

MIDCHEM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1995

Company Registration Number 2581304

KHULLAR AND COMPANY

Chartered Accountants
396, East Park Road,
Leicester,
LE5 5HH



MIDCHEM LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1995

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MIDCHEM LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

H.S. Neer
Mrs J.K. Neer

COMPANY SECRETARY

Mrs J.K. Neer

REGISTERED OFFICE

Unit 5,
Sahota Centre,
Heath Street,
Smethwick, Warley,
West Midlands.

ACCOUNTANTS

Khullar and Company
396, East Park Road,
Leicester,
LE5 5HH

MIDCHEM LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 30 APRIL 1995**

The directors have pleasure in presenting their report and financial statements of the company for the year ended 30 April 1995.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of rubber linings of pipework and tanks.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 Apr 95	At 1 May 94
H.S. Neer	500	500
Mrs J.K. Neer	500	500
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REPORTING ACCOUNTANTS

Messrs Khullar and Company will continue in office as reporting accountants for the ensuing year.

SMALL COMPANY EXEMPTIONS

In preparing the directors' report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Registered office:

Unit 5,
Sahota Centre,
Heath Street,
Smethwick, Warley,
West Midlands.

Signed on behalf of the directors



Mrs J.K. Neer
Company secretary

Approved by the directors on 18 September 1995

MIDCHEM LIMITED**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS
YEAR ENDED 30 APRIL 1995**

We have examined, without carrying out an audit, the financial statements for the year ended 30 April 1995 set out on pages 4 to 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE REPORTING ACCOUNTANTS.

As described on page 6 the directors of the company are responsible for the preparation of the financial statements, and the directors believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

BASIS OF OPINION

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

OPINION

In our opinion:

- (a) the financial statements are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1)(a) to (f).

396, East Park Road,
Leicester,
LE5 5HH


KHULLAR AND COMPANY
Chartered Accountants

18 September 1995

MIDCHEM LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 APRIL 1995**

	Note	1995 £	1994 £
TURNOVER		147,095	172,265
Cost of sales		(44,686)	(45,947)
GROSS PROFIT		102,409	126,318
Distribution costs		(4,125)	(4,588)
Administrative expenses		(117,554)	(98,759)
OPERATING (LOSS)/PROFIT	2.	(19,270)	22,971
Interest receivable and similar income	3.	477	147
Interest payable and similar charges		(12)	(24)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,805)	23,094
Tax on (loss)/profit on ordinary activities		4,701	(5,774)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(14,104)	17,320
Balance brought forward		47,491	30,171
BALANCE CARRIED FORWARD		33,387	47,491

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 7 to 10 form part of these financial statements.

MIDCHEM LIMITED**BALANCE SHEET****AS AT 30 APRIL 1995**

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	4.	26,998	19,602
CURRENT ASSETS			
Stocks		2,613	2,286
Debtors	5.	43,773	88,189
Cash at bank and in hand		15,427	3,006
		<u>61,813</u>	<u>93,481</u>
CREDITORS: Amounts falling due within one year			
	6.	<u>(46,365)</u>	<u>(51,773)</u>
NET CURRENT ASSETS		15,448	41,708
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,446</u>	<u>61,310</u>
CREDITORS: Amounts falling due after more than one year			
	7.	<u>(6,357)</u>	<u>(11,069)</u>
		36,089	50,241
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8.	(1,702)	(1,750)
NET ASSETS		<u>34,387</u>	<u>48,491</u>
CAPITAL AND RESERVES			
Equity share capital	9.	1,000	1,000
Profit and loss account		33,387	47,491
SHAREHOLDERS FUNDS	10.	<u>34,387</u>	<u>48,491</u>

The balance sheet continues on the following page.

The notes on pages 7 to 10 form part of these financial statements.

MIDCHEM LIMITED**BALANCE SHEET** *(continued)***30 APRIL 1995**

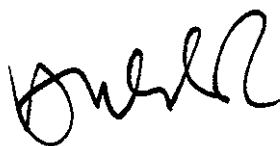
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(2), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

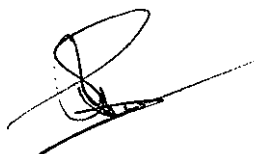
- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

In preparing these accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the board of directors on the 18 September 1995 and are signed on their behalf by:



H.S. NEER



J. K. NEER

MIDCHEM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 1995****1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention using the following accounting policies:

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Plant and machinery	16.5%	Net book value
Fixtures, fittings and equipment	15%	Net book value
Motor vehicles	25%	Net book value

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING LOSS

Operating loss is stated after charging:

	1995 £	1994 £
Directors' emoluments	6,352	6,120
Depreciation	3,491	4,143
Hire of plant and equipment	572	572
	-----	-----

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995 £	1994 £
Bank interest receivable	477	147
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MIDCHEM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 1995****4. FIXED ASSETS**

	Property Improvements	Plant and Equipment	Fixtures and Fittings	Motor Vehicles	Total
	£	£	£	£	£
COST					
At 1st May 1994	-	22,985	3,462	5,625	32,072
Additions	10,297	321	269	-	10,887
At 30th April 1995	10,297	23,306	3,731	5,625	42,959
DEPRECIATION					
At 1st May 1994	-	8,238	980	3,252	12,470
Charge for year	-	2,486	412	593	3,491
At 30th April 1995	-	10,724	1,392	3,845	15,961
NET BOOK VALUE					
At 30th April 1995	10,297	12,582	2,339	1,780	26,998
At 1st May 1994	-	14,747	2,482	2,373	19,602

5. DEBTORS

	1995	1994
	£	£
Trade debtors	29,925	78,330
Corporation tax repayable	4,653	-
Prepayments and accrued income	9,195	9,859
	43,773	88,189

6. CREDITORS: Amounts falling due within one year

	1995	1994
	£	£
Bank loans and overdrafts	-	2,334
Trade creditors	32,027	27,949
Other creditors including:		
Corporation tax	-	5,759
PAYE and Social Security	2,690	1,046
VAT	9,361	11,337
	12,051	18,142
Accruals and deferred income	2,287	3,348
	46,365	51,773

MIDCHEM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 1995****7. CREDITORS: Amounts falling due after more than one year**

	1995		1994
	£	£	£
Other creditors including:			
Other creditors	1,094		3,729
Directors loan account	5,263		7,340
	<u> </u>		<u> </u>
	6,357		11,069
	<u> </u>		<u> </u>

8. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	1995	1994
	£	£
Provision brought forward	1,750	1,736
(Decrease)/Increase in provision	(48)	14
	<u> </u>	<u> </u>
Provision carried forward	1,702	1,750
	<u> </u>	<u> </u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:-

	1995	1994
	£	£
Excess of capital allowances for taxation purposes over depreciation charged	1,702	1,750
	<u> </u>	<u> </u>

9. SHARE CAPITAL**Authorised share capital:**

	1995	1994
	£	£
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

Allotted, called up and fully paid:

	1995	1994
	£	£
Ordinary share capital	1,000	1,000
	<u> </u>	<u> </u>
Total share capital	1,000	1,000
	<u> </u>	<u> </u>

MIDCHEM LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 APRIL 1995****10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	1995	1994
	£	£
(Loss)/Profit for the financial period	(14,104)	17,320
Opening shareholders funds	48,491	31,171
Closing shareholders funds	<u>34,387</u>	<u>48,491</u>