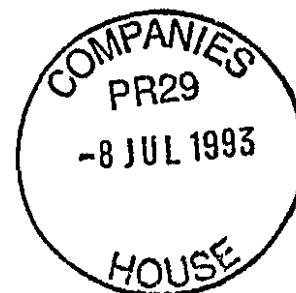


8 87053

BLAGDEN CHEMICALS LIMITED

Report and Financial Statements for the 53 weeks ended

3rd January 1993



Registered Office

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

Company No. 867053

BLAGDEN CHEMICALS LIMITED

REPORT OF THE DIRECTORS

The directors submit herewith their report and the financial statements for the 53 weeks ended 3rd January 1993.

DIRECTORS

D.T. Wilkinson
R.J. Buckland (Deceased 12.3.93)
R.G. Turton
J.B. Scanlan
R.J.B. Creed
A.R. Ariss
H.A. Walpole
W.J. Chiddicks (Resigned 31.12.92)

ACTIVITIES

The company maintained production of chemicals at high levels of operation throughout the year at its plants in Haverhill, Suffolk and Cowie in Scotland. It continued to trade in speciality chemicals and also distributed in the UK a wide range of general chemicals.

BUSINESS REVIEW

Both sales and profits for the period slightly exceeded those for 1991. This must be considered a satisfactory performance in the context of the difficult trading conditions encountered in the UK and export markets. All business areas contributed positively to the profit achieved and prospects overall for 1993 were quite encouraging.

FINANCIAL REVIEW

(a) Profit

The profit and loss account for the period shows:

	£000
Profit on ordinary activities before taxation	2,932
Tax on profit on ordinary activities	(752)

Profit after taxation	2,180
Dividend	(2,000)

Transferred to reserves	180
	=====

(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 3rd January 1993 was £1,200,000 (book value £415,137).

BLAGDEN CHEMICALS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

OTHER MATTERS

(a) Directors

The Board records with regret the sad death in office of Mr. R.J. Buckland.

Mr. D.T. Wilkinson and Mr. H.A. Walpole retire by rotation and, being eligible, offer themselves for re-election.

Mr. W.J. Chiddicks resigned as a director on the 31st December 1992. The directors in office at the period end, 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>30.12.1991</u>	<u>3.1.1993</u>
R.G. Turton	24,700	29,300
H.A. Walpole	6,200	6,200
R.J.B. Creed	12,000	15,200
J.B. Scanlan	21,200	25,500
A.R. Ariss	9,600	9,600

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.

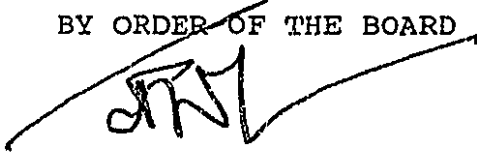
(c) Employee Involvement

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) Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Coopers & Lybrand as auditors to the Company will be put to the Annual General Meeting. Until 1 June 1992 the firm practised in the name of Coopers & Lybrand Deloitte.

BY ORDER OF THE BOARD


J.F. WILKINSON
Secretary

Tonman House,
63-77 Victoria Street,
St. Albans,
AL1 3LR
5th April 1993

BLAGDEN CHEMICALS LIMITED

REPORT OF THE AUDITORS
TO THE MEMBERS OF BLAGDEN CHEMICALS LIMITED

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

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 3rd January 1993 and of its profit for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

COOPERS & LYBRAND
Chartered Accountants and Registered Auditors

London

5th April 1993

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 financial statements 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 land and buildings	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 includes administrative overheads where appropriate.

