
BLAGDEN CHEMICALS LIMITED

Report and Accounts for the 52 weeks ended
29th December 1991



BLAGDEN CHEMICALS LIMITED

DIRECTORS

D.T. Wilkinson
R.J. Buckland
R.J.B. Creed
W.J. Chiddicks
R.G. Turton
H.A. Walpole
A.R. Ariss
J.B. Scanlan

REPORT OF THE DIRECTORS

The directors submit herewith their report and the accounts for the 52 weeks ended 29th December 1991.

ACTIVITIES

The company continued throughout the period to manufacture, distribute and merchant chemicals together with allied products. There were no significant changes in activities during the period.

BUSINESS REVIEW

Overall sales were just ahead on the previous year, although the difficult trading conditions reduced margins. All our chemical operations contributed to the profits achieved.

FINANCIAL REVIEW

(a) Profit

The profit and loss account for the period shows:

	£000
Profit on ordinary activities before taxation	2,903
Tax on profit on ordinary activities	(698)

Profit after taxation	2,205
	=====

(b) Fixed Assets

Movements in the tangible fixed assets of the company during the period are set out on page 10 note 6.

In the opinion of the directors the market value of freehold and leasehold land and buildings owned at 29th December 1991 was £1,200,000 (book value £381,000).

BLAGDEN CHEMICALS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

OTHER MATTERS

(a) Directors

Mr. W.J. Chiddicks, Mr. A.R. Ariss and Mr. J.B. Scanlan retire by rotation and, being eligible, offer themselves for re-election. The directors, excluding directors of the ultimate holding company, had the following interests in shares of the company's ultimate holding company, Blagden Industries PLC, at the beginning and end of the period:

<u>Blagden Industries PLC</u> <u>25p Ordinary shares</u>	<u>Unexercised Share Options</u>	
	<u>31.12.1990</u>	<u>29.12.1991</u>
R.G. Turton	22,900	24,700
H.A. Walpole	11,900	6,200
R.J.B. Creed	12,000	12,000
J.B. Scanlan	15,500	21,200
A.R. Ariss	13,400	9,600
W.J. Chiddicks	7,800	4,500

There were no significant contracts entered into by the company either during or at the end of the financial period in which any of the directors had a material interest.

(b) Employment of Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the relevant aptitudes and abilities of the applicant concerned. In the event of employees becoming disabled every effort is made to ensure that their employment by the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

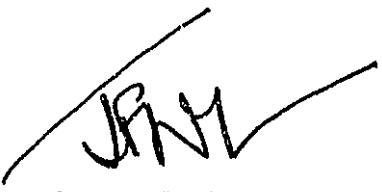
(c) Employee Involvement

The company actively encourages the participation of employees in the business activities of their plants through local works committees and briefing groups. Information is also disseminated through publications and notice board and other announcements.

(d) Auditor

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Coopers & Lybrand Deloitte as auditor to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



J.F. WILKINSON
Secretary

Tonman House,
63-77 Victoria Street,
St. Albans,
AL1 3LR

3rd April 1992

BLAGDEN CHEMICALS LIMITED

REPORT OF THE AUDITOR
TO THE MEMBERS OF BLAGDEN CHEMICALS LIMITED

We have audited the accounts set out on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 29th December 1991 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand Deloitte

COOPERS & LYBRAND DELOITTE
Chartered Accountants and Registered Auditor

London

3rd April 1992

BLAGDEN CHEMICALS LIMITED

ACCOUNTING POLICIES

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

(a) **BASIS OF ACCOUNTING**

The company prepares its annual accounts on the historical cost basis of accounting.

(b) **TAXATION**

Taxation is provided on the basis of the profits included in the profit and loss account adjusted for fiscal purposes. Provision for deferred taxation is made, using the liability method, for all timing differences, including the effect of capitalised interest, to the extent that it is probable that these will reverse in the foreseeable future. No provision is made for the liabilities which may arise in respect of Capital Gains deferred under Section 115, Capital Gains Tax Act 1979.

(c) **DEPRECIATION OF TANGIBLE FIXED ASSETS**

No depreciation is provided on freehold land. With this exception, depreciation is calculated to reduce by equal annual instalments the amounts of the tangible fixed assets to their estimated realisable value during their working lives and is charged at the following principal rates per annum:

Plant and equipment	5.0% - 12.0%
Motor vehicles	20.0%
Freehold	2.0%

(d) **STOCK VALUATION**

Stocks are valued at the lower of cost and net realisable value, on a basis consistent with previous years. Cost consists of direct material costs and where appropriate an addition for labour, works and administrative overheads.

(e) **TURNOVER**

Turnover comprises the invoiced value of goods sold and amounts charged to external customers for services rendered. Taxes levied on turnover are excluded.

(f) **RESEARCH AND DEVELOPMENT**

Research and development expenditure is written off as incurred against operating profit.

