

Registration number 458421

CB Frost & Co Ltd

Directors' report and financial statements

for the year ended 31 July 2003



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CB Frost & Co Ltd

Company information

Directors	D J Dunn P D Beadle
Secretary	P D Beadle
Company number	458421
Registered office	17 Green Street Digbeth Birmingham B12 0NE
Auditors	Harben Barker Limited Drayton Road Drayton Court Solihull West Midlands B90 4NG
Business address	17 Green Street Digbeth Birmingham B12 0NE
Bankers	Barclays Bank Plc PO Box 5960 15 Colmore Road B3 2EP

CB Frost & Co Ltd

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CB Frost & Co Ltd

Directors' report for the year ended 31 July 2003

The directors present their report and the financial statements for the year ended 31 July 2003.

Principal activity

The principal activity of the company is the manufacture, factor and distribution of rubber and plastic products.

Directors and their interests

The directors who served during the year are as stated on the company information page.

No directors held any interest in the share capital of the company during the year. The interests of the directors in the share capital of the company's parent undertaking, CB Frost Holdings Limited, can be found in the financial statements of that company.

Charitable and political contributions

During the year the company contributed £9,150 to charities.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

Harben Barker Limited were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 24 October 2003 and signed on its behalf by



P D Beadle,
Secretary

CB Frost & Co Ltd

Independent auditors' report to the shareholders of CB Frost & Co Ltd

We have audited the financial statements of CB Frost & Co Ltd for the year ended 31 July 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 with the company 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 United Kingdom 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.

CB Frost & Co Ltd

Independent auditors' report to the shareholders of CB Frost & Co Ltd continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Harben Barker' followed by a stylized monogram or initials.

**Harben Barker Limited
Chartered Accountants and
Registered Auditors
24 October 2003**

**Drayton Road
Drayton Court
Solihull
West Midlands
B90 4NG**

CB Frost & Co Ltd

**Profit and loss account
for the year ended 31 July 2003**

		2003	2002
	Notes	£	£
Turnover	2	2,669,815	2,735,832
Cost of sales		(1,553,730)	(1,666,956)
Gross profit		1,116,085	1,068,876
Administrative expenses		(876,570)	(839,789)
Exceptional administrative expenses		-	(2,772)
Other operating income		1,000	-
Operating profit	3	240,515	226,315
Other interest receivable and similar income		3,795	10,916
Interest payable and similar charges		(7,300)	-
Profit on ordinary activities before taxation		237,010	237,231
Tax on profit on ordinary activities	6	(70,460)	(48,919)
Profit on ordinary activities after taxation		166,550	188,312
Dividends		(272,002)	(773,300)
Loss for the year		(105,452)	(584,988)
Retained profit brought forward		523,070	1,108,058
Retained profit carried forward		417,618	523,070

The notes on pages 6 to 10 form an integral part of these financial statements.

CB Frost & Co Ltd

**Balance sheet
as at 31 July 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		91,263		128,879
Current assets					
Stocks		160,393		164,488	
Debtors	8	577,950		472,506	
Cash at bank and in hand		213,362		248,960	
		<u>951,705</u>		<u>885,954</u>	
Creditors: amounts falling due within one year	9	<u>(596,050)</u>		<u>(465,263)</u>	
Net current assets			<u>355,655</u>		<u>420,691</u>
Total assets less current liabilities			446,918		549,570
Provisions for liabilities and charges	10		(2,800)		-
Net assets			<u>444,118</u>		<u>549,570</u>
Capital and reserves					
Called up share capital	12		16,500		16,500
Share premium account	13		6,000		6,000
Other reserves	13		4,000		4,000
Profit and loss account	13		417,618		523,070
Shareholders' funds			<u>444,118</u>		<u>549,570</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 24 October 2003 and signed on its behalf by



D J Dunn
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

CB Frost & Co Ltd

**Notes to the financial statements
for the year ended 31 July 2003**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

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

Land and buildings	-	4% straight line
Plant and machinery	-	5% straight line
Motor vehicles	-	25% straight line

1.4. Stock

Stock is valued at the lower of cost and net realisable value.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.6. 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.

