

COMPANY REGISTRATION NUMBER 1346796

GOWER CHEMICALS LIMITED
ABBREVIATED ACCOUNTS
FOR
31 JULY 2005



GRIFFITH & MILES LIMITED
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITOR
SWANSEA

GOWER CHEMICALS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JULY 2005

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GOWER CHEMICALS LIMITED
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31 July 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

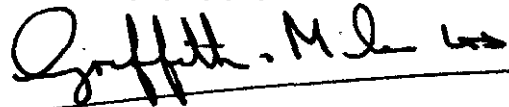
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



GRIFFITH & MILES LIMITED
Chartered Accountants
& Registered Auditors

Charter Court
Phoenix Way
Enterprise Park
Swansea
SA7 9FS

26 May 2006

GOWER CHEMICALS LIMITED

ABBREVIATED BALANCE SHEET

31 JULY 2005

	Note	2005 £	2004 £
FIXED ASSETS	2		
Tangible assets		1,808,705	1,875,548
Investments		1,263,589	940,558
		<u>3,072,294</u>	<u>2,816,106</u>
CURRENT ASSETS			
Stocks		184,118	182,913
Debtors		1,024,792	1,309,607
Cash at bank and in hand		6,242	58,444
		<u>1,215,152</u>	<u>1,550,964</u>
CREDITORS: Amounts falling due within one year	3	<u>1,071,991</u>	<u>991,854</u>
NET CURRENT ASSETS		<u>143,161</u>	<u>559,110</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,215,455</u>	<u>3,375,216</u>
CREDITORS: Amounts falling due after more than one year	4	808,170	889,411
PROVISIONS FOR LIABILITIES AND CHARGES		<u>110,500</u>	<u>110,500</u>
		<u>2,296,785</u>	<u>2,375,305</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	55,555	55,555
Profit and loss account		2,241,230	2,319,750
SHAREHOLDERS' FUNDS		<u>2,296,785</u>	<u>2,375,305</u>

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

These abbreviated accounts were approved by the directors on 24 May 2006 and are signed on their behalf by:


MR I. BUTCHER


MR A.W.J. CHAMPION

The notes on pages 3 to 6 form part of these abbreviated accounts.

GOWER CHEMICALS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

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:

Freehold Property	-	2% straight line
Leasehold Property	-	2% straight line
Plant & Machinery	-	25% reducing balance
Motor Vehicles	-	25% 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.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

GOWER CHEMICALS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2005

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST			
At 1 August 2004	4,118,879	940,558	5,059,437
Additions	66,407	323,031	389,438
Disposals	(61,694)	–	(61,694)
At 31 July 2005	<u>4,123,592</u>	<u>1,263,589</u>	<u>5,387,181</u>
DEPRECIATION			
At 1 August 2004	2,243,331	–	2,243,331
Charge for year	123,467	–	123,467
On disposals	(51,911)	–	(51,911)
At 31 July 2005	<u>2,314,887</u>	<u>–</u>	<u>2,314,887</u>
NET BOOK VALUE			
At 31 July 2005	<u>1,808,705</u>	<u>1,263,589</u>	<u>3,072,294</u>
At 31 July 2004	<u>1,875,548</u>	<u>940,558</u>	<u>2,816,106</u>

GOWER CHEMICALS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2005

2. FIXED ASSETS *(continued)*

The company owns 100% of the issued share capital of the companies listed below, except for W.C.S.Environmental Limited where it holds a 66% holding.(2004: 49%)

Aggregate capital and reserves

Autocoat Limited	98,644	134,413
Gower Water Treatment Limited (dormant)	2,850	2,850
W.C.S. Environmental Limited	716,351	659,067

Profit and (loss) for the year

The capital and reserves and profit or loss for the subsidiary as at its financial year ending with, or last before, the financial year of the holding company were as follows:

Autocoat Limited	(35,769)	952,774
Gower Water Treatment Limited	-	-
W.C.S.Environmental Limited	57,284	43,241

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	<u>479,830</u>	<u>223,042</u>

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	<u>770,632</u>	<u>852,099</u>

5. TRANSACTIONS WITH THE DIRECTORS

During the year the company provided loans to the directors, the amounts outstanding at the year end are shown in note 13. The split of the amounts due are as follows:

Mr I. Butcher	£ 1,800 (2004: £1,800).
Mr A Morris	£0 (2004: £20,000)
Mr J Champion	£ 7,000 (2004: £7,000)

All loans were interest free with no fixed term for repayment. The above amounts represented the maximum amount provided in the year.

GOWER CHEMICALS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JULY 2005

6. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
80,000 Ordinary "A" shares of £1 each	80,000	80,000
20,000 Ordinary "B" shares of £1 each	20,000	20,000
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary "A" shares of £1 each	50,000	50,000	50,000	50,000
Ordinary "B" shares of £1 each	5,555	5,555	5,555	5,555
	<u>55,555</u>	<u>55,555</u>	<u>55,555</u>	<u>55,555</u>

7. POST BALANCE SHEET EVENTS

Gower Chemicals Limited have a legal agreement in place with Mr M. Sullivan, director and shareholder of W.C.S. Environmental Limited, for the option to purchase the remaining 34% of the shareholding of the Company in three equal annual acquisitions commencing January 2006.