(g) **PENSIONS**

Pensions for existing employees are funded, at rates determined by independent actuaries, on a projected funding basis by annual contributions from employees and from participating companies. Company contributions are charged to profit and loss account so as to spread the cost of pensions at a substantially level percentage of payroll costs over employees' estimated service lives within the company. The various schemes are set up under separate trusts and their assets are completely separate from the assets of the group companies.

BLAGDEN CHEMICALS LIMITED

ACCOUNTING POLICIES (continued)

(h) TRANSLATION OF FOREIGN CURRENCIES

Current assets and liabilities in overseas currencies are translated into sterling at the rates effective at the balance sheet date. Exchange differences arising from trading operations are accounted for within operating profit in the period in which they occur.

(i) GOODWILL

Goodwill being the excess of the purchase consideration over the fair value of net tangible assets at the date of their acquisition, is written off to reserves in the period in which it arises.

(j) LEASES

Operating lease costs are charged to the profit and loss account as incurred.

(k) CAPITALISED INTEREST

The cost of major capital projects includes interest capitalised up to the date of commissioning.

(i) CASH FLOW STATEMENT

The company has not presented a statement of cash flows for the current period as its ultimate parent company has complied with the Requirements of Financial Reporting Standard 1.

BLAGDEN CHEMICALS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 29TH DECEMBER 1991


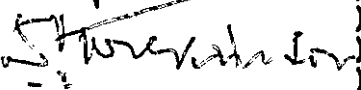
	<u>NOTES</u>	<u>1991</u> (52 weeks) £000	<u>1990</u> (52 weeks) £000
TURNOVER	1	40,856	39,266
Cost of sales		(34,077)	(32,479)
GROSS PROFIT		6,779	6,787
Distribution costs		(2,944)	(2,958)
Administrative expenses		(1,094)	(789)
Other operating income		29	77
OPERATING PROFIT	2	2,770	3,117
Net interest receivable	4	133	71
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,903	3,188
Taxation	5	(698)	(639)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,205	2,549
DIVIDENDS		(2,500)	-
TRANSFERRED (FROM)/TO RESERVES	12	(295)	2,549

BLAGDEN CHEMICALS LIMITED

BALANCE SHEET AS AT 29TH DECEMBER 1991

	<u>Notes</u>	<u>1991</u> £000	<u>1990</u> £000
FIXED ASSETS			
Tangible assets	6	13,433	13,765
CURRENT ASSETS			
Stocks	7	4,933	5,129
Debtors	8	8,011	7,773
Cash at bank and in hand		2,448	2,105
		-----	-----
		15,392	15,007
CREDITORS: amounts falling due within one year	9	(22,476)	(22,028)
		-----	-----
NET CURRENT LIABILITIES		(7,084)	(7,021)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		6,349	6,744
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	10	(1,373)	(1,473)
		-----	-----
NET ASSETS		4,976	5,271
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Share premium account		128	128
Profit and loss account	12	4,847	5,142
		-----	-----
SHAREHOLDERS' FUNDS		4,976	5,271
		=====	=====

The accounts on pages 4 to 12 were approved by the Board of Directors on 3rd April 1992 and are signed on its behalf by:


 R.J. Buckland

 D.T. Wilkinson

} Directors

BLAGDEN CHEMICALS LIMITED

NOTES TO THE ACCOUNTS

1. GEOGRAPHICAL ANALYSIS OF TURNOVER

	<u>1991</u> £000	<u>1990</u> £000
United Kingdom	37,781	36,436
Western Europe	2,335	2,131
Other	740	699
	-----	-----
	40,856	39,266
	=====	=====

2. OPERATING PROFIT

(a) The operating profit is arrived at after taking into account:

Directors' emoluments (note 2(b))	312	273
Depreciation of tangible fixed assets	996	636
Operating lease rentals:		
Plant and equipment	421	413
Land and buildings	82	86
Auditor's remuneration	34	34
Loss on disposal of tangible fixed assets	102	3
	=====	=====

(b) Directors' emoluments:

The emoluments of the directors, excluding pension contributions, were as follows:

	<u>1991</u> £000	<u>1990</u> £000
Highest paid director	81	73
	=====	=====

Others:

	<u>Number</u>	<u>Number</u>
Up to £5,000	2	2
£25,001 to £30,000	-	3
£30,001 to £35,000	3	-
£35,001 to £40,000	-	1
£40,001 to £45,000	1	1
£45,001 to £50,000	1	-
£50,001 to £55,000	-	-
	=====	=====

BLAGDEN CHEMICALS LIMITED

NOTES TO THE ACCOUNTS (Continued)

3. EMPLOYEES

	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>
(a) Average number of employees during the period	153 =====	144 =====
(b) Employee costs, including directors' emoluments:		
	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Wages and salaries	2,461	2,261
Social security costs	208	139
Pension costs	221	196
	----- 2,890 =====	----- 2,596 =====

4. NET INTEREST RECEIVABLE

	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Interest receivable	135	81
Interest payable	(2)	(10)
	----- 133 =====	----- 71 =====

5. TAX CHARGE ON ORDINARY ACTIVITIES

Corporation tax at 33.25% (1990 : 35%)	<u>1991</u> <u>£000</u>	<u>1990</u> <u>£000</u>
Charge for the period	786	389
Adjustments of prior periods	(88)	-
Deferred		250
	----- 698 =====	----- 639 =====

The charge for the period is stated after allowing for an excess of capital allowances over depreciation amounting to £212,000 (1990 - £462,000).

