

ADHESIVE SPECIALITIES LIMITED
FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2009

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ADHESIVE SPECIALITIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2009

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ADHESIVE SPECIALITIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Mr R.S. Goddard
Mrs V. Goddard
Mr B. J. Gibson
Mr S.W. Gibson
Mr A. Nicholson

Company Secretary

Mrs V. Goddard

Registered Office

Tickitape House
31 Bone Lane
Newbury
Berkshire
RG14 5SH

Auditor

Bright Grahame Murray
Chartered Accountants
& Registered Auditor
131 Edgware Road
London
W2 2AP



ADHESIVE SPECIALITIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2009.

Principal Activities and Business Review

The company's principal activity continued to be the manufacture, processing and wholesaling of adhesive tapes.

Results and Dividends

The profit for the year amounted to £76,189. The directors have not recommended a dividend.

Financial Risk Management Objectives and Policies

The company's principal financial liabilities are bank balances, trade and other payables. The company's principal financial assets are inter company balances and trade and other receivables.

The bank balances are controlled in order to ensure sufficient funds are available for the company to meet its business needs.

The financial liabilities and assets are stated at fair value and after allowances for doubtful receivables.

Directors

The directors who served the company during the year and up to the date of this report are listed on page 1.

Directors' Responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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;
- 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 that 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 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.

ADHESIVE SPECIALITIES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2009

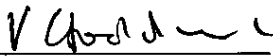
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Bright Grahame Murray are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



Secretary

Full name VALERIE GODDARD

Please print in capitals

Approved by the directors on 27/11/2009

ADHESIVE SPECIALITIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADHESIVE SPECIALITIES LIMITED

YEAR ENDED 31 MARCH 2009

We have audited the financial statements of Adhesive Specialities Limited for the year ended 31 March 2009, which have been prepared on the basis of the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 Directors' 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 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 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.

ADHESIVE SPECIALITIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ADHESIVE SPECIALITIES LIMITED *(continued)*

YEAR ENDED 31 MARCH 2009

Opinion

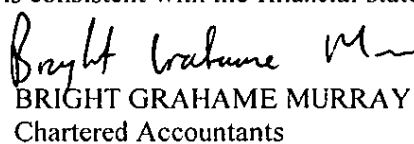
In our opinion:

- 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 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

131 Edgware Road
London
W2 2AP

11 December 2009

Company Registration Number: 957040


BRIGHT GRAHAME MURRAY
Chartered Accountants
& Registered Auditor

ADHESIVE SPECIALITIES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2009

	Note	2009 £	2008 £
Turnover	2	6,744,837	7,484,967
Cost of sales		<u>4,595,209</u>	<u>5,062,773</u>
Gross Profit		2,149,628	2,422,194
Distribution costs		311,994	358,192
Administrative expenses		<u>1,770,789</u>	<u>2,173,749</u>
Operating Profit/(Loss)	3	66,845	(109,747)
Interest receivable		40,197	70,564
Interest payable and similar charges	6	(55,731)	(47,842)
Profit/(Loss) on Ordinary Activities Before Taxation		<u>51,311</u>	<u>(87,025)</u>
Tax on profit/(loss) on ordinary activities	7	(24,878)	(29,437)
Profit/(Loss) for the Financial Year		<u>76,189</u>	<u>(57,588)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 16 form part of these financial statements.

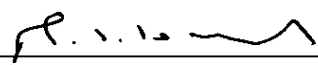
ADHESIVE SPECIALITIES LIMITED

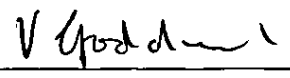
BALANCE SHEET

31 MARCH 2009

	Note	2009		2008	
		£	£	£	£
Fixed Assets					
Tangible assets	8		655,960		736,083
Current Assets					
Stocks	9	1,117,602		1,290,027	
Debtors	10	1,673,787		1,274,007	
Cash at bank and in hand		509		69,560	
			2,791,898		2,633,594
Creditors: Amounts falling due within one year	11		1,752,782		1,742,287
Net Current Assets			1,039,116		891,307
Total Assets Less Current Liabilities			1,695,076		1,627,390
Provisions for Liabilities					
Deferred taxation	13		47,209		55,712
			1,647,867		1,571,678
Capital and Reserves					
Called-up equity share capital	17		1,200,000		1,200,000
Revaluation reserve	18		78,009		103,009
Profit and loss account	19		369,858		268,669
Shareholders' Funds	20		1,647,867		1,571,678

These financial statements were approved by the directors and authorised for issue on 27/11/09, and are signed on their behalf by:


 Director


 Director

Full name ROY STANLEY GODDARD

Full name VALERIE GODDARD

Please print in capitals

The notes on pages 8 to 16 form part of these financial statements.

ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash Flow Statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	5% to 20% p.a. on a straight line basis
Fixtures & Fittings	-	20% on a straight line basis
Motor Vehicles	-	25% p.a. on a reducing balance basis
Computer Equipment	-	20% p.a. on a straight line basis

The company's policy is to write off the book value of each tangible asset over its estimated remaining life. Reviews are made periodically of the estimated remaining useful lives of individual productive assets, taking into account commercial and technological obsolescence as well as normal wear and tear.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.



ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

1. Accounting Policies *(continued)*

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.



ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2009 £	2008 £
United Kingdom	5,676,408	6,448,649
Overseas	1,068,429	1,036,318
	<u>6,744,837</u>	<u>7,484,967</u>

3. Operating Profit/(Loss)

Operating profit/(loss) is stated after charging/(crediting):

	2009 £	2008 £
Depreciation of owned fixed assets	93,022	123,910
Profit on disposal of fixed assets	-	(9,107)
Auditor's remuneration		
- as auditor	-	20,000
- for other services	-	25,700
Operating lease costs:		
- Other	36,000	216,000
Exceptional items:		
- Net loss on foreign currency translation	325,211	-
- Intercompany loan waiver offset	<u>(325,000)</u>	<u>-</u>

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2009 No	2008 No
Number of production staff	30	39
Number of selling and distribution staff	29	28
Number of office and administrative staff	13	14
	<u>72</u>	<u>81</u>

The aggregate payroll costs of the above were:

	2009 £	2008 £
Wages and salaries	1,311,056	1,432,926
Social security costs	99,917	102,509
Other pension costs	37,503	44,610
	<u>1,448,476</u>	<u>1,580,045</u>



ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

5. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2009	2008
	£	£
Emoluments receivable	13,472	142,376
Value of company pension contributions to money purchase schemes	<u>9,780</u>	<u>9,780</u>
	<u>23,252</u>	<u>152,156</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2009	2008
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

6. Interest Payable and Similar Charges

	2009	2008
	£	£
Interest payable on bank borrowing	<u>55,731</u>	<u>47,842</u>

7. Taxation on Ordinary Activities

(a) Analysis of charge in the year

	2009	2008
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21% (2008 - 30%)	(16,375)	-
Over provision in prior year	-	(39,657)
Total current tax	<u>(16,375)</u>	<u>(39,657)</u>
Deferred tax:		
Origination and reversal of timing differences	<u>(8,503)</u>	<u>10,220</u>
Tax on profit/(loss) on ordinary activities	<u>(24,878)</u>	<u>(29,437)</u>

ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

7. Taxation on Ordinary Activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2008 - 30%).

	2009 £	2008 £
Profit/(loss) on ordinary activities before taxation	<u>51,311</u>	<u>(87,025)</u>
Profit/(loss) on ordinary activities by rate of tax	10,775	(26,108)
Capital allowances in excess of depreciation	45,253	(10,220)
Items not allowable for corporation tax	(68,250)	-
Sundry tax adjusting items	<u>(4,153)</u>	<u>(3,329)</u>
Total current tax (note 7(a))	<u>(16,375)</u>	<u>(39,657)</u>

8. Tangible Fixed Assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost or Valuation					
At 1 April 2008	1,034,985	175,441	108,174	262,226	1,580,826
Additions	2,597	2,083	2,380	5,839	12,899
Disposals	<u>(20,000)</u>	-	-	-	<u>(20,000)</u>
At 31 March 2009	<u>1,017,582</u>	<u>177,524</u>	<u>110,554</u>	<u>268,065</u>	<u>1,573,725</u>
Depreciation					
At 1 April 2008	392,943	160,890	56,515	234,395	844,743
Charge for the year	70,403	1,703	12,881	8,035	93,022
On disposals	<u>(20,000)</u>	-	-	-	<u>(20,000)</u>
At 31 March 2009	<u>443,346</u>	<u>162,593</u>	<u>69,396</u>	<u>242,430</u>	<u>917,765</u>
Net Book Value					
At 31 March 2009	<u>574,236</u>	<u>14,931</u>	<u>41,158</u>	<u>25,635</u>	<u>655,960</u>
At 31 March 2008	<u>642,042</u>	<u>14,551</u>	<u>51,659</u>	<u>27,831</u>	<u>736,083</u>

Plant and machinery was revalued by the directors on 31 March 2002, based on their estimate of current market value. The directors review the basis of the valuation annually and consider that the current net book value is equivalent to its market value. The company uses specialist equipment and considers that the directors are best able to ascertain its market value rather than using external consultants.

ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

8. Tangible Fixed Assets *(continued)*

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2009 £	2008 £
Net book value at end of year	<u>655,960</u>	<u>657,550</u>
Historical cost:		
At 1 April 2008	1,120,013	1,110,084
Cost of assets revalued for the first time in year	2,597	24,229
Disposals in year	<u>(20,000)</u>	<u>(14,300)</u>
At 31 March 2009	<u>1,102,610</u>	<u>1,120,013</u>
Depreciation:		
At 1 April 2008	694,143	631,521
On disposals	<u>(20,000)</u>	<u>(7,509)</u>
Charge for year	<u>93,022</u>	<u>70,131</u>
At 31 March 2009	<u>767,165</u>	<u>694,143</u>
Net historical cost value:		
At 31 March 2009	<u>335,445</u>	<u>425,870</u>
At 1 April 2008	<u>425,870</u>	<u>478,563</u>

9. Stocks

	2009 £	2008 £
Raw materials	384,453	374,989
Work in progress	143,297	131,460
Finished goods	<u>589,852</u>	<u>783,578</u>
	<u>1,117,602</u>	<u>1,290,027</u>

10. Debtors

	2009 £	2008 £
Trade debtors	1,053,756	1,032,091
Amounts owed by group undertakings	531,694	31,759
Corporation tax repayable	16,375	39,657
Directors current accounts	-	83,664
Prepayments and accrued income	<u>71,962</u>	<u>86,836</u>
	<u>1,673,787</u>	<u>1,274,007</u>

Since the year end the amount owed by group undertakings has been repaid to the company.

ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

11. Creditors: Amounts falling due within one year

	2009 £	2008 £
Overdrafts	547,920	–
Trade creditors	1,049,981	1,349,219
Other taxation and social security	110,034	150,920
Other creditors	4,387	4,666
Directors current accounts	19,296	–
Accruals and deferred income	21,164	237,482
	<u>1,752,782</u>	<u>1,742,287</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

12. Pensions

The company operates a defined contribution pension scheme for the benefit of certain directors and senior employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £37,503 (2008 - £44,610).

Mr S.Gibson and Mr.A.Nicholson are members of the company's pension scheme.

13. Deferred Taxation

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	55,712	45,492
Profit and loss account movement arising during the year	<u>(8,503)</u>	<u>10,220</u>
Provision carried forward	<u>47,209</u>	<u>55,712</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	<u>47,209</u>	<u>55,712</u>
	<u>47,209</u>	<u>55,712</u>

14. Contingent Liabilities

The company has guaranteed borrowings of its parent undertaking at 31 March 2009 totalling £Nil(2008 - £45,275).

ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

15. Transactions With the Directors

At 31 March 2009 the directors current accounts were overdrawn by the following:

	2009 £	2008 £
Mr R Goddard	—	60,454
Mr B Gibson	—	23,210
	<u>—</u>	<u>83,664</u>

The year end amount was the maximum overdrawn balance for both directors during the year.

16. Related Party Transactions

The company has taken advantage of the exemption guaranteed by paragraph 3c of Financial Reporting Standard 8 not to disclose transactions with other group companies.

During the year, the company paid rent in the normal course of business to Mr. and Mrs. R.S.Goddard of £23,400 and to Mr B.J.Gibson of 12,600.

17. Share Capital

Authorised share capital:

	2009 £	2008 £
1,200,000 Ordinary shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>

Allotted, called up and fully paid:

	2009		2008	
	No	£	No	£
1,200,000 Ordinary shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>

18. Revaluation Reserve

	2009 £	2008 £
Balance brought forward	103,009	128,009
Transfer to the Profit and Loss Account on realisation	<u>(25,000)</u>	<u>(25,000)</u>
Balance carried forward	<u>78,009</u>	<u>103,009</u>

19. Profit and Loss Account

	2009 £	2008 £
Balance brought forward	268,669	301,257
Profit/(loss) for the financial year	76,189	(57,588)
Transfer from revaluation reserve	<u>25,000</u>	<u>25,000</u>
Balance carried forward	<u>369,858</u>	<u>268,669</u>

ADHESIVE SPECIALITIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2009

20. Reconciliation of Movements in Shareholders' Funds

	2009	2008
	£	£
Profit/(Loss) for the financial year	76,189	(57,588)
Transfer from revaluation reserve	25,000	25,000
Transfer to profit and loss account	<u>(25,000)</u>	<u>(25,000)</u>
Net addition/(reduction) to shareholders' funds	76,189	(57,588)
Opening shareholders' funds	<u>1,571,678</u>	<u>1,629,266</u>
Closing shareholders' funds	<u>1,647,867</u>	<u>1,571,678</u>

21. Post Balance Sheet Events

Since the year end the amount owed by group undertakings of £531,694, detailed in note 10 to the accounts, has been repaid to the company.

22. Ultimate Parent Undertaking

The ultimate parent undertaking is Adhesive Specialities (Group) Ltd, a company registered in England and Wales.

Accounts of the parent undertaking are available from the registered office of that company.

The company is controlled by R.S. Goddard, the Chairman and Finance Director.