CB Frost & Co Ltd

Notes to the financial statements for the year ended 31 July 2003

..... continued

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 14% for the year.

3. Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	38,238	32,526
Auditors' remuneration	1,500	-
Exceptional items		
- Exceptional administrative expenditure	-	2,772
	<u> </u>	<u> </u>
and after crediting:		
Profit on foreign currencies	<u>(14,416)</u>	<u>-</u>

4. Directors' emoluments

	2003	2002
	£	£
Remuneration and other benefits	<u>162,093</u>	<u>116,833</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	2	2

5. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £43,293 (2002 - £-).

CB Frost & Co Ltd

**Notes to the financial statements
for the year ended 31 July 2003**

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2003 £	2002 £
Current tax		
UK corporation tax	50,600	48,919
Adjustments in respect of previous periods	17,060	-
	<u>67,660</u>	<u>48,919</u>
Total current tax charge	<u>67,660</u>	<u>48,919</u>
Deferred tax		
Timing differences, origination and reversal	2,800	-
Total deferred tax	<u>2,800</u>	<u>-</u>
Tax on profit on ordinary activities	<u><u>70,460</u></u>	<u><u>48,919</u></u>

7. Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 August 2002	30,605	235,830	101,162	367,597
Additions	-	622	-	622
At 31 July 2003	<u>30,605</u>	<u>236,452</u>	<u>101,162</u>	<u>368,219</u>
Depreciation				
At 1 August 2002	8,399	161,765	68,554	238,718
Charge for the year	1,124	11,823	25,291	38,238
At 31 July 2003	<u>9,523</u>	<u>173,588</u>	<u>93,845</u>	<u>276,956</u>
Net book values				
At 31 July 2003	<u>21,082</u>	<u>62,864</u>	<u>7,317</u>	<u>91,263</u>
At 31 July 2002	<u><u>22,206</u></u>	<u><u>74,065</u></u>	<u><u>32,608</u></u>	<u><u>128,879</u></u>

CB Frost & Co Ltd

**Notes to the financial statements
for the year ended 31 July 2003**

..... continued

8. Debtors	2003	2002
	£	£
Trade debtors	577,147	470,211
Prepayments and accrued income	803	2,295
	<u>577,950</u>	<u>472,506</u>
 9. Creditors: amounts falling due within one year	 2003	 2002
	£	£
Trade creditors	290,946	295,613
Corporation tax	50,600	90,257
Other taxes and social security costs	52,998	48,375
Other creditors	28,480	30,718
Accruals and deferred income	11,026	300
Proposed dividend	162,000	-
	<u>596,050</u>	<u>465,263</u>
 10. Provisions for liabilities and charges	 Deferred	
	taxation	
	(Note 11)	Total
	£	£
Movements in the year	2,800	2,800
At 31 July 2003	<u>2,800</u>	<u>2,800</u>

CB Frost & Co Ltd

**Notes to the financial statements
for the year ended 31 July 2003**

..... continued

11.	Provision for deferred taxation	2003 £	2002 £		
	Accelerated capital allowances	<u>2,800</u>	<u>-</u>		
	Deferred tax charge in profit and loss account	<u>2,800</u>			
	Provision at 31 July 2003	<u>2,800</u>			
12.	Share capital	2003 £	2002 £		
	Authorised				
	25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>		
	Allotted, called up and fully paid				
	16,500 Ordinary shares of £1 each	<u>16,500</u>	<u>16,500</u>		
13.	Reserves	Share premium account £	Profit and loss account £	Capital redemption reserve £	Total £
	At 1 August 2002	6,000	523,070	4,000	533,070
	Loss for the year		(105,452)		(105,452)
	At 31 July 2003	<u>6,000</u>	<u>417,618</u>	<u>4,000</u>	<u>427,618</u>
14.	Ultimate parent undertaking				
	The company's parent undertaking is CB Frost Holding Limited, a company incorporated in England and Wales.				
15.	Controlling interest				
	The company is controlled by its directors.				