

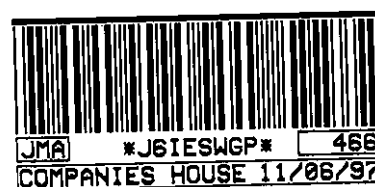
**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**31 DECEMBER 1996**

**Company number: 1185365**

ALEXANDER & CO  
Chartered Accountants



**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1996**

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**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

**COMPANY INFORMATION**

**31 DECEMBER 1996**

REGISTERED NUMBER:	1185365
DIRECTORS:	J A Richardson (Died 10/1/97) U Hambrecht (German) Dr N Weigand (German) C R Wilkins
SECRETARY:	C R Wilkins
REGISTERED OFFICE:	17 St Ann's Square Manchester M2 7PW
BANKERS:	National Westminster Bank plc 180 London Road Hazel Grove Stockport Cheshire
AUDITORS:	Alexander & Co 17 St Ann's Square Manchester M2 7PW

# **CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 1996**

The directors present their report and the abbreviated financial statements for the year ended 31 December 1996.

#### **Principal activity**

The principal activity of the company throughout the year continued to be that of manufacturer and distributor of chemicals to the textile industry.

#### **Business review**

The company has traded satisfactorily during the year under review. The directors are confident that this will continue in the ensuing year.

The company's balance sheet as detailed on page 8 shows a satisfactory position with shareholders' funds amounting to £1,777,282.

#### **Profits, dividends and appropriations**

The results for the year are shown in the profit and loss account on page 7.

An ordinary dividend amounting to £300,000 (1995 £240,000) was paid during the year and the balance of the profit for the year is to be transferred to reserves.

#### **Fixed assets**

Changes in fixed assets during the year are set out in note 8 to the accounts.

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

#### **Directors**

The directors who served during the year are listed below. None of the directors had any interest in the share capital of the company.

J A Richardson (Died 10/1/97)  
U Hambrecht (German)  
Dr N Weigand (German)  
C R Wilkins

The directors regret to report the death of John Richardson in January 1997. John made a valuable contribution to the company and will be sadly missed.

**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

**DIRECTORS' REPORT (cont...)**

**FOR THE YEAR ENDED 31 DECEMBER 1996**

**Donations**

During the year the company made charitable donations totalling £200.

**Auditors**

Alexander & Co have agreed to offer themselves for re-appointment as auditors of the company.

By order of the Board

A handwritten signature in black ink, appearing to read 'C R Wilkins', written over the printed name.

C R Wilkins  
Secretary

17 St Ann's Square  
Manchester M2 7PW

Date: 10.06.97

## **CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are required under company law 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 year. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By order of the Board

Date:

**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**  
**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**

**Auditors' report to the directors of Chemische Fabrik Tubingen (UK) Limited**  
**pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 7 to 16 together with the full financial statements of company name prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare abbreviated accounts and whether they have been properly prepared in accordance with that schedule.

**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 claimed in the directors' statement on page 8 and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that act in respect of the year ended 31 December 1996 and the abbreviated financial statements on pages 7 to 16 have been properly prepared in accordance with Schedule 8 to that Act.

On 13 May 1997 we reported, as auditors of Chemische Fabrik Tubingen (UK) Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996 and our audit report was as follows:

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 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 financial 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 judgements 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.

**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**  
**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**

**Auditors' report to the directors of Chemische Fabrik Tubingen (UK) Limited**  
**pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985**

(cont...)

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 mis-statement, whether caused by fraud or error or other irregularity. 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 affairs of the company as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Alexander & Co*

Alexander & Co  
Chartered Accountants &  
Registered Auditor  
17 St Ann's Square  
Manchester M2 7PW

Date: *11 June 1997*



**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1996**

	Note	1996 £	1995 £
<b>Gross profit</b>		1,820,195	1,636,612
<b>Net operating expenses</b>			
Administrative expenses	4	(1,219,427)	(1,052,587)
		-----	-----
<b>Operating profit</b>	2	600,768	584,025
Investment income	5	25,780	32,416
		-----	-----
<b>Profit on ordinary activities before taxation</b>		626,548	616,441
Taxation	6	(212,306)	(216,525)
		-----	-----
<b>Profit on ordinary activities after taxation</b>		414,242	399,916
Dividends	7	(300,000)	(240,000)
		-----	-----
<b>Retained profit for the year</b>	14	114,242	159,916
		=====	=====

Movements in reserves are shown in note 14.

There are no recognised gains and losses in 1996 and 1995 other than the profit for the year.

None of the company's activities were acquired or discontinued during the above financial years.

The notes on pages 10 to 16 form part of these accounts.

