

Registered no: 2766120

Resin Trade Limited
Annual report
for the year ended 31 December 2005



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COMPANIES HOUSE 31/03/2006

Resin Trade Limited

Annual report for the year ended 31 December 2005

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Director's report for the year ended 31 December 2005

The director presents his report and the audited financial statements for the year ended 31 December 2005.

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, showing a profit before tax of £178,000 (2004: £223,000). The company is very well placed with agreements with existing suppliers to continue to improve profitability 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 2006, also offering improved logistics facilities to its suppliers.

New distribution agreements for Spain and UK which come into effect early 2006 will also add to the profitability in the coming year.

Dividends

The director does not recommend payment of a dividend in respect of the year (2004:£nil).

Director

The director of the company at 31 December 2005, 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 | |
|-----------------------------------|---------------|
| 2005 and 2004 | |
| | 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 2005 (continued)****Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The director actively manages these risks by monitoring levels of risk and the related costs. No derivatives are used other than forward exchange contracts which are entered into and used in conjunction with currency accounts in order to protect against foreign exchange movements.

The company has implemented policies to insure customer debt and carry out appropriate credit checks on potential customers before sales are made.

The company utilises overdraft finance that is designed to ensure the company has sufficient available funds for its operations and its required level of working capital. Floating rate interest rates apply to this and the director reassesses these in the context of longer term interest rate trends.

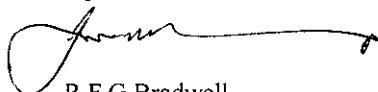
Statement of director's responsibilities

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 2005.

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

R F G Bradwell
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RESIN TRADE LIMITED

We have audited the financial statements of Resin Trade Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 into 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 Companies Act 1985. We also report to you if, in our opinion, the Director's 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 other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 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

28 March 2006

Profit and loss account for the year ended 31 December 2005

| | Notes | 2005 £'000 | 2004 £'000 |
|--|-------|---------------|---------------|
| Turnover – continuing operations | 2 | 11,407 | 10,732 |
| Cost of sales - continuing operations | | (9,902) | (9,178) |
| Gross profit | | 1,505 | 1,554 |
| Distribution costs | | (625) | (660) |
| Administrative expenses | | (603) | (582) |
| Operating profit - continuing operations | | 277 | 312 |
| Interest receivable and similar income | | 4 | 3 |
| Interest payable and similar charges | 5 | (103) | (92) |
| Profit on ordinary activities before taxation | 6 | 178 | 223 |
| Tax on profit on ordinary activities | 7 | (38) | (45) |
| Profit for the financial year | 19 | 140 | 178 |

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.

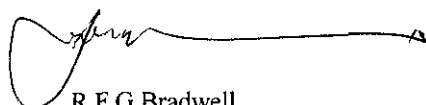
There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

Balance sheet

at 31 December 2005

| | Notes | 2005 £'000 | 2004 £'000 |
|---|-------|----------------|----------------|
| Fixed assets | | | |
| Tangible assets | 9 | 130 | 66 |
| Current assets | | | |
| Stocks | 10 | 442 | 720 |
| Debtors: falling due within one year | 11 | 2,217 | 2,122 |
| Cash at bank and in hand | | 134 | - |
| | | 2,793 | 2,842 |
| Creditors: amounts falling due within one year | 12 | (2,594) | (2,724) |
| Net current assets | | 199 | 118 |
| Provisions for liabilities and charges | 13 | (8) | (3) |
| Net assets | | 321 | 181 |
| Capital and reserves | | | |
| Called up share capital | 14 | 100 | 100 |
| Profit and loss account | 19 | 221 | 81 |
| Equity shareholders' funds | 20 | 321 | 181 |

The financial statements on pages 4 to 15 were approved by the director on 28 March 2006



R F G Bradwell
Director

Cash flow statement **for the year ended 31 December 2005**

| | Notes | 2005 | 2004 |
|--|-------|-------|-------|
| | | £'000 | £'000 |
| Net cash inflow from continuing operating activities | 16 | 255 | 702 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 4 | 3 |
| Interest paid | | (103) | (92) |
| Net cash outflow from returns on investments and servicing of finance | | (99) | (89) |
| Taxation | | | |
| Corporation tax paid | | (57) | - |
| Capital expenditure | | | |
| Purchase of tangible fixed assets | | (87) | (60) |
| Increase in cash | 17 | 12 | 553 |

Notes to the financial statements for the year ended 31 December 2005

1 Principal accounting policies

The financial statements have been prepared in accordance with the Companies Act 1985 and 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.

