,113,317</u>

11 Creditors: amounts falling due within one year	2010	2009
	£	£
Net obligations under hire purchase contracts	130,383	134,117
Trade creditors	898,826	735,136
Taxation and social security	167,913	78,203
Directors current accounts	82,872	80,397
Amount owed to invoice discounter	752,490	392,643
Accruals	138,412	233,875
	<u>2,170,896</u>	<u>1,654,371</u>

Amounts owed in respect of invoice discounting are secured by way of fixed and floating charges over the company and its present and future assets

On 25 November 2002 the company created and issued £2,050,000 7.634% Convertible Unsecured Guaranteed Loan Stock 2007, which bore interest at a rate of 7.634% per annum and was repayable by four instalments of £100,000 payable on each anniversary of the establishment of the deed together with a final payment of £1,650,000 on 25 November 2007. At 31 March 2010 £1,650,000 of this loan stock remains in issue (2009 £1,650,000)

On 6 January 2005 a deed of variation was executed, whereby the specified interest rate was reduced to 6% per annum and the loan stock was re-designated as 6% Convertible Unsecured Guaranteed Loan Stock 2007. Following the acquisition of the outstanding loan stock by Lynwood Group Holdings Limited, the remaining £1,650,000 of the loan stock will not be repayable within 12 months of the balance sheet date therefore as at 31 March 2010 the outstanding amount is disclosed within creditors due after more than one year

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

12 Creditors: amounts falling due after more than one year	2010	2009
	£	£
Other loans	6,781,208	4,669,868
Net obligations under hire purchase contracts	62,655	148,212
	<u>6,843,863</u>	<u>4,818,080</u>
Analysis of loans		
Wholly repayable within five years	<u>6,781,208</u>	<u>4,669,868</u>
	<u>6,781,208</u>	<u>4,669,868</u>
Loan maturity analysis		
In more than two years but not more than five years	<u>6,781,208</u>	<u>4,669,868</u>
Net obligations under hire purchase contracts		
Repayable within one year	130,383	134,117
Repayable between one and five years	62,655	148,212
	<u>193,038</u>	<u>282,329</u>
Included in liabilities falling due within one year	<u>(130,383)</u>	<u>(134,117)</u>
	<u>62,655</u>	<u>148,212</u>
13 Pension and other post-retirement benefit commitments		
Defined contribution		
	2010	2009
	£	£
Contributions payable by the company for the year	<u>1,606</u>	<u>467</u>

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010**

14 Share capital	2010	2009
	£	£
Authorised		
10,000,000 Ordinary shares of 10p each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
250,000 Ordinary shares of 10p each	<u>25,000</u>	<u>25,000</u>

15 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 April 2009	222,000	(1,749,071)
Loss for the year	-	(1,849,433)
Balance at 31 March 2010	<u>222,000</u>	<u>(3,598,504)</u>

There was no movement on the share premium account during the financial year

16 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Loss for the financial year	(1,849,433)	(1,929,421)
Opening shareholders' funds	<u>(1,502,072)</u>	<u>427,349</u>
Closing shareholders' funds	<u>(3,351,504)</u>	<u>(1,502,072)</u>

17 Contingent liabilities

At 31 March 2010 the company had unlimited multilateral cross guarantees dated 27 February 2006 between the company, The Royal Bank of Scotland plc, and the subsidiary company Mirus Plastics Limited in respect of accounts with The Royal Bank of Scotland Bank plc

The net indebtedness at 31 March 2010 amounted to £nil (2009 £nil)

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010****18 Financial commitments**

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2010	2009
	£	£
Expiry date		
In over five years	<u>250,000</u>	<u>250,000</u>

19 Directors' emoluments

	2010	2009
	£	£
Emoluments for qualifying services	<u>349,617</u>	<u>314,518</u>

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

Emoluments for qualifying services	<u>103,567</u>	<u>147,695</u>
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20 Employees**Number of employees**

	2010	2009
	Number	Number
Sales and administration	20	19
Production	<u>83</u>	<u>67</u>
	<u>103</u>	<u>86</u>

Employment costs

	£	£
Wages and salaries	1,968,782	1,671,814
Social security costs	186,601	144,920
Other pension costs	<u>1,606</u>	<u>467</u>
	<u>2,156,989</u>	<u>1,817,201</u>

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 MARCH 2010

21 Control

The ultimate parent company is I-Plas Group Limited, a company registered in England and Wales

22 Related party transactions

At 31 March 2010 the company owed the directors P R S Lever and H J Waghorn £55,248 and £27,624 respectively (2009 £53,571 and £26,786) No formal repayment schedule has been agreed, however repayment will not be within 12 months of the year end The loans bear interest at a rate of 2.5% above the Bank of England base rate

23 Post balance sheet events

Following a Strategic review of the business activities of the company, a decision was taken to dispose of the DIY products business unit from within the company This disposal completed after the year end on 23 July 2010

24 Reconciliation of operating loss to net cash outflow from operating activities	2010	2009
	£	£
Operating loss	(2,338,029)	(2,237,973)
Depreciation of tangible assets	200,299	117,128
Amortisation of intangible assets	1,234,000	882,790
Loss on disposal of tangible assets	21,187	-
Decrease in stocks	47,984	27,809
Increase in debtors	(3,089,679)	(157,470)
Increase/(decrease) in creditors within one year	520,259	(178,439)
Profit on transfer of trade and assets	1,972,185	-
Net cash outflow from operating activities	(1,431,794)	(1,546,155)

I-PLAS PRODUCTS LIMITED (FORMERLY LYNWOOD PRODUCTS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2010

25 Analysis of net debt	1 April 2009	Cash flow	Other non-cash changes	31 March 2010
	£	£	£	£
Net cash:				
Cash at bank and in hand	58,224	(28,050)	-	30,174
Debt				
Finance leases	(282,329)	89,291	-	(193,038)
Debts falling due after one year	(4,669,868)	(2,111,340)	-	(6,781,208)
	(4,952,197)	(2,022,049)	-	(6,974,246)
Net debt	(4,893,973)	(2,050,099)	-	(6,944,072)

26 Reconciliation of net cash flow to movement in net debt	2010	2009
	£	£
Decrease in cash in the year	(28,050)	(1,167,845)
Cash inflow from increase in debt and lease financing	(2,022,049)	(1,272,601)
Movement in net debt in the year	(2,050,099)	(2,440,446)
Opening net debt	(4,893,973)	(2,453,527)
Closing net debt	(6,944,072)	(4,893,973)