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

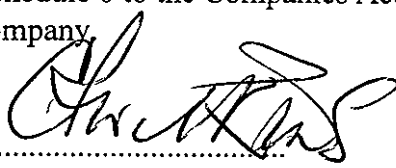
## ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1996

	Notes	£	1996 £	£	1995 £
<b>Fixed assets</b>					
Tangible assets	8		700,894		678,150
<b>Current assets</b>					
Stock	9		531,757		472,166
Debtors	10		1,548,007		1,156,372
Cash at bank and in hand			266,675		650,899
			<u>2,346,439</u>		<u>2,279,437</u>
<b>Creditors - amounts falling due within one year</b>	11		<u>(1,270,051)</u>		<u>(1,294,547)</u>
<b>Net current assets</b>			1,076,388		984,890
<b>Total assets less current liabilities</b>			<u>1,777,282</u>		<u>1,663,040</u>
<b>Capital and reserves</b>					
Called up share capital	13		306,000		306,000
Profit and loss account	14		1,471,282		1,357,040
<b>Shareholders' funds</b>	12		<u>1,777,282</u>		<u>1,663,040</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 10 June 1997

The directors have taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a medium sized company.

  
 .....  
 C R WILKINS  
 DIRECTOR

The notes on pages 10 to 16 form part of these accounts.

**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 1996**

	<b>1996</b>		<b>1995</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>		303,956		646,177
<b>Returns on investments and servicing of finance</b>				
Interest received	25,780		32,416	
Dividends paid	(300,000)		(240,000)	
	-----		-----	
Net cash outflow from returns on investments and servicing of finance		(274,220)		(207,584)
<b>Taxation</b>				
Corporation tax paid (including ACT)	(232,206)		(162,025)	
	-----		-----	
Tax paid		(232,306)		(162,025)
<b>Investing activities</b>				
Payments to acquire:				
Tangible fixed assets	(140,416)		(96,643)	
Receipts from sales of:				
Tangible fixed assets	22,701		6,600	
	-----		-----	
Net cash outflow from investing activities		(117,715)		(90,043)
		-----		-----
<b>Net cash (outflow)/inflow before financing</b>		(320,285)		186,525
		=====		=====
<b>(Decrease)/increase in cash and cash equivalents</b>		(320,285)		186,525
		=====		=====

See note 18 for the notes to this statement.

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1996

### 1. Accounting policies

#### **Basis of accounting**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

#### **Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	2% on cost
Plant and equipment	10% to 33% on cost
Motor vehicles	25% on cost
Fixtures and fittings	25% on cost

#### **Stocks**

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

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **Deferred taxation**

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences 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.

#### **Pensions**

##### **Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS (cont...)

### FOR THE YEAR ENDED 31 DECEMBER 1996

<b>2. Operating profit</b>	<b>1996</b>	<b>1995</b>
Operating profit is stated after charging:	£	£
Auditors' remuneration	8,500	8,500
Hire of plant and machinery	972	6,173
Loss on sale of assets	1,664	5,030
	=====	=====
Depreciation of tangible fixed assets (note 8)		
Depreciation (owned assets)	93,307	116,053
	=====	=====
<b>3. Directors and employees</b>		
Staff costs including directors' emoluments:		
Wages and salaries	530,735	471,391
Social security costs	52,931	48,318
Pension costs	2,069	1,380
	-----	-----
	585,735	521,089
	=====	=====
The average number employed, which includes executive directors was:		
	No.	No.
Office staff	8	8
Selling and technical staff	9	8
Warehouse staff	5	5
	-----	-----
	22	21
	=====	=====
Directors	£	£
Directors' emoluments: (including benefits in kind)		
Management remuneration	145,374	133,531
	=====	=====

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS (cont...)

### FOR THE YEAR ENDED 31 DECEMBER 1996

Emoluments excluding pension scheme contributions	<b>1996</b>	<b>1995</b>
	£	£
Highest paid director	75,918	69,688
	=====	=====
Other directors	No.	No.
£0-£5,000	2	2
£60,001-£65,000	-	1
£65,001- £70,000	1	-
	=====	=====

#### Pension costs

##### Defined contribution scheme

The company operates a defined contribution 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 £2,069 (1995 - £1,380).

#### 4 Exceptional item

Included in administrative expenses for 1995 was an exceptional credit of £59,815 (1996 - £nil). This amount was in respect of technical service charges and freight costs owed to the parent company which were no longer considered payable; consequently such amounts were credited to the profit and loss account.

#### 5. Investment income

	<b>1996</b>	<b>1995</b>
	£	£
Bank deposit interest	25,780	32,416
	=====	=====

#### 6. Taxation

Corporation tax on profit on ordinary activities at 33% (1995 - 33%)	215,000	220,000
Over provision in earlier years	(2,694)	(3,475)
	-----	-----
	212,306	216,525
	=====	=====

#### 7. Dividends

Dividend of 98.04 per share (1995 78.43p)	300,000	240,000
	=====	=====

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS (cont...)