BLAGDEN CHEMICALS LIMITED

NOTES TO THE ACCOUNTS (Continued)

6. TANGIBLE FIXED ASSETS

	Freehold land and <u>buildings</u> £000	Plant, machinery and <u>equipment</u> £000	<u>Total</u> £000
<u>COST</u>			
At 31st December 1990	960	16,512	17,472
Additions		790	790
Disposals		(179)	(179)
	-----	-----	-----
At 29th December 1991	960	17,123	18,083
	=====	=====	=====
<u>DEPRECIATION</u>			
At 31st December 1990	547	3,160	3,707
Charges to profit and loss account	32	964	996
Disposals		(53)	(53)
	-----	-----	-----
At 29th December 1991	579	4,071	4,650
	-----	-----	-----
<u>NET BOOK VALUE</u>			
29th December 1991	381	13,052	13,433
	=====	=====	=====
31st December 1990	413	13,352	13,765
	=====	=====	=====

Expenditure on plant and equipment during the period includes an amount of £NIL (1990 £788,000) in respect of capitalised interest.

	<u>1991</u> £000	<u>1990</u> £000
Capital expenditure authorised by the directors and not provided for in the accounts	122	-
	=====	=====
of which contracts have been placed for	122	-
	=====	=====

7. STOCKS

	<u>1991</u> £000	<u>1990</u> £000
Raw materials	1,144	1,472
Finished goods	3,789	3,657
	-----	-----
	4,933	5,129
	=====	=====

BLAGDEN CHEMICALS LIMITED

NOTES TO THE ACCOUNTS (Continued)

8. DEBTORS	<u>1991</u>	<u>1990</u>
	£000	£000
Amounts falling due within one year:		
Trade debtors	7,627	7,455
Amounts owed by group companies	21	10
Prepayments and accrued income	33	199
Other debtors	31	109
	-----	-----
	8,011	7,773
	=====	=====
9. CREDITORS	<u>1991</u>	<u>1990</u>
	£000	£000
Amounts falling due within one year:		
Bank loans and overdrafts	42	-
Trade creditors	6,336	5,969
Amounts owed to group companies	15,754	15,641
Corporation tax	4	-
Other taxes and social security	100	104
Accruals	233	314
Others creditors	7	-
	-----	-----
	22,476	22,028
	=====	=====
10. DEFERRED TAXATION	<u>1991</u>	<u>1990</u>
	£000	£000
Amount Provided		
Tax effect of timing differences due to:		
Accelerated capital allowances	1,306	1,406
Capital gains	67	67
	-----	-----
	1,373	1,473
	=====	=====
Full Potential		
Tax effect of timing differences due to:		
Accelerated capital allowances	2,173	2,081
Capital gains	67	67
	-----	-----
	2,240	2,148
	=====	=====
Movements during the period:		
At 31st December 1990	1,473	
Credit to profit and loss account	(100)	

At 29th December 1991	1,373	
	=====	

BLAGDEN CHEMICALS LIMITED

NOTES TO THE ACCOUNTS (Continued)

	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>

11. SHARE CAPITAL

Authorised, allotted, called up and fully paid
1,000 ordinary shares of £1 each

1	1
=====	=====

12. PROFIT AND LOSS ACCOUNT

At 31st December 1990
Transferred from profit and loss account

£000
5,142
(295)

At 29th December 1991

4,847
=====

13. PENSION COMMITMENTS

In the U.K. the group operates pension funds for the company's employees of the defined benefit type. These cover the majority of company employees, and have their assets in separate trustee funds administered by professional investment managers. Contributions are based on pension costs across the group as a whole. Information regarding the fund is set out in the financial statements of Blagden Industries PLC.

14. CONTINGENT LIABILITIES

Guarantees given for bank overdraft facilities and letters of credit in respect of group borrowings.

<u>1991</u>	<u>1990</u>
<u>£000</u>	<u>£000</u>
22,989	20,448
=====	=====

15. LEASING COMMITMENTS

The company had annual commitments at 29th December 1991 under operating leases expiring as follows:

	<u>Land and Buildings</u>		<u>Plant and Equipment</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Within one year	-	3	334	327
Between two and five years	82	82	47	94
After five years	-	-	-	1
	---	---	---	---
	82	35	381	422
	===	===	===	===

The total annual commitments under operating leases amount to £463,000 (1990 £507,000).

16. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Blagden Industries PLC, incorporated in Great Britain. Copies of the ultimate holding company's consolidated financial statements may be obtained from The Secretary, Blagden Industries PLC, Tonman House, 63-77 Victoria Street, St. Albans, AL1 3LR.