

1161281

WHEATLEY CHEMICAL COMPANY LIMITED

Registered in England - No. 1161281

DIRECTORS' REPORT

The Directors present herewith the Audited Accounts for the year ended 30th April 1988.

Review of Activities

The Profit & Loss Account for the year is set out in the attached Accounts.

The Company's principal activity remains that of the production and supply of bio chemicals and substantially the whole of the Company's profits are derived from that source.

Both the level of business and the year end financial position were satisfactory, and the Directors do not envisage a material change in activity in the foreseeable future.

The Directors report that the Company is insolvent by reason of the Reserves for Claims and Costs. Until a Judgement is made in respect of these it is not possible to state whether or not the Company would otherwise be solvent.

Dividends

The Directors do not recommend the payment of a Dividend.

Directors

The Directors of the Company at 30th April 1988 were :-

J N Cockerton  
B Hardcastle

On 20th July 1988 Mr B Hardcastle resigned as a Director and Mr J Turner was appointed in his place.

In accordance with the Articles of Association Mr J Turner retires by rotation and, being eligible, offers himself for re-election.

Directors Interests in Shares of the Company

The interests of the Directors of the Company at 30th April 1988 in the shares of the Company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows :-

Ordinary Shares of £1 Each

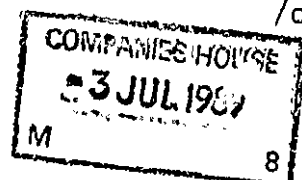
J N Cockerton

667

Fixed Assets

The Fixed Assets of the Company are adequately described on the attached Schedule.

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WHEATLEY CHEMICAL COMPANY LIMITED

DIRECTORS' REPORT (Continued)

In the opinion of the Directors, the Company is a Close Company within the definition of the Income & Corporation Taxes Act 1970, as amended. The Directors consider that no liability will arise under the provisions of Section 16, Finance Act 1972 as amended. There has been no change in this respect since the end of the financial year.

Auditors

The Auditors, Messrs Bulmer & Company, 2 Mount Parade, Harrogate, have indicated their willingness to continue in office and a resolution to re-appoint them in accordance with the provisions of Section 384(1) of the Companies Act 1985 will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

W M COCKERTON

Secretary

*W.M. Cockerton.*

Langthwaite Grange Industrial Estate  
South Kirkby  
PONTEFRAC

8th December 1988

WHEATLEY CHEMICAL COMPANY LIMITED

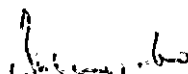
AUDITORS' REPORT

Auditors' Report to the Members of Wheatley Chemical Company Limited.

We have audited the financial statements and notes thereto attached. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

The Company's system of control is dependent upon the close involvement of the Directors. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the Company's affairs at 30th April 1988 and of its loss for the year then ended and comply with the Companies Act 1985.



2 Mount Parade  
HARROGATE

BULMER & CO  
Certified Accountants

8th December 1988

WHEATLEY CHEMICAL COMPANY LIMITEDBALANCE SHEET30TH APRIL 19881987SHARE CAPITAL

Authorised - 50,000 Shares of £1 Each

1,000

Issued &amp; Fully Paid

1,000.00

REVENUE RESERVE

57,215

Profit &amp; Loss Account

93,794.48

£56,215CAPITAL DEFICIENCY£92,794.48

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EMPLOYMENT OF CAPITALFIXED ASSETSCOSTDEPRECIATIONBOOK VALUE

4,592

Equipment

23,511.74

20,067.74

3,444.00

354

Office Equipment

1,960.08

1,695.08

265.00

2,000

Buildings

-

-

-

-

Motor Vehicle

9,003.55

2,250.55

6,753.00

6,94634,475.3724,013.3710,462.00CURRENT ASSETS

49,973

Trade Debtors &amp; Prepayments

38,123.11

73,367

Stock on Hand

28,959.86

37,193

Cash at Bank &amp; on Hand

15,431.61

160,53382,514.58LESS CURRENT LIABILITIES

51,133

Sundry Creditors &amp; Accrued Expenses 63,996.86

13,561

Directors Current Account

21,774.20

159,000

Reserves for Claims &amp; Costs

100,000.00

223,694185,771.0663,161NET CURRENT LIABILITIES103,256.48£56,215NET LIABILITIES REPRESENTING CAPITAL DEFICIENCY£ 92,794.48

