

**CENTURION SPECIALITY
CHEMICALS LIMITED
FINANCIAL STATEMENTS
FOR
31 OCTOBER 2002**

Company Registration Number 2628112



HACKER YOUNG
Chartered Accountants & Registered Auditors
St Johns Chambers
Love Street
Chester
CH1 1QN

CENTURION SPECIALITY CHEMICALS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2002

CONTENTS	PAGE
The directors' report	1
Independent auditors' report to the shareholders	3
Profit and loss account	5
Reconciliation of movements in shareholders' funds	6
Balance sheet	7
Notes to the financial statements	8

CENTURION SPECIALITY CHEMICALS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 October 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of formulation and distribution of specialist chemicals for the electronics industry.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At	At
	31 October 2002	1 November 2001
Mr G Lloyd-Watts	5,500	5,500
Mr A A Bryce	2,000	2,000
Mr G Chaplin	2,000	2,000
Mrs J L Lloyd-Watts	5,500	5,500

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

Blueprint Audit Limited resigned as auditors during the year. Hacker Young were invited to fill the casual vacancy arising. Hacker Young have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

CENTURION SPECIALITY CHEMICALS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 OCTOBER 2002

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
38 King Street
Chester
Cheshire
CH1 2AH

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'John Layton', is written over the printed name of the Company Secretary.

Company Secretary

Approved by the directors on 21 March 2003

CENTURION SPECIALITY CHEMICALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 OCTOBER 2002

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CENTURION SPECIALITY CHEMICALS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(CONTINUED)*

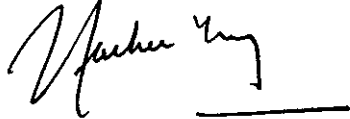
YEAR ENDED 31 OCTOBER 2002

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2002 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

St Johns Chambers
Love Street
Chester
CH1 1QN

21 March 2003


HACKER YOUNG
Chartered Accountants
& Registered Auditors

CENTURION SPECIALITY CHEMICALS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 OCTOBER 2002**

	Note	2002 £	2001 £
TURNOVER		1,126,218	1,606,627
Cost of sales		<u>769,409</u>	<u>1,154,010</u>
GROSS PROFIT		356,809	452,617
Distribution Costs		26,622	59,038
Administrative expenses		341,851	360,170
Other operating income	2	<u>(7,830)</u>	<u>(6,301)</u>
OPERATING (LOSS)/PROFIT	3	(3,834)	39,710
Interest receivable		39	277
Interest payable		—	(62)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,795)	39,925
Tax on (loss)/profit on ordinary activities		<u>(1,662)</u>	<u>9,796</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(2,133)	30,129
Equity dividends paid		—	25,000
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(2,133)	5,129
Balance brought forward		<u>333,144</u>	<u>328,015</u>
Balance carried forward		<u>331,011</u>	<u>333,144</u>

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 8 to 11 form part of these financial statements.

CENTURION SPECIALITY CHEMICALS LIMITED**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS****YEAR ENDED 31 OCTOBER 2002**

	2002	2001
	£	£
(Loss)/Profit for the financial year	(2,133)	30,129
Dividends	<u>—</u>	<u>(25,000)</u>
	(2,133)	5,129
Opening shareholders' equity funds	<u>343,144</u>	<u>338,015</u>
Closing shareholders' equity funds	<u>341,011</u>	<u>343,144</u>

The notes on pages 8 to 11 form part of these financial statements.

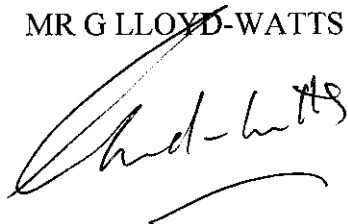
CENTURION SPECIALITY CHEMICALS LIMITED**BALANCE SHEET****31 OCTOBER 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	5	7,304	27,724
CURRENT ASSETS			
Stocks		18,356	26,462
Debtors	6	300,806	305,380
Cash at bank		132,734	141,464
		<u>451,896</u>	<u>473,306</u>
CREDITORS: Amounts falling due within one year	7	<u>118,189</u>	<u>157,886</u>
NET CURRENT ASSETS		<u>333,707</u>	<u>315,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>341,011</u>	<u>343,144</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	10,000	10,000
Profit and Loss Account		331,011	333,144
SHAREHOLDERS' FUNDS		<u>341,011</u>	<u>343,144</u>

