

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1998

Company number: 1185365

ALEXANDER & CO
Chartered Accountants



CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

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CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

COMPANY INFORMATION

31 DECEMBER 1998

REGISTERED NUMBER:	1185365
DIRECTORS:	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 1998

The directors present their report and the abbreviated financial statements for the year ended 31 December 1998.

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 results for the year have been achieved in a market that has shown continued signs of recession. There has been constant pressure on the company to reduce prices in order to maintain current levels of business and this had led to a fall in margins.

Despite this, the company has achieved a high level of profitability on a turnover that is only slightly reduced from last year.

The directors have renewed optimism for the industry for 1999 and are confident that the ensuing year will show increases in both turnover and profitability.

The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholders' funds amounting to £2,191,113

Profits, dividends and appropriations

The results for the year are shown in the profit and loss account on page 6.

An ordinary dividend amounting to £200,000 (1997 £300,000) 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 7 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 7.

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

DIRECTORS' REPORT (cont...)

FOR THE YEAR ENDED 31 DECEMBER 1998

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.

U Hambrecht (German)
Dr N Weigand (German)
C R Wilkins

Year 2000

The directors have recognised the potential issues arising from the Year 2000 and a programme to address its impact is being established by the company. The object of the programme is to ensure that the date change does not give rise to disruption or material economic loss. The costs involved in implementing this programme are not considered to be material.

Donations

During the year the company made charitable donations totalling £1,485.

Auditors

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

By order of the Board



C R Wilkins
Secretary

17 St Ann's Square
Manchester M2 7PW

Date: 22 April 1999

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare abbreviated 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 abbreviated 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 abbreviated financial statements;
- prepare the abbreviated 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: 22 April 1999

**CHEMISCHE FABRIK TUBINGEN (UK) LIMITED
AUDITORS' REPORT**

**Auditors' report to Chemische Fabrik Tubingen (UK) Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 6 to 14 together with the financial statements of the company for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 6 to 14 are properly prepared in accordance with those provisions.


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

Date: 22 April 1999

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £	1997 £
Gross profit		1,828,554	1,909,717
Net operating expenses			
Administrative expenses		(1,229,060)	(1,228,656)
		-----	-----
Operating profit	2	599,494	681,061
Investment income	4	47,711	33,334
		-----	-----
Profit on ordinary activities before taxation		647,205	714,395
Taxation	5	(216,421)	(231,348)
		-----	-----
Profit on ordinary activities after taxation		430,784	483,047
Dividends	6	(200,000)	(300,000)
		-----	-----
Retained profit for the year	13	<u>230,784</u>	<u>183,047</u>

Movements in reserves are shown in note 13.

There are no recognised gains and losses in 1998 and 1997 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 9 to 14 form part of these accounts.

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

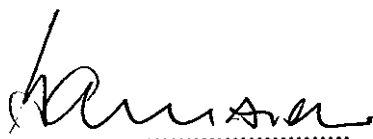
ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	7	674,425	708,673
Current assets			
Stock	8	515,085	546,862
Debtors	9	1,199,897	1,360,803
Cash at bank and in hand		948,809	647,196
		<u>2,663,791</u>	<u>2,554,861</u>
Creditors - amounts falling due within one year	10	<u>(1,147,103)</u>	<u>(1,303,205)</u>
Net current assets		1,516,688	1,251,656
Total assets less current liabilities		<u>2,191,113</u>	<u>1,960,329</u>
Capital and reserves			
Called up share capital	12	306,000	306,000
Profit and loss account	13	1,885,113	1,654,329
Shareholders' funds	11	<u>2,191,113</u>	<u>1,960,329</u>

The abbreviated financial statements on pages 6 to 14 were approved by the Board of Directors on 22 April 1999.

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies.



U. Hambrecht
DIRECTOR

The notes on pages 9 to 14 form part of these accounts.

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

	1998	1997
	£	£
Net cash inflow from operating activities	777,712	893,585
Returns on investments and servicing of finance		
Interest received	47,711	33,334
	-----	-----
Net cash inflow from returns on investments and servicing of finance	47,711	33,334
Taxation		
Corporation tax paid (including ACT)	(231,421)	(136,348)
	-----	-----
Tax paid	(231,421)	(136,348)
Capital expenditure		
Payments to acquire:		
Tangible fixed assets	(96,891)	(155,535)
Receipts from sales of:		
Tangible fixed assets	4,502	45,485
	-----	-----
Net cash outflow from capital expenditure	(92,389)	(110,050)
Equity dividends paid	(200,000)	(300,000)
	-----	-----
Net cash inflow before financing	301,613	380,521
	=====	=====
Increase in cash for the period	301,613	380,521
	=====	=====

See note 17 for the notes to this statement.

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1. Accounting policies

Basis of accounting

The abbreviated 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 ABBREVIATED ACCOUNTS (cont...)

FOR THE YEAR ENDED 31 DECEMBER 1998

2. Operating profit	1998	1997
Operating profit is stated after charging/(crediting):	£	£
Auditors' remuneration	9,000	9,000
Hire of plant and machinery	2,658	2,278
Loss/(profit) on sale of assets	9,010	(8,444)
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7)		
Depreciation (owned assets)	117,627	110,715
	<u> </u>	<u> </u>
3. Directors and employees		
Staff costs including directors' emoluments:		
Wages and salaries	537,785	532,495
Social security costs	54,112	52,675
Pension costs	4,883	3,900
	<u> </u>	<u> </u>
	596,780	589,070
	<u> </u>	<u> </u>
The average number employed, which includes executive directors was:	No.	No.
Office staff	9	8
Selling and technical staff	10	10
Warehouse staff	6	6
	<u> </u>	<u> </u>
	25	24
	<u> </u>	<u> </u>
Directors	£	£
Directors' emoluments: (including benefits in kind)		
Management remuneration	85,593	98,358
	<u> </u>	<u> </u>

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 £4,883 (1997 - £3,900).

