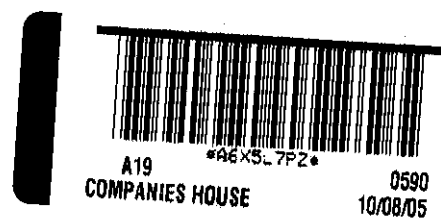


Registered no: 2766120

Resin Trade Limited
Annual report
for the year ended 31 December 2004



Resin Trade Limited

Annual report for the year ended 31 December 2004

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**Director's report
for the year ended 31 December 2004**

The director presents his report and the audited financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the company is plastic raw material distribution.

Review of business and future developments

The profit and loss account is set out on page 4. The result for the year was pleasing with a significant turnaround, showing a profit before tax of £223,000 (2003: £91,000). These results reflect the improved trading conditions and supply agreements the company has put in place.

Resin Trade are well placed with agreements with their suppliers to continue their development and the major investment in the recently completed bulk handling facility at Thamesport, will enable even more cost effective and flexible sales to be achieved in 2005.

Director

The director of the company at 31 December 2004, who was a director for the whole of the year ended on that date, and his interest in the shares of the company was:

Ordinary shares of £1 each	
2004 and 2003	
	Number
R F G Bradwell	100,000*

*Holder of 70,001 shares and joint beneficial interest in 29,999 shares.

**Director's report
for the year ended 31 December 2004 (continued)**

Statement of director's responsibilities

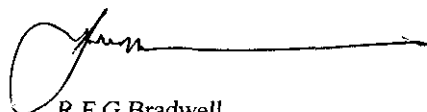
The director is required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The director confirms that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2004.

The director also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in black ink, appearing to read 'R F G Bradwell', followed by a long horizontal line extending to the right.

R F G Bradwell
Director

Report of the independent auditors to the member of Resin Trade Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes.

Respective responsibilities of director and auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom Companies Act. 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 is not disclosed.

Basis of audit 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 judgements made by the director 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 or 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 2004 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

1 April 2005

**Profit and loss account
for the year ended 31 December 2004**

	Notes	2004 £'000	2003 £'000
Turnover – continuing operations	2	10,732	10,074
Cost of sales - continuing operations		(9,178)	(8,611)
Gross profit		1,554	1,463
Distribution costs		(660)	(787)
Administrative expenses		(582)	(499)
Operating profit - continuing operations		312	177
Interest receivable and similar income		3	2
Interest payable and similar charges	5	(92)	(88)
Profit on ordinary activities before taxation	6	223	91
Tax on profit on ordinary activities	7	(45)	(15)
Profit for the financial year	21	178	76

The company has no recognised gains and losses other than the profits and losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

Balance sheet at 31 December 2004

	Notes	2004 £'000	2003 £'000
Fixed assets			
Tangible assets	9	66	15
Current assets			
Stocks	10	720	511
Debtors: falling due within one year	11	2,122	2,527
Cash at bank and in hand		-	107
		2,842	3,145
Creditors: amounts falling due within one year	12	(2,724)	(3,157)
Net current assets / (liabilities)		118	(12)
Provisions for liabilities and charges	13	(3)	-
Net assets		181	3
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	20	81	(97)
Equity shareholders' funds	21	181	3

The financial statements on pages 4 to 16 were approved by the director on 28 July 2005



R F G Bradwell
Director

**Cash flow statement
for the year ended 31 December 2004**

	Notes	2004 £'000	2003 £'000
Net cash inflow from continuing operating activities	17	702	428
Returns on investments and servicing of finance			
Interest received		3	2
Interest paid		(92)	(88)
Net cash outflow from returns on investments and servicing of finance		(89)	(86)
Capital expenditure			
Purchase of tangible fixed assets		(60)	(9)
Increase in cash	18	553	333

Notes to the financial statements for the year ended 31 December 2004

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The financial statements contain information about Resin Trade Limited as an individual company. The company and the unincorporated business controlled by the company together comprise a small group and the company is therefore exempt under S.248 of the Companies Act 1985 from preparing consolidated financial statements.

Turnover

Turnover which excludes Value Added Tax, represents the invoiced value of goods supplied.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Fixtures and fittings	20%
Computer equipment	33 1/3%
Motor vehicles	25%

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes transport and handling charges. Where necessary, provision is made for slow-moving and defective stocks.

Deferred taxation

Full provision is made on an undiscounted basis at the rate of corporation tax expected to be payable or receivable in the foreseeable future from the allocation of items to different periods for taxation and for accounting purposes. Assets are only recognised to the extent that it is more than likely that the asset will crystallise in the future

Notes to the financial statements for the year ended 31 December 2004 (continued)

1 Principal accounting policies (continued)

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 profit.

Operating leases

Assets held under operating leases are not recorded in the balance sheet. Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension scheme

The company operates a defined contribution scheme. The pension cost charge represents the contributions payable by the company, to both the company fund and individual schemes, and amounted to £22,456 (2003: £22,456).

2 Turnover

The turnover and profit before taxation is attributable to wholesale distribution of plastic raw materials.

The geographical analysis of turnover was:

	2004	2003
	£'000	£'000
United Kingdom	8,277	7,777
Rest of Europe	1,708	1,461
Far East	415	71
America	332	765
	10,732	10,074

Notes to the financial statements for the year ended 31 December 2004 (continued)

3 Director's emoluments

	2004	2003
	£'000	£'000
Emoluments for management (including benefits in kind)	143	138
Pension contributions to a money purchase scheme	13	13

Benefits are accruing for the director under a money purchase scheme.

