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Company Registration No. 1888575 (England and Wales)

THE BASIC CHEMICAL CO (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999



THE BASIC CHEMICAL CO (UK) LIMITED

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THE BASIC CHEMICAL CO (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

The directors present their report and financial statements for the year ended 31 March 1999.

Principal activities and review of the business

The principal activity of the company throughout the year remained unchanged as distributors of basic chemicals and allied products.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 3.

Directors

The following directors have held office since 1 April 1998:

D.J. Roberts
S M Roberts

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary Shares of £1 each	
	31 March 1999	1 April 1998
D.J. Roberts	25,000	25,000
S M Roberts	5,000	5,000

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Westbury Schotness be reappointed as auditors of the company will be put to the Annual General Meeting.

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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

By order of the board



D.J. Roberts
Director

13 October 1999

THE BASIC CHEMICAL CO (UK) LIMITED

AUDITORS' REPORT TO THE BASIC CHEMICAL CO (UK) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 11, together with the financial statements of the company for the year ended 31 March 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 11 are properly prepared in accordance with that provision.



Westbury Schothness

13 October 1999

Chartered Accountants
Registered Auditor

145-157 St. John Street
London EC1V 4PY

THE BASIC CHEMICAL CO (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999 £	1998 £
Gross profit		902,245	1,752,957
Administrative expenses		(730,512)	(1,641,301)
Other operating income		-	1,228
Operating profit	5	171,733	112,884
Other interest receivable and similar income	3	34,023	32,647
Profit on ordinary activities before taxation		205,756	145,531
Tax on profit on ordinary activities	7	(44,013)	(31,065)
Profit on ordinary activities after taxation		161,743	114,466
Dividends	8	(160,000)	(160,000)
Retained profit/(loss) for the year	15	1,743	(45,534)

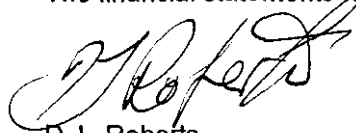
THE BASIC CHEMICAL CO (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	9		51,896		26,081
Current assets					
Stocks	10	261,371		471,342	
Debtors	11	536,515		975,251	
Cash at bank and in hand		537,570		395,141	
		<u>1,335,456</u>		<u>1,841,734</u>	
Creditors: amounts falling due within one year	12	<u>(666,967)</u>		<u>(1,149,174)</u>	
Net current assets			<u>668,489</u>		<u>692,560</u>
Total assets less current liabilities			<u>720,385</u>		<u>718,641</u>
Capital and reserves					
Called up share capital	14		30,000		30,000
Profit and loss account	15		690,385		688,641
Shareholders' funds	16		<u>720,385</u>		<u>718,641</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 13 October 1999


D.J. Roberts
Director

THE BASIC CHEMICAL CO (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	1999 £	1998 £
Net cash inflow from operating activities	348,265	131,220
Returns on investments and servicing of finance		
Interest received	34,023	32,647
Net cash inflow for returns on investments and servicing of finance	34,023	32,647
Taxation	(41,352)	(8,396)
Capital expenditure		
Payments to acquire tangible assets	(35,943)	(1,416)
Receipts from sales of tangible assets	-	200
Net cash outflow for capital expenditure	(35,943)	(1,216)
Equity dividends paid	(160,000)	-
Net cash inflow before management of liquid resources and financing	144,993	154,255
Increase in cash in the year	144,993	154,255

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

1	Reconciliation of operating profit to net cash inflow from operating activities	1999		1998	
		£		£	
	Operating profit	171,733		112,884	
	Depreciation of tangible assets	10,129		5,898	
	Loss on disposal of tangible assets	-		322	
	Decrease in stocks	209,971		21,777	
	Decrease in debtors	438,608		9,551	
	Decrease in creditors within one year	(482,176)		(19,212)	
	Net cash inflow from operating activities	348,265		131,220	
2	Analysis of net funds	1 April 1998	Cash flow	Other non-cash changes	31 March 1999
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	395,141	142,429		537,570
	Bank overdrafts	(2,564)	2,564		-
		<u>392,577</u>	<u>144,993</u>		<u>537,570</u>
	Debt:				
	Net funds	<u>392,577</u>	<u>144,993</u>	<u>-</u>	<u>537,570</u>
3	Reconciliation of net cash flow to movement in net funds	1999		1998	
		£		£	
	Increase in cash in the year	144,993		154,255	
	Cash inflow from increase in debt	-		-	
	Movement in net funds in the year	144,993		154,255	
	Opening net funds	392,577		238,322	
	Closing net funds	537,570		392,577	

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

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.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Yard Improvement	25% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	10,129	5,898
Operating lease rentals	76,785	74,887
Auditors' remuneration	10,535	13,738
	<hr/>	<hr/>
3 Other interest receivable and similar income	1999	1998
	£	£
Bank interest	33,327	32,111
Other interest	696	536
	<hr/>	<hr/>
	34,023	32,647
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THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

4	Taxation	1999 £	1998 £
	U.K. current year taxation		
	U.K. corporation tax at 21% (1998 - 21%)	44,013	31,065
5	Dividends	1999 £	1998 £
	Ordinary final proposed	160,000	160,000
6	Tangible fixed assets		
		Yard Improvement £	Fixtures, fittings & equipment £
	Cost		Total £
	At 1 April 1998	27,139	43,371
	Additions	-	35,944
	At 31 March 1999	27,139	79,315
	Depreciation		
	At 1 April 1998	18,882	25,547
	Charge for the year	2,064	8,065
	At 31 March 1999	20,946	33,612
	Net book value		
	At 31 March 1999	6,193	45,703
	At 31 March 1998	8,257	17,824
7	Stocks	1999 £	1998 £
	Finished goods and goods for resale	261,371	471,342

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

8 Debtors	1999 £	1998 £
Trade debtors	442,821	703,958
Corporation tax	-	128
ACT recoverable	40,000	40,000
Other debtors	40,800	211,522
Prepayments and accrued income	12,894	19,643
	<u>536,515</u>	<u>975,251</u>

9 Creditors: amounts falling due within one year	1999 £	1998 £
Bank loans and overdrafts	-	2,564
Trade creditors	318,289	782,658
Corporation tax	33,598	31,065
Other taxes and social security costs	90,674	94,465
Other creditors	54,041	68,075
Accruals and deferred income	10,365	10,347
Proposed dividend	160,000	160,000
	<u>666,967</u>	<u>1,149,174</u>

10 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to 18,560 (1998 - £44,866).

11 Share capital	1999 £	1998 £
Authorised		
30,000 Ordinary Shares of £1 each	<u>30,000</u>	<u>30,000</u>
Allotted, called up and fully paid		
30,000 Ordinary Shares of £1 each	<u>30,000</u>	<u>30,000</u>

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1998	688,642
Retained profit for the year	1,743
Balance at 31 March 1999	<u>690,385</u>

13 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	161,743	114,466
Dividends	(160,000)	(160,000)
Net addition to/(depletion in) shareholders' funds	<u>1,743</u>	<u>(45,534)</u>
Opening shareholders' funds	718,641	764,175
Closing shareholders' funds	<u>720,385</u>	<u>718,641</u>

14 Financial commitments

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1999 £	1998 £
Expiry date:		
In over five years	<u>54,000</u>	<u>54,000</u>

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	1999 Number	1998 Number
Factory Staff	9	9
Administration Staff	8	9
	<u>17</u>	<u>18</u>

Employment costs

	£	£
Wages and salaries	385,527	437,382
Social security costs	41,278	45,260
Other pension costs	18,560	44,866
	<u>445,365</u>	<u>527,508</u>