

REGISTERED NUMBER: 2476263 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2003

FOR

CLOVER CHEMICALS LTD



CLOVER CHEMICALS LTD

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Financial Statements	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Financial Statements	10

CLOVER CHEMICALS LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 2003

DIRECTORS:	D. C. Eustace J. M. Tobias C. Eustace
SECRETARY:	D C Eustace
REGISTERED OFFICE:	Clover House Macclesfield Road Whaley Bridge High Peak SK23 7DQ
REGISTERED NUMBER:	2476263 (England and Wales)
AUDITORS:	A. Allen & Son Chartered Accountants & Registered Auditors 45 Union Road New Mills High Peak SK22 3EL
SOLICITORS:	D L A 101 Barbirolli Square Manchester M2 3DL

CLOVER CHEMICALS LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 2003

The directors present their report with the financial statements of the company for the year ended 30th April 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture of chemicals.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £200 per share.

The total distribution of dividends for the year ended 30th April 2003 will be £20,000.

DIRECTORS

The directors during the year under review were:

D. C. Eustace
J. M. Tobias
C. Eustace

The beneficial interests of the directors holding office on 30th April 2003 in the issued share capital of the company were as follows:

	30.4.03	1.5.02
Ordinary shares £1 shares		
D. C. Eustace	51	51
J. M. Tobias	25	25
C. Eustace	24	24

STATEMENT OF 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. They 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.

CLOVER CHEMICALS LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 2003

AUDITORS

The auditors, A. Allen & Son, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'D C Eustace', written in a cursive style.

For and on behalf of the board
D C Eustace - Secretary

31st July 2003

CLOVER CHEMICALS LTD

REPORT OF THE INDEPENDENT AUDITORS TO
CLOVER CHEMICALS LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to sixteen, together with the full financial statements of the company for the year ended 30th April 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision 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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to sixteen are properly prepared in accordance with that provision.



A. Allen & Son
Chartered Accountants
& Registered Auditors
45 Union Road
New Mills
High Peak
SK22 3EL

31st July 2003

CLOVER CHEMICALS LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2003

		2003	2002
	Notes	£	£
GROSS PROFIT		752,088	809,713
Administrative expenses		746,753	583,043
OPERATING PROFIT	3	5,335	226,670
Interest receivable and similar income		5,628	10,854
		10,963	237,524
Interest payable and similar charges	4	29,594	32,933
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,631)	204,591
Tax on (loss)/profit on ordinary activities	5	25,915	37,098
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(44,546)	167,493
Dividends	6	20,000	26,400
		(64,546)	141,093
Retained profit brought forward		1,391,938	1,250,845
RETAINED PROFIT CARRIED FORWARD		<u>£1,327,392</u>	<u>£1,391,938</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

CLOVER CHEMICALS LTD
ABBREVIATED BALANCE SHEET
30TH APRIL 2003

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		1,264,942		1,160,854
CURRENT ASSETS:					
Stocks	8	244,829		194,415	
Debtors	9	679,958		657,548	
Cash at bank		171,667		414,483	
		1,096,454		1,266,446	
CREDITORS: Amounts falling due within one year	10	594,394		577,803	
NET CURRENT ASSETS:			502,060		688,643
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,767,002		1,849,497
CREDITORS: Amounts falling due after more than one year	11		(338,642)		(382,506)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(100,868)		(74,953)
			<u>£1,327,492</u>		<u>£1,392,038</u>
CAPITAL AND RESERVES:					
Called up share capital	16		100		100
Profit and loss account			1,327,392		1,391,938
SHAREHOLDERS' FUNDS:	19		<u>£1,327,492</u>		<u>£1,392,038</u>

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

ON BEHALF OF THE BOARD:



D. C. Eustace - Director

Approved by the Board on 31st July 2003

CLOVER CHEMICALS LTD
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2003

		2003		2002	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		74,684		330,207
Returns on investments and servicing of finance	2		(23,966)		(22,079)
Taxation			(36,604)		(28,443)
Capital expenditure	2		(153,445)		(50,840)
Equity dividends paid			(20,000)		(26,400)
			<u>(159,331)</u>		<u>202,445</u>
Financing	2		(83,485)		(68,020)
(Decrease)/Increase in cash in the period			<u>£(242,816)</u>		<u>£134,425</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(242,816)		134,425	
Cash outflow from decrease in debt and lease financing		<u>34,197</u>		<u>24,869</u>	
Change in net funds resulting from cash flows			(208,619)		159,294
New finance leases			(48,660)		-
Movement in net funds in the period			<u>(257,279)</u>		<u>159,294</u>
Net funds at 1st May			<u>383,835</u>		<u>224,541</u>
Net funds at 30th April			<u>£126,556</u>		<u>£383,835</u>

The notes form part of these financial statements

CLOVER CHEMICALS LTD

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	5,335	226,670
Depreciation charges	98,017	64,225
Loss on sale of fixed assets	-	1,043
(Increase)/Decrease in stocks	(50,414)	34,597
Increase in debtors	(22,411)	(30,704)
Increase in creditors	44,157	34,376
	<hr/>	<hr/>
Net cash inflow from operating activities	74,684	330,207
	<hr/>	<hr/>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	5,628	10,854
Interest paid	(25,375)	(28,769)
Interest element of hire purchase payments	(4,219)	(4,164)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(23,966)	(22,079)
	<hr/>	<hr/>
Capital expenditure		
Purchase of tangible fixed assets	(153,445)	(50,840)
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(153,445)	(50,840)
	<hr/>	<hr/>
Financing		
Loan repayments in year	(49,164)	(43,077)
Hire purchase repayments in year	(34,196)	(24,869)
Amount withdrawn by directors	(125)	(74)
	<hr/>	<hr/>
Net cash outflow from financing	(83,485)	(68,020)
	<hr/>	<hr/>

CLOVER CHEMICALS LTD

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2003

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.5.02 £	Cash flow £	Other non-cash changes £	At 30.4.03 £
Net cash:				
Cash at bank	414,483	(242,816)		171,667
	<u>414,483</u>	<u>(242,816)</u>		<u>171,667</u>
Debt:				
Hire purchase	(30,648)	34,197	(48,660)	(45,111)
	<u>(30,648)</u>	<u>34,197</u>	<u>(48,660)</u>	<u>(45,111)</u>
Total	<u>383,835</u>	<u>(208,619)</u>	<u>(48,660)</u>	<u>126,556</u>
Analysed in Balance Sheet				
Cash at bank	414,483			171,667
Hire purchase				
within one year	(21,620)			(25,046)
after one year	(9,028)			(20,065)
	<u>383,835</u>			<u>126,556</u>

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Fixtures and office equipment	- 25% on cost and 15% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	758,110	586,692
Social security costs	60,243	46,611
	<hr/>	<hr/>
	818,353	633,303
	<hr/>	<hr/>

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2003	2002
Production	40	34
Office	11	11
Laboratory	3	-
	<u>—</u>	<u>—</u>
	54	45
	<u>==</u>	<u>==</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Car lease payments	23,126	19,217
Depreciation - owned assets	78,306	53,071
Depreciation - assets on hire purchase contracts	19,711	11,154
Loss on disposal of fixed assets	-	1,043
Auditors' remuneration	2,786	2,750
	<u>==</u>	<u>==</u>
Directors' emoluments	85,574	104,277
	<u>==</u>	<u>==</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Loan	25,375	28,769
Hire purchase	4,219	4,164
	<u>==</u>	<u>==</u>
	29,594	32,933
	<u>==</u>	<u>==</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	2003	2002
	£	£
Current tax:		
UK corporation tax	-	36,604
Deferred taxation	25,915	494
	<u>==</u>	<u>==</u>
Tax on (loss)/profit on ordinary activities	25,915	37,098
	<u>==</u>	<u>==</u>

UK corporation tax was charged at 20% in 2002.