(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 the 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) LEASES

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

(j) CAPITALISED INTEREST

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

(k) 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 53 WEEKS ENDED 3RD JANUARY 1993

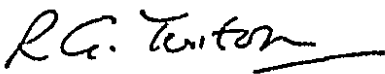

	<u>NOTES</u>	<u>1992</u> (53 weeks) £000	<u>1991</u> (52 weeks) £000
TURNOVER	1	42,166	40,856
Cost of sales		(35,257)	(34,077)
GROSS PROFIT		6,909	6,779
Distribution costs		(2,798)	(2,944)
Administrative expenses		(1,278)	(1,094)
Other operating income		-	29
OPERATING PROFIT	2	2,833	2,770
Net interest receivable	4	99	133
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,932	2,903
Taxation	5	(752)	(698)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,180	2,205
DIVIDENDS		(2,000)	(2,500)
TRANSFERRED TO/(FROM) RESERVES	12	180	(295)

BLAGDEN CHEMICALS LIMITED

BALANCE SHEET AS AT 3RD JANUARY 1993

	<u>Notes</u>	<u>1992</u> £000	<u>1991</u> £000
FIXED ASSETS			
Tangible assets	6	13,262	13,433
CURRENT ASSETS			
Stocks	7	5,217	4,933
Debtors	8	7,418	8,011
Cash at bank and in hand		863	2,448
		-----	-----
		13,498	15,392
CREDITORS: amounts falling due within one year	9	(20,231)	(22,476)
		-----	-----
NET CURRENT LIABILITIES		(6,733)	(7,084)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		6,529	6,349
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	10	(1,373)	(1,373)
		-----	-----
NET ASSETS		5,156	4,976
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Share premium account		128	128
Profit and loss account	12	5,027	4,847
		-----	-----
SHAREHOLDERS' FUNDS		5,156	4,976
		=====	=====

The accounts on pages 4 to 12 were approved by the Board of Directors on 5th April 1993 and are signed on its behalf by:


R.G. Turton)

J.B. Scanlan) Directors

BLAGDEN CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. GEOGRAPHICAL ANALYSIS OF TURNOVER

	<u>1992</u> £000	<u>1991</u> £000
United Kingdom	39,417	37,781
Western Europe	1,795	2,335
Other	954	740
	-----	-----
	42,166	40,856
	=====	=====

2. OPERATING PROFIT

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

Directors' emoluments (note 2(b))	314	312
Depreciation of tangible fixed assets	1,034	996
Operating lease rentals:		
Plant and equipment	383	421
Land and buildings	82	82
Auditors' remuneration - audit	33	34
- other services	35	-
Loss on disposal of tangible fixed assets	49	102
	=====	=====

(b) Directors' emoluments:

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

	<u>1992</u> £000	<u>1991</u> £000
Fees	-	-
Management remuneration	278	270
Pension contributions	36	42
	-----	-----
	314	312
	=====	=====

The emoluments of the highest paid director, excluding pension contributions, were £81,308 (1991 - £81,217).

The number of directors (including the highest paid director) who received emoluments, excluding pension contributions, in the following ranges was:

	<u>Number</u>	<u>Number</u>
Up to £5,000	2	2
£25,001 to £30,000	1	-
£30,001 to £35,000	1	3
£40,001 to £45,000	2	1
£45,001 to £50,000	-	1
£50,001 to £55,000	1	-
£80,001 to £85,000	1	1
	=====	=====

BLAGDEN CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. EMPLOYEES

	<u>1992</u> <u>Number</u>	<u>1991</u> <u>Number</u>
(a) Average number of employees during the period	156 =====	153 =====
(b) Employee costs, including directors' emoluments:		
	<u>1992</u> <u>£000</u>	<u>1991</u> <u>£000</u>
Wages and salaries	2,693	2,461
Social security costs	230	208
Pension costs	245	221
	----- 3,168 =====	----- 2,890 =====

4. NET INTEREST RECEIVABLE

	<u>1992</u> <u>£000</u>	<u>1991</u> <u>£000</u>
Interest receivable	104	135
Interest payable	(5)	(2)
	----- 99 =====	----- 133 =====

5. TAX CHARGE ON ORDINARY ACTIVITIES

	<u>1992</u> <u>£000</u>	<u>1991</u> <u>£000</u>
Corporation tax at 33.00% (1991 : 33.25%)		
Charge for the period	849	786
Adjustments of prior periods	(97)	(88)
	----- 752 =====	----- 698 =====

The charge for the period is stated after allowing for an excess of capital allowances over depreciation amounting to £120,000 (1991 - £212,000).