### FOR THE YEAR ENDED 31 DECEMBER 1996

#### 8. Tangible fixed assets

	Motor Vehicles £	Plant and Equipment £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost					
At 1 Jan 1996	174,355	338,349	230,780	496,197	1,239,681
Additions	99,813	25,022	14,905	676	140,416
Disposals	(66,600)	-	(7,154)	-	(73,754)
	-----	-----	-----	-----	-----
At 31 Dec 1996	207,568	363,371	238,531	496,873	1,306,343
	=====	=====	=====	=====	=====
Depreciation					
At 1 Jan 1996	95,011	251,927	182,931	31,662	561,531
Charge for year	34,727	29,865	20,791	7,924	93,307
Disposals	(42,397)	-	(6,992)	-	(49,389)
	-----	-----	-----	-----	-----
At 31 Dec 1996	87,341	281,792	196,730	39,586	605,449
	-----	-----	-----	-----	-----
Net book value					
At 31 Dec 1996	120,227	81,579	41,801	457,287	700,894
	=====	=====	=====	=====	=====
At 31 Dec 1995	79,344	86,422	47,849	464,535	678,150
	=====	=====	=====	=====	=====

The cost of freehold buildings on which depreciation is charged amounted to £396,873 (1995 - £396,197).

The National Westminster Bank plc holds a mortgage debenture dated 23 March 1981 and a legal mortgage dated 11 November 1988 over the property at Unit 2, Newby Road Industrial Estate, Hazel Grove, Stockport.

#### 9. Stocks

	1996 £	1995 £
Raw materials	93,064	77,413
Finished goods	438,693	394,753
	-----	-----
	531,757	472,166
	=====	=====

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS (cont...)

### FOR THE YEAR ENDED 31 DECEMBER 1996

<b>10. Debtors</b>	<b>1996</b>	<b>1995</b>
Amounts falling due within one year	£	£
Trade debtors	1,426,907	1,045,851
Prepayments and accrued income	43,792	48,923
Other debtors	77,308	61,598
	-----	-----
	1,548,007	1,156,372
	=====	=====

<b>11. Creditors</b>		
Amounts falling due within one year		
Bank overdraft	-	63,939
Trade creditors	106,565	64,264
Amounts owed to group undertaking	771,048	806,413
Corporation tax	215,000	220,000
Other taxation and social security	121,065	99,875
Accruals and deferred income	52,896	40,056
Other creditors	3,477	-
	-----	-----
	1,270,051	1,294,547
	=====	=====

The bank overdraft is secured by a mortgage over the property, details of which are shown in note 8 to these accounts.

### 12. Reconciliation of movement in shareholders' funds

Profit for the financial year	414,242	399,916
Dividends	(300,000)	(240,000)
	-----	-----
Net addition to shareholders' funds	114,242	159,916
Opening shareholders' funds	1,663,040	1,503,124
	-----	-----
Closing shareholders' funds	1,777,282	1,663,040
	=====	=====

13. Share capital	1996		1995	
Authorised	No	£	No	£
£1 Ordinary shares	329,000	329,000	329,000	329,000
	=====	=====	=====	=====
Allotted, called up and fully paid				
£1 Ordinary shares	306,000	306,000	306,000	306,000
	=====	=====	=====	=====



# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS (cont...)

### FOR THE YEAR ENDED 31 DECEMBER 1996

<b>14. Profit and loss account</b>	<b>1996</b>
	<b>£</b>
1 January 1996	1,357,040
Retained profit for the year	114,242
	-----
31 December 1996	1,471,282
	=====

<b>15. Financial commitments</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Contracted but not provided for	122,000	-
	=====	=====

#### 16. Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was RB Beitlich Industriebeteiligungen GmbH, a company incorporated in Germany. The company's ultimate controlling party is Vermogenstrager Beitlich GbmH.

#### 17. Related party transactions

During the year the company purchased goods to the value of £2,480,823 from its parent company. At the balance sheet date, the amount due to this company amounted to £771,048 (note11).

# CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

## NOTES TO THE ACCOUNTS (cont...)

FOR THE YEAR ENDED 31 DECEMBER 1996

### 18. Notes to the cashflow statement

<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Operating profit	600,768	584,025
Depreciation charges	93,307	116,053
Loss on sale of fixed assets	1,664	5,030
(Increase) in stocks	(59,591)	(109,273)
(Increase) in debtors	(376,635)	(93,197)
Increase in creditors	44,443	143,539
	-----	-----
Net cash inflow from operating activities	303,956	646,177
	=====	=====
<b>Analysis of changes in cash and cash equivalents as shown in the balance sheet</b>		
Balance at 1 January 1996	586,960	400,435
Net cash (outflow)/inflow	(320,285)	186,525
	-----	-----
Balance at 31 December 1996	266,675	586,960
	=====	=====
<b>Analysis of the balances of cash and cash equivalents as shown in the balance sheet</b>		<b>Change</b>
	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	266,675	650,899
Bank overdraft	-	(63,939)
	-----	-----
	266,675	586,960
	=====	=====
		<b>Change</b>
		<b>in year</b>
		<b>£</b>
		(384,224)
		63,939
		-----
		(320,285)
		=====