

Company Registration No. 1888575 (England and Wales)

THE BASIC CHEMICAL CO (UK) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1998



THE BASIC CHEMICAL CO (UK) LIMITED

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THE BASIC CHEMICAL CO (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1998

The directors present their report and financial statements for the year ended 31 March 1998.

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 1997:

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 1998	1 April 1997
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

S. Roberts

S M Roberts

Director

10 December 1998

THE BASIC CHEMICAL CO (UK) LIMITED

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

We have examined the abbreviated accounts on pages 3 to 11 together with the financial statements of THE BASIC CHEMICAL CO (UK) LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998.

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 the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been 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 audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with section 246A of that Act, in respect of the year ended 31 March 1998 and the abbreviated accounts on pages 2 to 11 have been properly prepared in accordance with that section.



Westbury Schotness

10 December 1998

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 1998

	Notes	1998 £	1997 £
Gross profit		1,752,957	1,341,200
Administrative expenses		(1,641,301)	(1,335,143)
Other operating income		1,228	1,228
Operating profit	2	112,884	7,285
Other interest receivable and similar income	3	32,647	26,544
Profit on ordinary activities before taxation		145,531	33,829
Tax on profit on ordinary activities	4	(31,065)	(10,451)
Profit on ordinary activities after taxation		114,466	23,378
Dividends	5	(160,000)	-
Retained (loss)/profit for the year	12	(45,534)	23,378

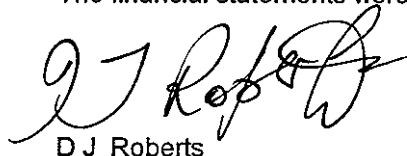
THE BASIC CHEMICAL CO (UK) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	6		26,081		31,085
Current assets					
Stocks	7	471,342		493,119	
Debtors	8	975,251		944,802	
Cash at bank and in hand		395,141		450,579	
		<u>1,841,734</u>		<u>1,888,500</u>	
Creditors: amounts falling due within one year	9	<u>(1,149,174)</u>		<u>(1,155,410)</u>	
Net current assets			692,560		733,090
Total assets less current liabilities			<u>718,641</u>		<u>764,175</u>
Capital and reserves					
Called up share capital	11		30,000		30,000
Profit and loss account	12		688,641		734,175
Shareholders' funds	13		<u>718,641</u>		<u>764,175</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 10 December 1998



D J Roberts
Director

THE BASIC CHEMICAL CO (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

	1998 £	1997 £
Net cash inflow/(outflow) from operating activities	131,220	(178,318)
Returns on investments and servicing of finance		
Interest received	32,647	26,544
Net cash inflow for returns on investments and servicing of finance	32,647	26,544
Taxation	(8,396)	(68,440)
Capital expenditure		
Payments to acquire tangible assets	(1,416)	(929)
Receipts from sales of tangible assets	200	-
Net cash outflow for capital expenditure	(1,216)	(929)
Equity dividends paid	-	(120,000)
Net cash inflow/(outflow) before management of liquid resources and financing	154,255	(341,143)
Increase/(decrease) in cash in the year	154,255	(341,143)

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1998

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	1998		1997	
		£		£	
	Operating profit	112,884		7,285	
	Depreciation of tangible assets	5,898		7,213	
	Loss on disposal of tangible assets	322		-	
	Decrease in stocks	21,777		10,061	
	Decrease/(increase) in debtors	9,551		(132,497)	
	Decrease in creditors within one year	(19,212)		(70,380)	
	Net cash inflow/(outflow) from operating activities	131,220		(178,318)	
2	Analysis of net funds	1 April 1997		31 March 1998	
		£	Cash flow £	Other non-cash changes £	£
	Net cash:				
	Cash at bank and in hand	450,579	(55,438)		395,141
	Bank overdrafts	(212,257)	209,693		(2,564)
		238,322	154,255		392,577
	Debt:				
	Net funds	238,322	154,255	-	392,577
3	Reconciliation of net cash flow to movement in net funds	1998		1997	
		£		£	
	Increase/(decrease) in cash in the year	154,255		(341,143)	
	Cash inflow from increase in debt	-		-	
	Movement in net funds in the year	154,255		(341,143)	
	Opening net funds	238,322		579,465	
	Closing net funds	392,577		238,322	

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 imp' ment	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

	1998	1997
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	5,898	7,213
Operating lease rentals	74,887	52,400
Auditors' remuneration	13,738	13,618

3 Other interest receivable and similar income

	1998	1997
	£	£
Bank interest	32,111	26,544
Other interest	536	-

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

4	Taxation	1998	1997
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1997 - 33%)	31,065	8,395
	Prior years		
	U.K. Corporation tax	-	2,056
		<u>31,065</u>	<u>10,451</u>
5	Dividends	1998	1997
		£	£
	Ordinary interim paid	160,000	-
6	Tangible fixed assets		
		Yard imp'	Fixtures,
		ment	fittings &
			equipment
		£	£
	Cost		
	At 1 April 1997	27,139	42,805
	Additions	-	1,416
	Disposals	-	(850)
		<u>27,139</u>	<u>43,371</u>
	At 31 March 1998	27,139	43,371
	Depreciation		
	At 1 April 1997	16,129	22,730
	On disposals	-	(328)
	Charge for the year	2,753	3,145
		<u>18,882</u>	<u>25,547</u>
	At 31 March 1998	18,882	25,547
	Net book value		
	At 31 March 1998	<u>8,257</u>	<u>17,824</u>
	At 31 March 1997	<u>11,010</u>	<u>20,075</u>
7	Stocks	1998	1997
		£	£
	Finished goods and goods for resale	471,342	493,119

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

8 Debtors	1998 £	1997 £
Trade debtors	703,958	709,226
Amounts owed by parent and fellow subsidiary undertakings	-	193,884
Corporation tax	128	128
ACT recoverable	40,000	-
Other debtors	211,522	10,520
Prepayments and accrued income	19,643	31,044
	<u>975,251</u>	<u>944,802</u>

9 Creditors: amounts falling due within one year	1998 £	1997 £
Bank loans and overdrafts	2,564	212,257
Trade creditors	782,658	741,768
Corporation tax	31,065	8,396
Other taxes and social security costs	94,465	74,940
Directors' current accounts	-	73,096
Other creditors	68,075	34,953
Accruals and deferred income	10,347	10,000
Proposed dividend	160,000	-
	<u>1,149,174</u>	<u>1,155,410</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 £44,866 (1997 - £19,226).

11 Share capital	1998 £	1997 £
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 1998

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1997	734,175
Retained loss for the year	(45,534)
Balance at 31 March 1998	<u>688,641</u>

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	114,466	23,378
Dividends	(160,000)	-
Net (depletion in)/addition to shareholders' funds	<u>(45,534)</u>	<u>23,378</u>
Opening shareholders' funds	764,175	740,797
Closing shareholders' funds	<u>718,641</u>	<u>764,175</u>

14 Financial commitments

At 31 March 1998 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1998 £	1997 £
Expiry date:		
In over five years	<u>54,000</u>	<u>52,400</u>

THE BASIC CHEMICAL CO (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

15 Employees

Number of employees

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

	1998 Number	1997 Number
Factory staff	9	9
Administration staffs	9	9
	<hr/> 18	<hr/> 18

Employment costs

	£	£
Wages and salaries	437,382	373,726
Social security costs	45,260	40,071
Other pension costs	44,866	19,226
	<hr/> 527,508	<hr/> 433,023