

Company Number : 1384952

**G.W CHEMICALS LIMITED
AND SUBSIDIARY COMPANIES**

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

28TH FEBRUARY 1995

BREBNER, ALLEN & TRAPP

CHARTERED ACCOUNTANTS

LONDON



G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

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G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 28TH FEBRUARY 1995

The directors submit their report together with the audited accounts for the year ended 28th February 1995.

RESULTS & DIVIDENDS

The group's results are set out in the profit and loss account on page 4 and show a profit for the year before taxation of £171,595 (1994 : £343,737).

The directors do not recommend the payment of any dividends. The unappropriated reserves of £250,910 are carried forward.

REVIEW OF THE BUSINESS & FUTURE PROSPECTS

The principal activity of the group continues to be the manufacture and supply of chemicals.

1994/95 was a difficult year for the group which experienced continuing pressure on margins in an increasingly competitive market. However the board is pleased to report an acceptable level of retained profits which it is confident of increasing in 1995/96.

FIXED ASSETS

The movements in fixed assets are set out in the notes to the accounts.

DIRECTORS & THEIR INTERESTS

The directors of the company during the year, and their interests in the capital of the company throughout the year were :-

Beneficial Holdings :	<u>Ordinary shares of £1 each</u>
A. Williams	14,552
G.A Gee	14,550
S. Heseltine	-

Mr S.J Cryer of Brebner, Allen & Trapp is a joint trustee of trusts holding 3,000 ordinary shares of £1 each in which he has no beneficial interest.

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

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 the affairs of the company and the group, and of the profit and loss of the group for that period. In preparing these financial statements, the directors are required to :-

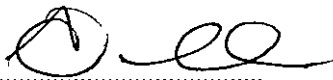
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution proposing the re-appointment of Brebner, Allen & Trapp as auditors of the company will be put to the members at the annual general meeting.

On Behalf of the Board



.....
Andrew Williams
Chairman

12th July 1995.

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES**CONSOLIDATED PROFIT & LOSS ACCOUNT****FOR THE YEAR ENDED 28TH FEBRUARY 1995**

	<u>Notes</u>		<u>1994</u>
Turnover	2	6,295,066	6,454,100
Changes in stocks of finished goods and work in progress		(16,057)	282
		6,279,009	6,454,382
Other operating income		-	1,288
		6,279,009	6,455,670
Raw materials & consumables	2,676,136	2,552,965	
Other external charges	<u>145,018</u>	<u>116,869</u>	
		(2,821,154)	(2,669,834)
		3,457,855	3,785,836
Staff costs	3 1,819,499	1,860,588	
Other operating charges	<u>1,386,358</u>	<u>1,472,624</u>	
		(3,205,857)	(3,333,212)
Operating profit	4	251,998	452,624
Interest payable	5	(80,403)	(108,887)
Profit on ordinary activities before taxation		171,595	343,737
Taxation	6.1	(69,793)	(109,866)
Profit on ordinary activities after taxation		101,802	233,871
Minority interests		(24,414)	(11,857)
Profit attributable to members of the holding company	7	77,388	222,014
Dividends		-	(116,408)
Retained profit for the year		77,388	105,606
Transfer from revaluation reserve		2,026	-
Reserves brought forward		<u>171,496</u>	<u>65,890</u>
Reserves carried forward		£ <u>250,910</u>	£ <u>171,496</u>

All results during the year related to continuing operations. There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES**CONSOLIDATED BALANCE SHEET AT 28TH FEBRUARY 1995**

