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## Directors

M I Farmer  
P V Pisacane  
M W Walker

## Secretary and registered office

M I Farmer, Arc House, Terrace Road South, Binfield, Bracknell, Berks, RG42 4PZ

## Company number

1972114

## Auditors

BDO Stoy Hayward, Barclays House  
9-10 Victoria Street, Basingstoke, Hampshire, RG21 3BT



# **Clydebridge Chemicals Limited**

## **Report of the directors for the year ended 31 December 2000**

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The directors present their report together with the audited financial statements for the year ended 31 December 2000.

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

A dividend of £10,000 was paid during the year (1999 - £Nil).

### **Principal activities, review of business and future developments**

The principal activity of the company throughout the year has been the manufacture of chemical products.

The company continued to trade successfully and maintained a sound financial position at the year end.

The company will continue to develop its business in line with current activities.

### **Directors**

The directors of the company at the year end were:

	<b>Ordinary £1 Shares</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2000</b>	<b>1999</b>
M I Farmer	-	-
P V Pisacane	-	-
M W Walker	-	-

None of the directors had any interest in the share capital of the company during the year.

The directors interest in the share capital of the ultimate parent undertaking are shown in its financial statements.

M W Walker was appointed as director on the 24 November 2000.

T G Page and D A G Tugwell resigned as directors on 24 November 2000.

**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 judgments 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.

**Auditors**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the board**



M I Farmer

**Secretary**

14 June 2001

**Clydebridge Chemicals Limited****Report of the auditors**

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**To the shareholders of Clydebridge Chemicals Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on page 7 to 8.

*Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of the 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 judgments 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.

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 misstatement, whether caused by fraud or other irregularity or error. 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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BDO STOY HAYWARD**  
Chartered Accountants  
and Registered Auditors  
Basingstoke

*BDO Stoy Hayward.*

18 June 2001

**Clydebridge Chemicals Limited**

**Profit and loss account for the year ended 31 December 2000**

	Note	2000 £	1999 £
<b>Turnover</b>	2	<b>2,001,322</b>	<b>2,033,419</b>
Decrease in stocks of finished goods and work in progress		(11,000)	(26,000)
		<hr/>	<hr/>
Raw materials and consumables		1,990,322	2,007,419
Other external charges		1,178,938	1,186,690
Staff costs	3	59,279	69,161
Depreciation and other amounts written off fixed assets		253,940	240,198
Other operating charges		57,648	64,527
		218,915	239,430
		<hr/>	<hr/>
<b>Operating profit</b>	5	<b>221,602</b>	<b>207,413</b>
Other interest receivable and similar income	6	29,204	16,681
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>250,806</b>	<b>224,094</b>
Taxation on profit on ordinary activities	7	87,107	85,132
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation for the year</b>		<b>163,699</b>	<b>138,962</b>
Dividends	8	10,000	-
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	15	<b>153,699</b>	<b>138,962</b>
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

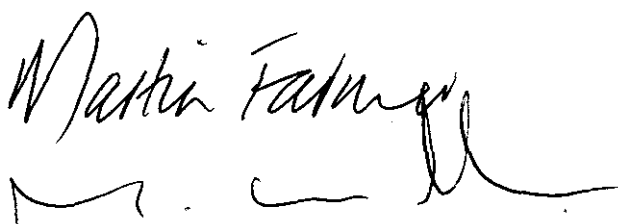
The notes on pages 7 to 14 form part of these financial statements.

Clydebridge Chemicals Limited

Balance sheet at 31 December 2000

	Note	2000 £	2000 £	1999 £	1999 £
<b>Fixed assets</b>					
Intangible assets	9		99,172		130,338
Tangible assets	10		44,353		64,662
			<u>143,525</u>		<u>195,000</u>
<b>Current assets</b>					
Stocks	11	132,890		143,890	
Debtors-due within one year	12	250,746		238,907	
Debtors-due after more than one year	12	312,000		12,000	
Cash at bank and in hand		287,339		408,759	
		<u>982,975</u>		<u>803,556</u>	
<b>Creditors: amounts falling due within one year</b>	13	213,394		239,149	
<b>Net current assets</b>			<u>769,581</u>		<u>564,407</u>
			<u>913,106</u>		<u>759,407</u>
<b>Capital and reserves</b>					
Called up share capital	14		10,000		10,000
Profit and loss account	15		903,106		749,407
<b>Equity shareholders' funds</b>			<u>913,106</u>		<u>759,407</u>

The financial statements were approved by the Board on 14 June 2001

Directors 

M I Farmer

M W Walker

The notes on pages 7 to 14 form part of these financial statements.

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Classicvale Limited and the company is included in consolidated financial statements.

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

### *Tangible fixed assets Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Plant & machinery, fittings and equipment	- 2% on a straight line basis per month
Motor vehicles	- 2.5% on a straight line basis per month

### *Intangible Fixed Assets*

The cost of intangible fixed assets is their purchase cost excluding any incidental expenses of acquisition.

Amortisation is provided on all intangible fixed assets at 20% on a straight line basis per annum to write off cost, less estimated residual values, of each asset over its expected useful life.

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

**1 Accounting policies (continued)***Pensions*

The company operates two defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

**2 Turnover**

	2000 £	1999 £
Analysis by geographical market:		
United Kingdom	1,806,601	1,857,209
Europe	109,863	95,985
Middle East	24,906	15,825
Far East	54,720	48,620
Africa	5,232	15,780
	<u>2,001,322</u>	<u>2,033,419</u>

Turnover is wholly attributable to the principal activity of the company.

