

ADVANCED POLYMERS LIMITED

Company No. 1164955

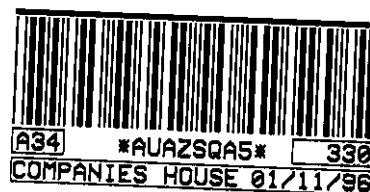
ABBREVIATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1996

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JUSTICE & CO.
Chartered Accountants

REPORT OF THE AUDITORS TO THE DIRECTORS OFADVANCED POLYMERS LIMITEDPURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Advanced Polymers Limited for the year ended 31st May 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemptions claimed in the directors' statement on page 2 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Pt. III of Schedule 8 to that Act in respect of the year ended 31st May 1996, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.

On 22nd October 1996 we reported, as auditors of Advanced Polymers Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st May 1996, and our audit report was as follows:

We have audited the financial statements set out on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'

72, Poulters Lane,
WORTHING,
West Sussex,
BN14 7SZ.

30th October 1996

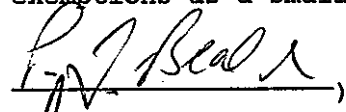
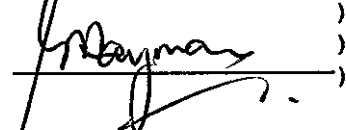
Justice + Co

Chartered Accountants
and Registered Auditor

ADVANCED POLYMERS LIMITEDABBREVIATED BALANCE SHEET AS AT 31ST MAY 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	2	31,389	44,323
<u>CURRENT ASSETS</u>			
Stock and Work in Progress		69,411	58,910
Debtors		214,731	257,413
Cash at Bank and in Hand		56,716	61,596
		<u>340,858</u>	<u>377,919</u>
<u>CREDITORS - AMOUNTS FALLING DUE</u>			
<u>WITHIN ONE YEAR</u>		<u>217,150</u>	<u>268,204</u>
<u>NET CURRENT ASSETS</u>		<u>123,708</u>	<u>109,715</u>
		<u>£ 155,097</u>	<u>£ 154,038</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	3	5,000	5,000
Revaluation Reserve		2,694	2,694
Profit and Loss Account		<u>147,403</u>	<u>146,344</u>
		<u>£ 155,097</u>	<u>£ 154,038</u>

In preparing these financial statements, we have relied on exemptions conferred by Section A of Pt.III of Schedule 8 made under sections 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to those exemptions as a small-sized company.

Directors

Approved by the Board on 30th October 1996

ADVANCED POLYMERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1996

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover, which excludes value added tax, represents the net invoiced value of goods and products supplied from the company's main activity.

(c) Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its estimated useful life as follows:

Factory Improvements	- 10% straight line
Leasehold Buildings	- evenly over period of the lease
Fixtures and Fittings	- 20% straight line
Plant and Machinery	- 12.5% straight line
Motor Vehicles	- 20% straight line

(d) Stock and Work-in-Progress

Stock and Work-in-Progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) Operating Leases and Hire Purchase Commitments

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the hire purchase obligations is charged to profit and loss account over the period of the contract.

Rentals paid under operating leases are charged to profit and loss account on a straight-line basis over the lease term.

(f) Pension Scheme Arrangements

The staff pension scheme is funded by contributions partly from the employees and partly from the company at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independently of the company's finances. The contributions made by the company are charged against profits on an accruals basis.

The directors' pension schemes provide benefits based on final pensionable pay. The assets of the schemes are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account as and when paid.

ADVANCED POLYMERS LIMITEDNOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)FOR THE YEAR ENDED 31ST MAY 19962. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Fixtures and Fittings</u>	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost</u>					
At 1st June 1995	19,700	19,676	216,271	57,515	313,162
Additions	-	-	845	-	845
Disposals	-	-	(6,000)	-	(6,000)
At 31st May 1996	<u>19,700</u>	<u>19,676</u>	<u>211,116</u>	<u>57,515</u>	<u>308,007</u>
<u>Depreciation</u>					
At 1st June 1995	18,252	17,893	210,553	22,141	268,839
Charge for Year	600	600	1,779	10,800	13,779
On Disposals	-	-	(6,000)	-	(6,000)
At 31st May 1996	<u>18,852</u>	<u>18,493</u>	<u>206,332</u>	<u>32,941</u>	<u>276,618</u>
<u>Net Book Values</u>					
At 31st May 1996	<u>£ 848</u>	<u>£ 1,183</u>	<u>£ 4,784</u>	<u>£ 24,574</u>	<u>£ 31,389</u>
At 31st May 1995	<u>£ 1,448</u>	<u>£ 1,783</u>	<u>£ 5,718</u>	<u>£ 35,374</u>	<u>£ 44,323</u>

ADVANCED POLYMERS LIMITEDNOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (continued)FOR THE YEAR ENDED 31ST MAY 19963. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Ordinary Shares of £1 each -		
Authorised	£ 5,000	£ 5,000
	<u> </u>	<u> </u>
Issued and Fully Paid	£ 5,000	£ 5,000
	<u> </u>	<u> </u>