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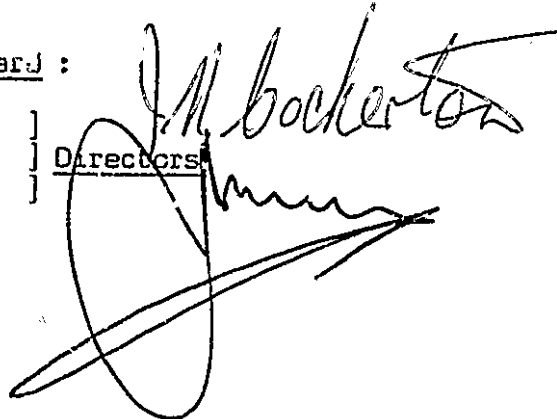
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Approved by the Board :

J N Cockerton

Directors

J Turner



WHEATLEY CHEMICAL COMPANY LIMITEDPROFIT & LOSS ACCOUNTYEAR ENDED 30TH APRIL 19921987

|                |  |           |                   |
|----------------|--|-----------|-------------------|
| 6,517          | Profit for the Year per Trading Account      |           | 12,685.64         |
| 1,534          | Add Interest Receivable                      |           | 1,565.20          |
| -              | Sale of Copyright                            |           | 750.00            |
| -              | Sale of Car                                  |           | 5,200.00          |
| <u>8,051</u>   |  |           | <u>20,202.84</u>  |
|                | Less Directors' Remuneration                 |           |                   |
| 18,000         | Salaries & Consultancy Fees                  | 20,000.00 |                   |
| -              | Management Fees                              | 5,000.00  |                   |
| 700            | Auditor's Remuneration                       | 600.00    |                   |
| -              | Bank Interest                                | 32.08     |                   |
| 1,531          | Depreciation - Equipment                     | 1,148.00  |                   |
| 118            | - Office Equipment                           | 89.00     |                   |
| -              | - Motor Vehicle                              | 2,250.55  |                   |
| -              | Buildings Written Off (see note 1)           | 2,000.00  |                   |
| <u>20,349</u>  |  |           | <u>31,119.63</u>  |
| 12,298         | <u>NET LOSS BEFORE TAXATION</u>              |           | 10,916.79         |
| 43,626         | Exceptional Item - Claim against the Company |           |                   |
|                | - Arbitration Fees                           |           | 25,662.39         |
| <u>55,924</u>  |  |           | <u>36,579.18</u>  |
| 1,291          | <u>BALANCE BROUGHT FORWARD (DEFICIT)</u>     |           | 57,215.30         |
| <u>£57,215</u> | <u>BALANCE CARRIED FORWARD</u>               |           | <u>£93,794.48</u> |
| =====          |  |           | =====             |

WHEATLEY CHEMICAL COMPANY LIMITED

TRADING ACCOUNT

YEAR ENDED 30TH APRIL 1988

1987

|                |   |           |                   |
|----------------|---|-----------|-------------------|
| 194,665        | Sales   |           | 238,923.13        |
| 124,341        | Less Cost of Sales                                      |           | 164,949.10        |
| <u>70,324</u>  | <u>GROSS PROFIT</u>                                     |           | <u>73,974.03</u>  |
|                | <u>Less Expenses</u>                                    |           |                   |
| 30,947         | Salaries & Staff Pension                                | 32,737.48 |                   |
| 12,870         | Rent, Rates & Office Equipment                          | 12,749.30 |                   |
| 5,398          | Insurance   | 5,550.63  |                   |
| 823            | Light & Heat  | 1,291.48  |                   |
| 920            | Telephone   | 1,135.73  |                   |
| 1,883          | Postage, Stationery & Advertising                       | 428.58    |                   |
| 1,242          | Plant & Vehicle Hire                                    | 604.49    |                   |
| 2,506          | Motor & Travelling Expenses                             | 1,598.82  |                   |
| 718            | Repairs & Renewals                                      | 998.97    |                   |
| 6,100          | Sundries (incl. Legal)                                  | 3,752.02  |                   |
| 400            | Accountancy Charges                                     | 250.00    |                   |
| -              | Bank Charges  | 180.89    |                   |
| <u>63,807</u>  |   |           | <u>61,287.39</u>  |
| <u>£ 6,517</u> | <u>PROFIT FOR THE YEAR TO PROFIT &amp; LOSS ACCOUNT</u> |           | <u>£12,686.64</u> |
| =====          |   |           | =====             |