**3 Employees**

Staff costs (including directors) consist of:

	2000 £	1999 £
Wages and salaries	216,685	203,164
Social security costs	25,112	23,940
Other pension costs	12,143	13,094
	<u>253,940</u>	<u>240,198</u>



**3 Employees (continued)**

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

	2000 Number	1999 Number
Administration	1	1
Trading and manufacturing	6	7
	<u>7</u>	<u>8</u>

**4 Directors' remuneration**

	2000 £	1999 £
Directors' emoluments	102,243	66,121
Company contributions to money purchase pension schemes	10,000	7,500
	<u>112,243</u>	<u>73,621</u>

There was 1 director in the company's defined contribution pension schemes during the year (1999 - 1).

**5 Operating profit**

This is arrived at after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets	26,482	30,531
Amortisation of goodwill	31,166	33,996
Auditors' remuneration - audit services	4,500	4,400
	<u>62,148</u>	<u>68,927</u>

**6 Other interest receivable and similar income**

	2000 £	1999 £
Bank deposits	29,090	16,681
Corporation tax interest	114	-
	<u>29,204</u>	<u>16,681</u>

**7 Taxation on profit on ordinary activities**

	2000 £	1999 £
<i>UK Corporation tax</i>		
<i>Current year</i>		
Current tax on income for the year	90,000	83,000
<i>Prior years</i>		
UK Corporation tax	(2,893)	2,132
	<u>87,107</u>	<u>85,132</u>

**8 Dividends**

	2000 £	1999 £
<i>Equity shares</i>		
Ordinary shares		
Final dividend £1 (1999 - £NIL) per share	10,000	-
	<u>10,000</u>	<u>-</u>

**9 Intangible assets**

	Goodwill £
<i>Cost or valuation</i>	
At 1 January 2000 and 31 December 2000	170,000
<i>Amortisation</i>	
At 1 January 2000	39,662
Provided for the year	31,166
	<u>70,828</u>
At 31 December 2000	
<i>Net book value</i>	
At 31 December 2000	99,172
	<u>99,172</u>
At 31 December 1999	130,338
	<u>130,338</u>

## 10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings and motor vehicles	Total
	£	£	£
<i>Cost</i>			
At 1 January 2000	344,617	78,503	423,120
Additions	-	6,173	6,173
Disposals	-	(34,286)	(34,286)
	<u>344,617</u>	<u>50,390</u>	<u>395,007</u>
At 31 December 2000			
<i>Depreciation</i>			
At 1 January 2000	296,832	61,626	358,458
Provided for the year	20,640	5,842	26,482
Disposals	-	(34,286)	(34,286)
	<u>317,472</u>	<u>350,654</u>	
At 31 December 2000			
<i>Net book value</i>			
At 31 December 2000	<u>27,145</u>	<u>17,208</u>	<u>44,353</u>
At 31 December 1999	<u>47,785</u>	<u>16,877</u>	<u>64,662</u>

## 11 Stocks

	2000 £	1999 £
Raw materials and consumables	109,367	122,362
Finished goods and goods for resale	23,523	21,528
	<u>132,890</u>	<u>143,890</u>

**12 Debtors**

	2000 £	1999 £
Amounts receivable within one year		
Trade debtors	157,035	163,726
Amounts owed by group undertakings	74,646	62,795
Other debtors	19,065	12,386
	<u>250,746</u>	<u>238,907</u>
Amounts receivable after more than one year		
Amounts owed by group undertakings	312,000	12,000
	<u>562,746</u>	<u>250,907</u>

**13 Creditors: amounts falling due within one year**

	2000 £	1999 £
Trade creditors	74,136	87,213
Taxation and social security	13,392	8,938
Corporation tax	90,000	83,000
Accruals and deferred income	35,866	59,998
	<u>213,394</u>	<u>239,149</u>

**14 Share capital**

	2000 £	Authorised 1999 £	Allotted, called up and fully paid 2000 £	1999 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	50,000	50,000	10,000	10,000

**Clydebridge Chemicals Limited**

Notes forming part of the financial statements for the year ended 31 December 2000 (*Continued*)

**15 Reserves**

	Profit and loss account £
At 1 January 2000	749,407
Profit for the year	153,699
	<hr/>
At 31 December 2000	903,106
	<hr/> <hr/>

**16 Reconciliation of movements in shareholders' funds**

	2000 £	1999 £
Profit for the year	163,699	138,962
Dividends	(10,000)	-
	<hr/>	<hr/>
	153,699	138,962
Opening shareholders' funds	759,407	620,445
	<hr/>	<hr/>
Closing shareholders' funds	913,106	759,407
	<hr/> <hr/>	<hr/> <hr/>

**17 Contingent liabilities**

The company has guaranteed bank borrowings of its fellow group members. At the year end liabilities covered by these guarantees totalled £2,958,550 (1999 - £Nil).

**18 Related party disclosures***Related party transactions and balances*

	Sales to related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party	Rent payable
	£	£	£	£	£
<b>Related party</b>					
Classicvale Limited	-	-	300,000	-	-
Alfa Technical Industries Limited	-	-	2,000	-	-
Alfa Chemicals Limited	30,999	95,400	1,494	-	80,000
RIW Limited	1,042,029	-	73,152	-	-
Venture Chemical Products Limited	-	-	10,000	-	-

**19 Ultimate parent company and parent undertaking of larger group**

The company is a subsidiary of Alfa Technical Industries Limited. The ultimate parent undertaking is Classicvale Limited, a company registered in England.

The largest group in which the results of the company are consolidated is that headed by Classicvale Limited.