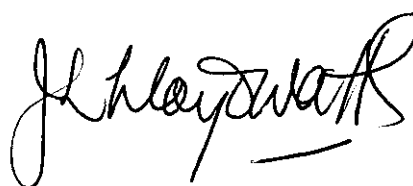
These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 21 March 2003 and are signed on their behalf by:

MR G LLOYD-WATTS



MRS J L LLOYD-WATTS



CENTURION SPECIALITY CHEMICALS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2002****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) 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, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	20% or 33% straight line
Motor Vehicles	35% reducing balance

Stocks

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

Pension costs

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the Profit and Loss Account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OTHER OPERATING INCOME

	2002	2001
	£	£
Other operating income	<u>7,830</u>	<u>6,301</u>

CENTURION SPECIALITY CHEMICALS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2002****3. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging:

	2002	2001
	£	£
Staff pension contributions	2,010	5,124
Depreciation	8,152	14,862
Loss on disposal of fixed assets	5,510	—
Auditors' fees	2,865	2,955
Net loss on foreign currency translation	<u>411</u>	<u>3,250</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Aggregate emoluments	142,594	114,110
Value of company pension contributions to money purchase schemes	<u>3,580</u>	<u>3,484</u>
	<u>146,174</u>	<u>117,594</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002	2001
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

CENTURION SPECIALITY CHEMICALS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2002****5. TANGIBLE FIXED ASSETS**

	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 November 2001	33,956	80,066	114,022
Additions	395	—	395
Disposals	—	(61,152)	(61,152)
At 31 October 2002	34,351	18,914	53,265
DEPRECIATION			
At 1 November 2001	31,826	54,472	86,298
Charge for the year	1,114	7,038	8,152
On disposals	—	(48,489)	(48,489)
At 31 October 2002	32,940	13,021	45,961
NET BOOK VALUE			
At 31 October 2002	1,411	5,893	7,304
At 31 October 2001	2,130	25,594	27,724

6. DEBTORS

	2002 £	2001 £
Trade debtors	267,950	290,572
Corporation tax repayable	2,766	—
Other debtors	30,090	14,808
	300,806	305,380

7. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Trade creditors	23,464	24,986
Corporation tax	—	8,025
Other taxation and social security	17,510	15,311
Other creditors	77,215	109,564
	118,189	157,886

8. DEFERRED TAXATION

No deferred tax provision is required

CENTURION SPECIALITY CHEMICALS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2002****9. RELATED PARTY TRANSACTIONS**

Alchemia Limited, Chemisphere limited and Quicksilver Recovery Services Limited are under the control of Mr G Lloyd-Watts and Mrs J L Lloyd-Watts, directors of Centurion Speciality Chemicals Limited. Under the provisions of Financial Reporting Standard 8 - 'Related Party Disclosures', these three companies are related parties.

Total sales to Alchemia Limited during the year amounted to £2,042 (2001:£3,009) and purchases from Alchemia Limited amounted to £559,277 (2001:£806,169). Included in debtors is an amount of £265 (2001:£1,058) owing from, and included in creditors is an amount of £48,269 (2001:£61,144) owing to, Alchemia Limited.

Total sales to Chemisphere Limited during the year amounted to £Nil (2001:£39) and total purchases from Chemisphere Limited amounted to £35,601 (2001:£44,510). Included In creditors is an amount of £3,367 (2001:£3,317) owing to Chemisphere Limited.

In addition to the above transactions, management charges amounting to £33,875 (2001:£46,875) were paid to the related undertakings

10. CONTROL

The company was under the control of its directors, who controlled the whole company's issued ordinary share capital throughout the whole of the year and the previous year.

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

	2002	2001
	£	£
10,000 Ordinary shares of £1 each	10,000	10,000

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	10,000	10,000