BLAGDEN CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TANGIBLE FIXED ASSETS

	Freehold land and <u>buildings</u> 2000	Plant, machinery and <u>equipment</u> £000	<u>Total</u> £000
<u>COST</u>			
At 30th December 1991	960	17,123	18,083
Additions	67	881	948
Disposals	-	156	156
	-----	-----	-----
At 3rd January 1993	1,027	17,848	18,875
	=====	=====	=====
<u>DEPRECIATION</u>			
At 30th December 1991	579	4,071	4,650
Charges to profit and loss account	33	1,001	1,034
Disposals	-	71	71
	-----	-----	-----
At 3rd January 1993	612	5,001	5,613
	-----	-----	-----
<u>NET BOOK VALUE</u>			
3rd January 1993	415	12,847	13,262
	=====	=====	=====
29th December 1991	381	13,052	13,433
	=====	=====	=====

CAPITAL COMMITMENTS

	<u>1992</u> £000	<u>1991</u> £000
Capital expenditure authorised by the directors and not provided for in the accounts	718	122
	=====	=====
of which contracts have been placed for	718	122
	=====	=====

7. STOCKS

	<u>1992</u> £000	<u>1991</u> £000
Raw materials	1,212	1,144
Finished goods	4,005	3,789
	-----	-----
	5,217	4,933
	=====	=====

BLAGDEN CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. DEBTORS	<u>1992</u> £000	<u>1991</u> £000
Amounts falling due within one year:		
Trade debtors	7,072	7,627
Amounts owed by fellow subsidiary companies	41	21
Prepayments and accrued income	200	332
Other debtors	105	31
	-----	-----
	7,418	8,011
	=====	=====
9. CREDITORS	<u>1992</u> £000	<u>1991</u> £000
Amounts falling due within one year:		
Bank loans and overdrafts	104	42
Trade creditors	6,309	6,336
Amounts owed to ultimate holding company	10,311	5,642
Amounts owed to fellow subsidiary companies	3,141	10,112
Corporation tax	-	4
Other taxes and social security	91	100
Accruals	232	233
Other creditors	43	7
	-----	-----
	20,231	22,476
	=====	=====
10. DEFERRED TAXATION	<u>1992</u> £000	<u>1991</u> £000
Amount Provided		
Tax effect of timing differences due to:		
Accelerated capital allowances	1,306	1,306
Capital gains	67	67
	-----	-----
	1,373	1,373
	=====	=====
Full Potential		
Tax effect of timing differences due to:		
Accelerated capital allowances	2,292	2,173
Capital gains	67	67
	-----	-----
	2,359	2,240
	=====	=====

There were no changes in the amounts provided during the period.

BLAGDEN CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	<u>1992</u> £000	<u>1991</u> £000
11. SHARE CAPITAL		
Authorised, allotted, called up and fully paid 1,000 ordinary shares of £1 each	1 =====	1 =====

12. PROFIT AND LOSS ACCOUNT	£000
At 30th December 1991	4,847
Transferred from profit and loss account	180

At 3rd January 1993	5,027
	=====

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 Accounts of Blagden Industries PLC.

14. CONTINGENT LIABILITIES	<u>1992</u> £000	<u>1991</u> £000
Guarantees given for bank overdraft facilities and letters of credit in respect of group borrowings	32,476 =====	22,989 =====

15. LEASING COMMITMENTS

The company had annual commitments at 3rd January 1993 under operating leases expiring as follows:

	<u>Land and Buildings</u>		<u>Plant and Equipment</u>	
	<u>1992</u> £000	<u>1991</u> £000	<u>1992</u> £000	<u>1991</u> £000
Within one year	20	-	296	334
Between two and five years	-	82	32	47
After five years	-	-	-	-
	----	----	----	----
	20	82	328	381
	====	====	====	====

The total annual commitments under operating leases amount to £348,000 (1991 £463,000).

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 accounts may be obtained from The Secretary, Blagden Industries PLC, Tonman House, 63-77 Victoria Street, St. Albans, AL1 3LR.