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CANNOCK CHEMICALS LIMITED  
ABBREVIATED FINANCIAL STATEMENTS  
30 SEPTEMBER 1996  
INDEX



Registered Number: 1643201

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**REPORT OF THE AUDITORS TO THE MEMBERS OF****CANNOCK CHEMICALS LIMITED****UNDER PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages 3 to 6 together with the full financial statements of Cannock Chemicals Limited for the year ended 30 September 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the company is entitled under Sections 246 to 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30 September 1996 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that schedule.

On 22 November 1995 we reported, as auditors of Cannock Chemicals Limited to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 September 1996 and our audit report was as follows:-

"We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2, 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.

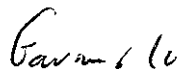
REPORT OF THE AUDITORS TO THE MEMBERS OF

CANNOCK CHEMICALS LIMITED (Continued)

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 mis-statement, whether caused by fraud or error or other irregularity. 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 30 September 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".



GARNER & CO  
Registered Auditor  
Chartered Accountants

12 November 1996

**CANNOCK CHEMICALS LIMITED**

**ABBREVIATED BALANCE SHEET - 30 SEPTEMBER 1996**

	<u>Notes</u>	£	<u>1996</u> £	£	<u>1995</u> £
FIXED ASSETS					
Tangible assets	2		97,156		98,497
CURRENT ASSETS					
Stocks		102,311		102,685	
Debtors		425,552		599,457	
Cash at bank		233,813		99,069	
		<u>761,676</u>		<u>801,211</u>	
CREDITORS: Amounts falling due within one year		<u>384,274</u>		<u>477,298</u>	
NET CURRENT ASSETS			<u>377,402</u>		<u>323,913</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>474,558</u>		<u>422,410</u>
PROVISION FOR LIABILITIES AND CHARGES Deferred taxation			(4,000)		-
NET ASSETS			<u>470,558</u>		<u>422,410</u>
CAPITAL AND RESERVES					
Called up share capital	5		100		100
Profit and Loss account			470,458		422,310
SHAREHOLDERS' FUNDS			<u>470,558</u>		<u>422,410</u>

The directors have taken advantage in the preparation of these accounts of special exemptions provided by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The accounts were approved by the directors on 12<sup>th</sup> November 1996

M W Malpass Director

M W Malpass

The notes on pages 4-6 form an integral part of these accounts.

## CANNOCK CHEMICALS LIMITED

### NOTES ON THE ABBREVIATED ACCOUNTS

YEAR ENDED - 30 SEPTEMBER 1996

#### 1. ACCOUNTING POLICIES

##### Basis of accounting

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

##### Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standards No: 1 on the grounds that it is entitled to exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

##### Depreciation

Depreciation of fixed assets is calculated in order to write off the cost of tangible fixed assets on a reducing basis or straight line basis commencing with the year of acquisition over their estimated useful lives:

Plant and machinery	-	15% - reducing basis
Fixtures and fittings	-	15% - reducing basis
Motor vehicles	-	25% - reducing basis
Computer equipment	-	25% - straight line basis

The leasehold improvements are being written off by equal annual amounts over the remaining period of the lease.

##### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

##### Deferred taxation

Deferred taxation takes account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes using the liability method. The amount provided in the accounts is only that liability which is expected to crystallise within the foreseeable future.

## CANNOCK CHEMICALS LIMITED

### NOTES ON THE ACCOUNTS

YEAR ENDED - 30 SEPTEMBER 1996 - (Continued)

#### Defined contributions scheme

Pension contributions are charged to the profit and loss account as they become payable in accordance with the rules of the Pension Scheme.

#### Lease & hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonable constant charge on the outstanding liability.

## 2. TANGIBLE FIXED ASSETS

	<u>Total</u> £
<u>Cost</u>	
At 1 October 1995	154,436
Additions	36,662
Disposals	(33,148)
At 30 September 1996	<u>157,950</u>
<u>Depreciation</u>	
At 1 October 1995	55,939
Charge for the year	25,540
Amortisation of lease	492
Disposals	(21,177)
At 30 September 1996	<u>60,794</u>
<u>Net Book Value</u>	
At 1 October 1995	<u>98,497</u>
At 30 September 1996	<u>97,156</u>

The net book value of motor vehicles includes £26,657 (1995 £5,594) in respect of assets held under hire purchase contracts.

# CANNOCK CHEMICALS LIMITED

## NOTES ON THE ACCOUNTS

YEAR ENDED - 30 SEPTEMBER 1996 - (Continued)

### Future Capital Commitments

	<u>1996 &amp; 1995</u>
	£
Authorised and contracted for	NIL
Authorised and not contracted for	NIL
	<u>          </u>

### 3. CREDITORS

Included in creditors were hire purchase liabilities totalling £9,500 (1995 £6,774) which were secured on assets to which the contract related.

### 4. DIRECTORS' INTERESTS

Mr M W Malpass is a director of Metal Finishing Supplies Limited, and Mr D G Bladgen is a director of Chalcon Plating Technology Limited. The companies trade on normal commercial terms. Sales and purchases for the year were respectively £18,062 and £15,939 with Metal Finishing Supplies Limited. These were £357,360 and £80 with Chalcon Plating Technology Limited.

### 5. CALLED UP SHARE CAPITAL

	<u>1996 and 1995</u>	
	<u>Authorised</u>	<u>Allotted, issued</u>
	£	<u>and fully paid</u>
		£
Ordinary shares of 50p each (equity)	100	100
	<u>          </u>	<u>          </u>