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:

| | |
|-----------------------|---------|
| Plant and machinery | 20% |
| 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 2005 (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, or at the rate implicit in a matched forward foreign exchange contract.

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 £28,639 (2004: £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:

| | 2005 | 2004 |
|----------------|--------|--------|
| | £'000 | £'000 |
| United Kingdom | 8,672 | 8,277 |
| Rest of Europe | 900 | 1,708 |
| Far East | 1,169 | 415 |
| America | 666 | 332 |
| | 11,407 | 10,732 |

Notes to the financial statements for the year ended 31 December 2005 (continued)

3 Director's emoluments

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| Emoluments for management (including benefits in kind) | 144 | 143 |
| Pension contributions to a money purchase scheme | 14 | 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:

| | 2005 | 2004 |
|-----------------------|--------|--------|
| | Number | Number |
| Office and management | 4 | 4 |
| Productive and sales | 1 | 1 |
| | 5 | 5 |

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| Staff costs (for the above persons) | | |
| Wages and salaries | 296 | 263 |
| Social security costs | 35 | 32 |
| Other pension costs | 29 | 23 |
| | 360 | 318 |

Notes to the financial statements for the year ended 31 December 2005 (continued)

5 Interest payable and similar charges

| | 2005 | 2004 |
|------------------------------|-------|-------|
| | £'000 | £'000 |
| On bank loans and overdrafts | 103 | 92 |

6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

| | 2005 | 2004 |
|---------------------------------------|-------|-------|
| | £'000 | £'000 |
| Depreciation of tangible fixed assets | 23 | 9 |
| Staff costs (note 4) | 360 | 318 |
| Bad debt (recovered) / expense | (6) | 63 |
| Auditors' remuneration | | |
| - audit | 7 | 6 |
| - other | 5 | 5 |
| Operating leases | | |
| - land and buildings | 33 | 25 |

7 Tax on profit on ordinary activities

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| United Kingdom corporation tax charge at 19% | | |
| Current | 33 | 42 |
| Deferred | 5 | 3 |
| | 38 | 45 |

Notes to the financial statements for the year ended 31 December 2005 (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:

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| Profit for the year at 19% | 34 | 42 |
| Capital allowances in excess of depreciation | (5) | (4) |
| Expenses not deductible for tax purposes | 4 | 4 |
| | 33 | 42 |

9 Tangible fixed assets

| | Motor vehicle £'000 | Computer equipment £'000 | Office equipment £'000 | Plant & machinery £'000 | Total £'000 |
|----------------------------|---------------------------|--------------------------------|------------------------------|-------------------------------|----------------|
| Cost | | | | | |
| At 1 January 2005 | 7 | 96 | 76 | 53 | 232 |
| Additions | - | 3 | 16 | 68 | 87 |
| Disposals | - | (13) | - | - | (13) |
| At 31 December 2005 | 7 | 86 | 92 | 121 | 306 |
| Depreciation | | | | | |
| At 1 January 2005 | 4 | 84 | 74 | 4 | 166 |
| Charge for year | - | 6 | 1 | 16 | 23 |
| Disposals | - | (13) | - | - | (13) |
| At 31 December 2005 | 4 | 77 | 75 | 20 | 176 |
| Net book value | | | | | |
| At 31 December 2005 | 3 | 9 | 17 | 101 | 130 |
| At 31 December 2004 | 3 | 12 | 2 | 49 | 66 |

Notes to the financial statements for the year ended 31 December 2005 (continued)

