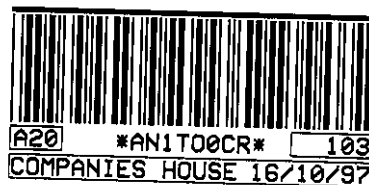


Registrar of Companies
Registration No: 02677024

AARON CHEMICALS LIMITED

FINANCIAL STATEMENTS

1996



AARON CHEMICALS LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 DECEMBER 1996

The Director submits her report and the financial statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of sale and distribution of cleaning products.

RESULTS AND DIVIDENDS

The profit for the year amounted to £126 (1995: £1,141). The director does not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activity is that of selling and distribution of chemical cleaning products.

Trading continued to be very competitive, sales being below the high level of the previous year. The current year to date shows an improvement.

FIXED ASSETS

Fixed assets acquired during the year are summarised in note 7 to the accounts.

DIRECTOR AND INTEREST IN SHARES

J L Harvey served as a director throughout the year and had an interest in the ordinary share capital of the company of 5,250 shares at 31st December 1995 and at 31st December 1996

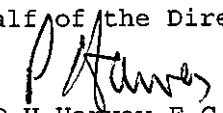
AUDITORS

In accordance with Section 249A Companies Act 1985 the company has taken advantage of the exemption to an audit.

In preparing this report, the director has taken advantage of the special exemptions in Part VII Companies Act 1985 relating to small companies.

25 Mascalls Park
Paddock Wood
Kent

On behalf of the Director


P H Harvey F.C.A.
Secretary

AARON CHEMICALS LIMITED

REPORT OF THE DIRECTOR'S RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 1996

Company law requires the Director 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 Director is required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

AARON CHEMICALS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	2	68,994	77,106
Deduct: Cost of Sales		30,320	33,991
GROSS TRADING PROFIT		38,674	43,115
Expenses	13	38,183	41,434
OPERATING PROFIT	3	491	1,681
Interest Payable	5	138	49
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		353	1,632
TAXATION	6	227	491
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	12	£ 126	£ 1,141

None of the company's activities was acquired or discontinued in the above two financial years. There are no recognised gains or losses other than those shown in the profit and loss account for the above two financial years.

AARON CHEMICALS LIMITED

BALANCE SHEET

AT 31 DECEMBER 1996

	<u>Notes</u>	£	£	£	<u>1995</u>	£
FIXED ASSETS						
Tangible Assets	7			6,496		9,764
CURRENT ASSETS						
Stock	1	4,230			5,807	
Debtors	8	16,129			15,822	
Cash		-			-	
			20,359		21,629	
CREDITORS: AMOUNTS FALLING						
DUE WITHIN ONE YEAR	9	18,840			23,504	
NET CURRENT ASSETS						
(1995: LIABILITIES)				1,519		(1,875)
TOTAL ASSETS LESS CURRENT LIABILITIES						
			£ 8,015		£ 7,889	
CAPITAL AND RESERVES						
Called Up Share Capital	11		6,250		6,250	
Profit and Loss Account	12		1,765		1,639	
EQUITY SHAREHOLDERS' FUNDS						
	12		£ 8,015		£ 7,889	

AUDIT AND SMALL COMPANY EXEMPTION REQUIREMENTS

- a) The company was entitled to the exemption conferred by Section 249A(1) Companies Act 1985 for the year ended 31st December 1996.
- b) The company has not received notice from any member requiring an audit under Section 249B(2) Companies Act 1985 for the year ended 31st December 1996.
- c) The director acknowledges her responsibilities for (i) ensuring that the company keeps accounting records which comply with Section 221 Companies Act 1985, and (ii) preparing accounts which give a true and fair view of the state of affairs the company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of Section 226 Companies Act 1985 and which otherwise comply with the requirements of the Act relating to accounts, so far as is applicable to the company.
- d) Advantage has been taken in the preparation of the accounts of special exemptions applicable to small companies. In the opinion of the director, the company is entitled to those exemptions on the basis that it qualifies as a small company under Section 247 Companies Act 1985.

These financial statements were approved by the Director on 9 October 1997.

J L HARVEY Director



AARON CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with Statements of Standard Accounting Practice.