	<u>Notes</u>		<u>1994</u>
FIXED ASSETS			
Tangible assets	9.1	1,010,340	1,114,725
CURRENT ASSETS			
Stocks	11	354,035	370,092
Debtors	12	1,306,874	1,360,646
Cash at bank and in hand		<u>58,868</u>	<u>9,559</u>
		1,719,777	1,740,297
CREDITORS : Amounts falling due within one year	13	(<u>1,794,713</u>)	(<u>1,928,849</u>)
Net current liabilities		(<u>74,936</u>)	(<u>188,552</u>)
TOTAL ASSETS LESS CURRENT LIABILITIES		935,404	926,173
CREDITORS : Amounts falling due after one year	14	(<u>252,278</u>)	(<u>341,688</u>)
		683,126	584,485
Provision for liabilities and charges :			
Deferred consideration	21	(58,730)	(58,730)
Deferred taxation	6.2	(<u>1,505</u>)	(<u>4,667</u>)
		£ <u>622,891</u>	£ <u>521,088</u>
CAPITAL & RESERVES			
Called-up equity share capital	22	29,102	29,102
Share premium		2,725	2,725
Capital redemption reserve		14,548	14,548
Capital reserve		3,437	3,437
Revaluation reserve	23	247,022	249,048
Profit and loss account		<u>250,910</u>	<u>171,496</u>
Shareholders' funds - equity		547,744	470,356
Minority interest		<u>75,147</u>	<u>50,732</u>
		£ <u>622,891</u>	£ <u>521,088</u>



Andrew Williams

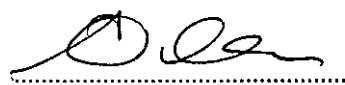


Geoffrey Alan Gee

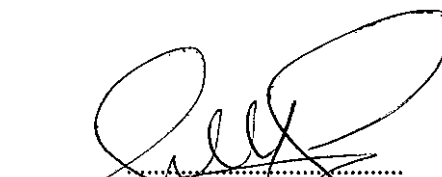
G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

COMPANY BALANCE SHEET AT 28TH FEBRUARY 1995

	<u>Notes</u>		<u>1994</u>
FIXED ASSETS			
Tangible assets	9.2	965,428	1,069,530
Investments	10.1	<u>137,929</u>	<u>137,929</u>
		1,103,357	1,207,459
CURRENT ASSETS			
Stocks	11	290,585	303,211
Debtors	12	983,446	1,084,332
Cash at bank and in hand		<u>2,354</u>	<u>1,756</u>
		1,276,385	1,389,299
CREDITORS : Amounts falling due within one year	13	<u>(1,624,116)</u>	<u>(1,716,897)</u>
Net current liabilities		(347,731)	(327,598)
TOTAL ASSETS LESS CURRENT LIABILITIES		755,626	879,861
CREDITORS : Amounts falling due after one year	14	<u>(93,748)</u>	<u>(150,474)</u>
		661,878	729,387
Provision for liabilities and charges :			
Deferred consideration	21	(58,730)	(58,730)
Deferred taxation	6.2	(—)	(3,295)
		£ <u>603,148</u>	£ <u>667,362</u>
CAPITAL & RESERVES			
Called-up equity share capital	22	29,102	29,102
Share premium		2,725	2,725
Capital redemption reserve		14,548	14,548
Revaluation reserve	23	247,022	249,048
Profit and loss account		<u>309,751</u>	<u>371,939</u>
		£ <u>603,148</u>	£ <u>667,362</u>



 Andrew Williams



 Geoffrey Alan Gee

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES**STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES****YEAR ENDED 28TH FEBRUARY 1995**

	<u>1995</u>	<u>1994</u>
Profit for the financial year	77,388	222,014
Unrealised deficit on revaluation of properties	-	(60,089)
Transfer from profit and loss account	(2,026)	-
Total recognised gains and losses relating to the year	£ <u>75,362</u>	£ <u>161,925</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	171,595	343,737
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>2,026</u>	-
Historical cost profit on ordinary activities before taxation	£ <u>173,621</u>	£ <u>343,737</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	£ <u>79,414</u>	£ <u>105,606</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**YEAR ENDED 28TH FEBRUARY 1995**

Profits for the financial year	77,388	222,014
Dividends	-	(116,408)
	77,388	105,606
Other recognised gains and losses relating to the year ended 28th February 1995 (net)	(2,026)	(60,089)
Transfer from profit and loss account	<u>2,026</u>	-
Net addition to shareholders' funds	77,388	45,517
Opening shareholders' funds	<u>470,356</u>	<u>424,839</u>
Closing shareholders' funds	£ <u>547,744</u>	£ <u>470,356</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 28TH FEBRUARY 1995****1994****NET CASH INFLOW FROM OPERATING
ACTIVITIES (Note 17)**