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 1998

4.	Investment income	1998	1997		
		£	£		
	Bank deposit interest	47,711	33,334		
		<u><u> </u></u>	<u><u> </u></u>		
5.	Taxation				
	Corporation tax on profit on ordinary activities at 31 % (1997 - 33%)	220,000	235,000		
	Over provision in earlier years	(3,579)	(3,652)		
		<u><u>216,421</u></u>	<u><u>231,348</u></u>		
6.	Dividends				
	Dividend of 65.36p per share (1997 98.04p)	200,000	300,000		
		<u><u> </u></u>	<u><u> </u></u>		
7.	Tangible fixed assets	Plant and	Fixtures and	Freehold land and	
	Motor Vehicles	Equipment	Fittings	Buildings	Total
	£	£	£	£	£
Cost					
At 1 Jan 1998	243,586	372,429	249,189	496,873	1,362,077
Additions	26,917	25,710	29,633	14,631	96,891
Disposals	(13,335)	(12,532)	-	-	(25,867)
	<u><u>257,168</u></u>	<u><u>385,607</u></u>	<u><u>278,822</u></u>	<u><u>511,504</u></u>	<u><u>1,433,101</u></u>
Depreciation					
At 1 Jan 1998	77,397	312,860	214,790	48,357	653,404
Charge for year	61,971	27,115	20,305	8,236	117,627
Disposals	(7,223)	(5,132)	-	-	(12,355)
	<u><u>132,145</u></u>	<u><u>334,843</u></u>	<u><u>235,095</u></u>	<u><u>56,593</u></u>	<u><u>758,676</u></u>
Net book value					
At 31 Dec 1998	125,023	50,764	43,727	454,911	674,425
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
At 31 Dec 1997	166,189	59,569	34,399	448,516	708,673
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

The cost of freehold buildings on which depreciation is charged amounted to £411,504 (1997 - £396,873).

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.

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (cont...)

FOR THE YEAR ENDED 31 DECEMBER 1998

8. Stocks	1998	1997
	£	£
Raw materials	43,421	58,265
Finished goods	471,664	488,597
	<u>515,085</u>	<u>546,862</u>
9. Debtors		
Amounts falling due within one year	£	£
Trade debtors	1,097,850	1,233,742
Prepayments and accrued income	47,881	46,332
Other debtors	54,166	80,729
	<u>1,199,897</u>	<u>1,360,803</u>
10. Creditors		
Amounts falling due within one year	£	£
Trade creditors	58,671	126,124
Amounts owed to group undertaking	667,397	713,875
Corporation tax	270,000	310,000
Other taxation and social security	112,610	118,103
Accruals and deferred income	34,205	30,828
Other creditors	4,220	4,275
	<u>1,147,103</u>	<u>1,303,205</u>
11. Reconciliation of movement in shareholders' funds		
Profit for the financial year	430,784	483,047
Dividends	(200,000)	(300,000)
	<u>230,784</u>	<u>183,047</u>
Net addition to shareholders' funds	230,784	183,047
Opening shareholders' funds	1,960,329	1,777,282
	<u>2,191,113</u>	<u>1,960,329</u>

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 1998

12. Share capital	1998		1997	
Authorised	No	£	No	£
£1 Ordinary shares	329,000	329,000	329,000	329,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted, called up and fully paid				
£1 Ordinary shares	306,000	306,000	306,000	306,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. Profit and loss account	1998
	£
1 January 1998	1,654,329
Retained profit for the year	230,784
	<u> </u>
31 December 1998	1,885,113
	<u> </u>

14. Financial commitments	1998	1997
	£	£
Contracted but not provided for	-	-
	<u> </u>	<u> </u>

15. **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.

16. **Related party transactions**
During the year the company purchased goods to the value of £2,982,976 from other group companies. At the balance sheet date, the amounts due to these companies amounted to £667,397.

CHEMISCHE FABRIK TUBINGEN (UK) LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS (cont...)
FOR THE YEAR ENDED 31 DECEMBER 1998

17. Notes to the cashflow statement

Reconciliation of operating profit to net cash inflow from operating activities	1998	1997
	£	£
Operating profit	599,494	681,061
Depreciation charges	117,627	110,715
Loss/(profit) on sale of fixed assets	9,010	(8,444)
Decrease/(increase) in stocks	31,777	(15,105)
Decrease in debtors	135,906	187,204
(Decrease) in creditors	(116,102)	(61,846)
	<hr/>	<hr/>
Net cash inflow from operating activities	777,712	893,585
	<hr/>	<hr/>
Analysis of changes in net funds as shown in the balance sheet		
Balance at 1 January 1998	647,196	266,675
Net cash inflow	301,613	380,521
	<hr/>	<hr/>
Balance at 31 December 1998	948,809	647,196
	<hr/>	<hr/>
Analysis of the balances of net funds as shown in the balance sheet		Change in year
	1998	1997
	£	£
Cash at bank and in hand	948,809	647,196
	<hr/>	<hr/>
		<hr/>