6. DIVIDENDS

	2003	2002
	£	£
Equity shares:		
Final - ordinary	20,000	26,400
	<u>==</u>	<u>==</u>

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

7. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and office equipment	Totals
	£	£	£	£
COST:				
At 1st May 2002	1,040,926	361,373	59,508	1,461,807
Additions	-	182,658	19,447	202,105
At 30th April 2003	1,040,926	544,031	78,955	1,663,912
DEPRECIATION:				
At 1st May 2002	62,220	213,749	24,984	300,953
Charge for year	20,819	66,056	11,142	98,017
At 30th April 2003	83,039	279,805	36,126	398,970
NET BOOK VALUE:				
At 30th April 2003	957,887	264,226	42,829	1,264,942
At 30th April 2002	978,706	147,624	34,524	1,160,854

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery
	£
COST:	
At 1st May 2002	72,725
Additions	53,940
At 30th April 2003	126,665
DEPRECIATION:	
At 1st May 2002	28,109
Charge for year	19,711
At 30th April 2003	47,820
NET BOOK VALUE:	
At 30th April 2003	78,845
At 30th April 2002	44,616

8. STOCKS

	2003	2002
	£	£
Raw materials	111,903	93,814
Consumable stock	60,051	48,192
Work in progress	5,301	2,423
Finished goods	67,574	49,986
	244,829	194,415

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	628,082	573,799
Accrued income	-	895
Prepayments	51,876	82,854
	<u>679,958</u>	<u>657,548</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 12)	49,644	43,907
Hire purchase contracts (see note 13)	25,046	21,620
Trade creditors	458,470	399,075
Other creditors	118	587
Directors' current accounts	600	725
V.A.T.	23,461	29,029
Social security & other taxes	15,754	12,104
Taxation	-	36,604
Accrued expenses	21,301	34,152
	<u>594,394</u>	<u>577,803</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Bank loans (see note 12)	318,577	373,478
Hire purchase contracts (see note 13)	20,065	9,028
	<u>338,642</u>	<u>382,506</u>

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank loans	<u>49,644</u>	<u>43,907</u>
Amounts falling due between one and two years:		
Bank loans	<u>53,952</u>	<u>47,653</u>
Amounts falling due between two and five years:		
Bank loans	<u>189,109</u>	<u>132,657</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>75,516</u>	<u>193,168</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2003 £	2002 £
Gross obligations repayable:		
Within one year	27,142	23,455
Between one and five years	<u>20,860</u>	<u>9,262</u>
	<u>48,002</u>	<u>32,717</u>
Finance charges repayable:		
Within one year	2,096	1,835
Between one and five years	<u>795</u>	<u>234</u>
	<u>2,891</u>	<u>2,069</u>
Net obligations repayable:		
Within one year	25,046	21,620
Between one and five years	<u>20,065</u>	<u>9,028</u>
	<u>45,111</u>	<u>30,648</u>

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

14. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank loans	368,221	417,385
Hire purchase contracts	45,111	30,648
	<u>413,332</u>	<u>448,033</u>

Hire purchase contracts are secured by the assets to which they relate.

The bank holds a floating charge over the assets of the company including book debts.

The bank holds a fixed legal charge over the property Botany Works, Whaley Bridge.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred tax	<u>100,868</u>	<u>74,953</u>

	Deferred tax £
Balance at 1st May 2002	74,953
Movement in the year	25,915
Balance at 30th April 2003	<u>100,868</u>

	2003	2002
	£	£
Capital allowances in excess of depreciation	40,946	11,877
Capital gains tax rolled over	59,922	63,076
	<u>100,868</u>	<u>74,953</u>

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003	2002
			£	£
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

17. CAPITAL COMMITMENTS

	2003	2002
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>53,700</u>

CLOVER CHEMICALS LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2003

18. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 30th April 2003:

	£
D. C. Eustace	
Balance outstanding at start of year	-
Balance outstanding at end of year	-
Maximum balance outstanding during year	<u>123,060</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
(Loss)/Profit for the financial year	(44,546)	167,493
Dividends	(20,000)	(26,400)
Net (reduction)/addition to shareholders' funds	<u>(64,546)</u>	<u>141,093</u>
Opening shareholders' funds	<u>1,392,038</u>	<u>1,250,945</u>
Closing shareholders' funds	<u><u>1,327,492</u></u>	<u><u>1,392,038</u></u>
 Equity interests	 <u>1,327,492</u>	 <u>1,392,038</u>

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the company is Mr D Eustace who owns 51% of the share capital.