WHEATLEY CHEMICAL COMPANY LIMITED

SOURCE & APPLICATION OF FUNDS

30TH APRIL 1988

SOURCES - INTERNAL

|                   |        |
|-------------------|--------|
| Loss for the Year | 36,579 |
| Less Depreciation | 5,488  |

|                                 |          |
|---------------------------------|----------|
| Total Generated from Operations | (31,091) |
|---------------------------------|----------|

SOURCES - EXTERNAL

Applications

|                          |       |
|--------------------------|-------|
| Purchase of Fixed Assets | 9,004 |
|--------------------------|-------|

£40,095  
=====

INCREASES/(DECREASES)

Working Capital

|                     |          |
|---------------------|----------|
| Stock               | (11,850) |
| Debtors             | (44,407) |
| Creditors           | (21,077) |
| Reserves for Claims | 59,000   |

Movement in Liquid Funds

|               |          |
|---------------|----------|
| Cash and Bank | (21,781) |
|---------------|----------|

£40,095  
=====

# WHEATLEY CHEMICAL COMPANY LIMITED

## NOTES TO THE ACCOUNTS

30TH APRIL 1988

### PRINCIPAL ACCOUNTING POLICIES

- 1 The Accounts are prepared in accordance with the historical cost convention. A summary of the more important accounting policies of the Company, which have been applied consistently, is set out below.

a) Tangible Fixed Assets

Depreciation of tangible fixed assets is charged on a reducing balance basis as follows :-

|                  |     |
|------------------|-----|
| Equipment        | 25% |
| Office Equipment | 25% |

Buildings - due to lack of title to the freehold the residuary value of £2,000 has now been written off.

b) Stock and Work in Progress

Stocks are stated at the lower of cost and net realisable value.

c) Turnover

Turnover, which excludes value added tax and trade discount, represents the invoiced value of goods and services supplied.

### TURNOVER

- 2 The turnover for the year relates entirely to sales in the United Kingdom.

### OPERATING PROFIT

- 3 Operating profit is stated after charging :-

|                                       | <u>Year to</u><br><u>30.4.87</u> | <u>Year to</u><br><u>30.4.88</u> |
|---------------------------------------|----------------------------------|----------------------------------|
| Auditors Remuneration                 | 700                              | 600                              |
| Depreciation of Tangible Fixed Assets | 1,649                            | 3,467                            |
| Amounts Written Off                   | -                                | 2,000                            |
| Directors' Emoluments                 | 18,000                           | 20,000                           |
|                                       | <u>20,349</u>                    | <u>26,067</u>                    |

### STOCKS

- 4 The Stocks consisted entirely of goods for resale and amounted to £28,960 (30th April 1987 - £37,49.)

### DEBTORS : AMOUNTS DUE WITHIN ON YEAR

|               | <u>Year to</u><br><u>30.4.87</u> | <u>Year to</u><br><u>30.4.88</u> |
|---------------|----------------------------------|----------------------------------|
| Trade Debtors | 45,103                           | 32,616                           |
| Other Debtors | 320                              | 462                              |
| Prepayments   | 4,550                            | 5,045                            |
|               | <u>49,973</u>                    | <u>38,123</u>                    |



WHEATLEY CHEMICAL COMPANY LIMITED

NOTES TO THE ACCOUNTS (Continued)

30TH APRIL 1988

CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

| 6   | Year to<br><u>30.4.87</u> | Year to<br><u>30.4.88</u> |
|---|---------------------------|---------------------------|
| Trade Creditors   | 52,027                    | 71,635                    |
| Other Creditors including Taxation<br>& Social Security (see a below) | <u>2,667</u>              | <u>14,136</u>             |
|   | <u>64,694</u>             | <u>85,771</u>             |
| a) Other Creditors  |                           |                           |
| Social Security & PAYE  | <u>2,667</u>              | <u>14,136</u>             |

RESERVES FOR CLAIMS AGAINST THE COMPANY

|   |                |               |
|---|----------------|---------------|
| 7   |                |               |
| Claim by a Customer   | 100,000        | 100,000       |
| Claim by a Former Director<br>including Costs (paid March 1988) | <u>59,000</u>  | <u>-</u>      |
|   | <u>159,000</u> | <u>100,00</u> |