(b) Depreciation

Depreciation is provided on all tangible fixed assets and rates are calculated to write off the cost of each asset evenly over its expected useful life as follows:

Motor Vehicles	- over 4 years
Furniture and Equipment	- over 5 years (over 10 years to 31 December 1993)

(c) Cash Flow Statement

The company is entitled to the exemptions available in Sections 246-247 Companies Act 1985 and accordingly is not within the scope of Financial Reporting Standard No 1. A cash flow statement has therefore not been prepared.

(d) Stock for Resale

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

2 TURNOVER

Turnover, all of which arises in the United Kingdom, represents the invoiced amounts for goods supplied, net of value added tax.

3 OPERATING PROFIT

	£	<u>1995</u> £
This is stated after charging/(crediting):		
Depreciation	3,509	3,860
Loss/(Profit) on Disposal of Fixed Assets	(291)	414
Director's Remuneration	11,037	5,600
	<u> </u>	<u> </u>

4 STAFF COSTS

Commissions and Salaries	£ 8,699	£ 10,996
	<u> </u>	<u> </u>

The average number of employees during the year including the working director, was:

Selling and Distribution	1	1
Administrative	1	1
	<u> </u>	<u> </u>
	2	2
	<u> </u>	<u> </u>

AARON CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

			<u>1995</u>
5	INTEREST PAYABLE		
	Bank Overdraft and Loan		
	Repayable within 5 years, not		
	by instalments	£ 138	£ 49
		<u> </u>	<u> </u>
6	CORPORATION TAX		
	The charge for taxation in the profit and loss account represents corporation tax at 24% and 25% (1995:25%) on the taxable profits for the year and is payable on 1st October 1997.		
7	TANGIBLE FIXED ASSETS		
		<u>Motor</u> <u>Vehicles</u>	<u>Furniture</u> <u>and</u> <u>Equipment</u>
		£	£
	Cost		£
	At 1st January 1996	12,842	3,247
	Purchased during the year	3,173	377
	Disposals	(4,080)	(1,000)
		<u> </u>	<u> </u>
	At 31 December 1996	11,935	2,624
		<u> </u>	<u> </u>
	Depreciation		
	At 1st January 1996	5,012	1,313
	Provided during the year	2,984	525
	Released on Disposal	(1,371)	(400)
		<u> </u>	<u> </u>
	At 31 December 1996	6,625	1,438
		<u> </u>	<u> </u>
	Net Book Value at 31st December 1996	£ 5,310	£ 1,186
		<u> </u>	<u> </u>
	Net Book Value at 31st December 1995	£ 7,830	£ 1,934
		<u> </u>	<u> </u>
8	DEBTORS		<u>1995</u>
		£	£
	Trade Debtors	15,532	14,623
	Prepayments	597	624
	Other Debtors	-	575
		<u> </u>	<u> </u>
		£ 16,129	£ 15,822
		<u> </u>	<u> </u>
9	CREDITORS: AMOUNTS FALLING DUE		
	WITHIN ONE YEAR		
	Trade Creditors	7,145	13,198
	Other Creditors	3,982	3,293
	Accruals	3,015	3,095
	Bank Overdraft	1,375	681
	Bank Loan	834	-
	Corporation Tax	227	491
	Social Security and Other Taxes (Note 10)	2,262	2,746
		<u> </u>	<u> </u>
		£ 18,840	£ 23,504
		<u> </u>	<u> </u>

AARON CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1996

		<u>1995</u>
	£	£
10	SOCIAL SECURITY AND OTHER TAXES	
	Employee Taxes	694
	Value Added Tax	2,746
		<u>2,262</u>
	£ 2,262	£ 2,746
11	SHARE CAPITAL	
	Authorised	
	10,000 Ordinary Shares of £1 each	£ 10,000
		<u>£ 10,000</u>
	Allotted, Issued and Fully Paid	
	6,250 Ordinary Shares of £1 each	£ 6,250
		<u>£ 6,250</u>
12	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	
	<u>Share</u>	<u>Profit</u>
	<u>Capital</u>	<u>and Loss</u>
	£	£
	6,250	498
Balance at 1 January 1995	-	1,141
Profit for the year	6,250	1,639
Balance at 31 December 1995	-	126
Profit for the year	£ 6,250	£ 1,765
Balance at 31 December 1996		£ 8,015
		<u>£ 8,015</u>
13	EXPENSES	
		<u>1996</u>
		<u>1995</u>
	Selling and Distribution	22,472
	Administrative	15,711
		<u>38,183</u>
		<u>41,434</u>