10 Stocks

| | 2005 | 2004 |
|-----------------------|-------|-------|
| | £'000 | £'000 |
| Goods held for resale | 442 | 720 |

11 Debtors

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Trade debtors | 2,176 | 1,908 |
| Prepayments | 40 | 58 |
| Other debtors | 1 | 156 |
| | 2,217 | 2,122 |

12 Creditors: amounts falling due within one year

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| Bank overdraft | 1,385 | 1,263 |
| Trade creditors | 964 | 1,055 |
| Corporation tax payable | 1 | 57 |
| Other creditors including taxation and social security | 115 | 128 |
| Accruals and deferred income | 129 | 221 |
| | 2,594 | 2,724 |

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

Notes to the financial statements for the year ended 31 December 2005 (continued)

13 Deferred taxation

The full potential liability and amount provided at 19% is:

| | 2005 | 2004 |
|--|-------|-------|
| | £'000 | £'000 |
| <hr/> | | |
| Tax effect of timing differences because of: | | |
| Accelerated capital allowances | 8 | 3 |

A charge of £5,000 has been taken to the profit and loss account for the year.

14 Called up share capital

| | 2005 | 2004 |
|---|-------|-------|
| | £'000 | £'000 |
| <hr/> | | |
| Authorised | | |
| 250,000 ordinary shares of £1 each | 250 | 250 |
| <hr/> | | |
| Allotted, called up and fully paid | | |
| Ordinary shares of £1 each | 100 | 100 |

15 Financial commitments

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

| | 2005 | 2004 |
|---|-----------------------|-----------------------|
| | Land and Buildings | Land and Buildings |
| | £'000 | £'000 |
| <hr/> | | |
| Expiring between two and five years inclusive | 48 | 26 |

There existed, at the balance sheet date, letters of credit worth £nil (2004: £521,723).

A guarantee of £200,000 (2004: £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 £57,500 had been contracted for at 31 December 2005 (2004: £36,500).

Notes to the financial statements for the year ended 31 December 2005 (continued)

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

| | 2005 | 2004 |
|---|-------|-------|
| | £'000 | £'000 |
| Continuing operating activities | | |
| Operating profit | 277 | 312 |
| Depreciation on tangible fixed assets | 23 | 9 |
| Decrease/(increase) in stocks | 278 | (209) |
| (Increase)/decrease in debtors | (127) | 405 |
| (Decrease)/increase in creditors | (196) | 185 |
| Net cash inflow from operating activities | 255 | 702 |

17 Analysis of debt

| | At 1 January 2005 | Cashflow | At 31 December 2005 |
|--------------------------|-------------------------|----------|---------------------------|
| | £'000 | £'000 | £'000 |
| Cash at bank and in hand | - | 134 | 134 |
| Bank overdraft | (1,263) | (122) | (1,385) |
| Net debt | (1,263) | 12 | (1,251) |

18 Other debtors and related parties

Included in other debtors were loans to the director comprising:

| | 2005 | 2004 |
|----------------|------|---------|
| | £ | £ |
| R F G Bradwell | - | 115,495 |

The loan to R F G Bradwell was interest free. The maximum amount outstanding during the year was £143,310. The loan was fully repaid during the year.

An amount of £31,724 representing the payment of corporation tax under a S419 assessment in respect of the director's loan account, which is now recoverable, has been used to reduce the corporation tax balance payable.

Former group undertaking

Resin Trade Limited ceased association with BR&M, an unincorporated business that acted as agent for Resin Trade Limited with effect from 1 January 2005.

Notes to the financial statements for the year ended 31 December 2005 (continued)

19 Profit and loss account

| | £'000 |
|---------------------|-------|
| At 1 January 2005 | 81 |
| Profit for the year | 140 |
| At 31 December 2005 | 221 |

20 Reconciliation of movements in shareholders' funds

| | 2005 | 2004 |
|-------------------------------|-------|-------|
| | £'000 | £'000 |
| Profit for the financial year | 140 | 178 |
| Opening shareholders' funds | 181 | 3 |
| Closing shareholders' funds | 321 | 181 |

21 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.