4 Employee information

The average weekly number of employees during the year was as follows:

	2004	2003
	Number	Number
Office and management	4	4
Productive and sales	1	1
	5	5

	2004	2003
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	263	248
Social security costs	32	29
Other pension costs	23	23
	318	300

Notes to the financial statements for the year ended 31 December 2004 (continued)

5 Interest payable and similar charges

	2004	2003
	£'000	£'000
On bank loans and overdrafts	92	88

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2004	2003
	£'000	£'000
Depreciation of tangible fixed assets	9	8
Staff costs (note 4)	318	300
Bad debt expense	63	-
Auditors' remuneration		
- audit	6	6
- other	5	6
Operating leases		
- land and buildings	25	25

7 Tax on profit on ordinary activities

	2004	2003
	£'000	£'000
United Kingdom corporation tax charge at 19%		
Current	42	15
Deferred	3	-
	45	15

Notes to the financial statements for the year ended 31 December 2004 (continued)

8 Tax on profit on ordinary activities (continued)

The current corporation tax charge differs from the standard UK corporation tax rate of 19% applied to the profit for the year. The differences are:

	2004	2003
	£'000	£'000
Profit for the year at 19%	42	18
Capital allowances in excess of depreciation	(4)	-
Losses utilised	-	(5)
Expenses not deductible for tax purposes	4	2
	42	15

9 Tangible fixed assets

	Motor vehicle £'000	Computer equipment £'000	Office equipment £'000	Plant & machinery £'000	Total £'000
Cost					
At 1 January 2004	7	86	75	4	172
Additions	-	10	1	49	60
At 31 December 2004	7	96	76	53	232
Depreciation					
At 1 January 2004	-	80	73	4	157
Charge for year	4	4	1	-	9
At 31 December 2004	4	84	74	4	166
Net book value					
At 31 December 2004	3	12	2	49	66
At 31 December 2003	7	6	2	-	15

Notes to the financial statements for the year ended 31 December 2004 (continued)

10 Stocks

	2004	2003
	£'000	£'000
Goods held for resale	720	511

11 Debtors

	2004	2003
	£'000	£'000
Amounts falling due within one year		
Trade debtors	1,908	2,368
Prepayments	58	42
Other debtors (see note 19)	156	93
Amounts due from group undertaking	-	24
	2,122	2,527

Group undertaking

This represents amounts due from BR&M, an unincorporated business that acts as agent for Resin Trade Limited. BR&M operates from Rua Funchal, 538/65 - Vilaolimpla, 04551-060, Sao Paulo, Brazil. BR&M accounts show a profit of £23,258 for the year ended 31 December 2004 and net assets of £9,430 at 31 December 2004.

Notes to the financial statements for the year ended 31 December 2004 (continued)

12 Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Bank overdraft	1,263	1,923
Trade creditors	1,055	994
Corporation tax payable	57	15
Other creditors including taxation and social security	128	123
Accruals and deferred income	221	102
	2,724	3,157

The bank overdraft is secured by floating charges over debtors and stocks.

13 Deferred taxation

The full potential liability and amount provided is:

	2004	2003
	£'000	£'000
Tax effect of timing differences because of:		
Accelerated capital allowances	3	-

14 Called up share capital

	2004	2003
	£'000	£'000
Authorised		
250,000 ordinary shares of £1 each	250	250
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

Notes to the financial statements for the year ended 31 December 2004 (continued)

15 Financial commitments

The company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	Land and Buildings	Land and Buildings
	£'000	£'000
Expiring between two and five years inclusive	26	26

There existed, at the balance sheet date, letters of credit worth £521,723 (2003: £Nil).

A guarantee of £200,000 (2003: £200,000) has been given by the company's bankers in favour of H M Customs and Excise.

A guarantee of £31,000 (BEF 2,000,000) has been given by the company's bankers in favour of Belgian VAT .

A guarantee of £700,000 has been given in respect of Equate Union Carbide.

Capital expenditure of £36,500 had been contracted for at 31 December 2004 (2003: £Nil).

16 Related party transactions

Resin Trade Limited has not provided any finance to the group undertaking for general business expenditure, that was outstanding at 31 December 2004 (2003: £24,494). Sales commissions of £24,494 (2003: £2,879) were paid to the group undertaking for the year ended 31 December 2004.

Notes to the financial statements for the year ended 31 December 2004 (continued)

17 Reconciliation of operating profit to net cash inflow from operating activities

	2004	2003
	£'000	£'000
Continuing operating activities		
Operating profit	312	177
Depreciation on tangible fixed assets	9	8
(Increase)/decrease in stocks	(209)	691
Decrease/(increase) in debtors	405	(901)
Increase in creditors	185	453
Net cash inflow from operating activities	702	428

18 Analysis of debt

	At 1 January 2004	Cashflow	At 31 December 2004
	£'000	£'000	£'000
Cash at bank and in hand	107	(107)	-
Bank overdraft	(1,923)	660	(1,263)
Net debt	(1,816)	553	(1,263)

**Notes to the financial statements
for the year ended 31 December 2004 (continued)**

19 Other debtors

Included in other debtors are loans to the director comprising:

	2004	2003
	£	£
R F G Bradwell	115,495	55,435

The loan to R F G Bradwell is interest free. The maximum amount outstanding during the year was £115,495

Also included in other debtors is an amount of £38,219 representing the payment of corporation tax under a S419 assessment in respect of the director's loan account.

20 Profit and loss account

	£'000
At 1 January 2004	(97)
Profit for the year	178
At 31 December 2004	81

21 Reconciliation of movements in shareholders' funds

	2004	2003
	£'000	£'000
Profit for the financial year	178	76
Opening shareholders' funds	3	(73)
Closing shareholders' funds	181	3

22 Controlling party

R F G Bradwell is the immediate and ultimate controlling party by virtue of his majority interest in the share capital of the company.