424,371

623,709

**RETURNS ON INVESTMENTS AND
SERVICING OF FINANCE**

Hire purchase interest

(8,017)

(17,883)

Interest paid

(76,119)

(85,859)

Dividend paid

-

(116,408)

Rents received

-

1,288**NET CASH OUTFLOW FROM RETURNS
ON INVESTMENTS AND SERVICING
OF FINANCE**

(84,136)

(218,862)

TAXATION

Corporation tax paid (including ACT)

(105,644)

(69,661)

INVESTING ACTIVITIES

Payments to acquire tangible fixed assets

(28,783)

(53,817)

Receipts from sales of tangible fixed assets

51136,628**NET CASH OUTFLOW FROM
INVESTING ACTIVITIES**(28,272)(17,189)**NET CASH INFLOW
BEFORE FINANCING**

206,319

317,997

FINANCINGCapital element of finance leases
and hire purchase repayments net

(36,411)

(71,718)

Loans repayments

(107,122)(102,582)**NET CASH OUTFLOW FROM
FINANCING**(143,533)(174,300)**INCREASE IN CASH
& CASH EQUIVALENTS**£ 62,786£ 143,697

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 28TH FEBRUARY 1995

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The accounts are prepared under the historical cost convention as modified by the revaluation of land and buildings.

1.2 Basis of consolidation

The consolidated accounts of the group include the accounts of the company and its subsidiaries made up to the 28th February 1995. Results of subsidiaries acquired are included in the consolidated profit and loss account from the date control passes. Intra-group sales and profits are eliminated fully on consolidation. No profit and loss account of the holding company is presented as permitted by S230(4) of the Companies Act 1985.

1.3 Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries is written-off immediately against reserves.

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.5 Depreciation

Land is not depreciated.

Depreciation on other assets is provided on a straight line basis by reference to original cost at the following rates :-

Freehold buildings	-	2 % per annum
Motor vehicles	-	25 % per annum
Fixtures and fittings	-	10-20 % per annum
Plant and equipment	-	5-12½ % per annum

1.6 Taxation

Deferred taxation is provided on accelerated capital allowances and other timing differences at the anticipated rate of corporation tax at which it will become payable in the foreseeable future.

No provision has been made for the potential deferred taxation liability in respect of industrial building allowances as it is expected that these timing differences will continue in the foreseeable future.

No provision has been made for any capital gains tax on net surpluses arising from the revaluation of properties.

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

1.7 Pension Costs

The group operates defined contribution pension schemes for certain of its employees. The amount of contributions payable to the pension schemes in respect of the accounting period are charged against profits.

1.8 Leasing and hire purchase commitments

Assets held under finance leases are capitalised and included in tangible fixed assets at fair value. Each asset is depreciated over the shorter of the lease term or its useful life. The obligations related to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors due within or creditors due after one year. The interest element of the rental obligation is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of the obligation for each accounting period.

Rentals under operating leases are charged to profit and loss account as incurred.

2. TURNOVER

Turnover represents the aggregate of all amounts receivable for goods supplied and services rendered, excluding value added tax.

The analysis of turnover between customer areas is as follows :-

	<u>1995</u>	<u>1994</u>
United Kingdom	6,058,920	6,183,269
Rest of Europe	201,300	248,614
Rest of the World	<u>34,846</u>	<u>22,217</u>
	£ <u>6,295,066</u>	£ <u>6,454,100</u>

3. STAFF COSTS

	<u>1995</u>	<u>1994</u>
Wages and salaries	1,572,770	1,633,246
Social security costs	146,380	154,463
Other pension costs	<u>100,349</u>	<u>72,879</u>
	£ <u>1,819,499</u>	£ <u>1,860,588</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

3. **STAFF COSTS - Continued**

The average weekly number of employees during the year was 92 (1994 : 99) made up as follows :

	<u>No</u>	<u>No</u>
Production	40	42
Administration	24	25
Distribution	<u>28</u>	<u>32</u>
	<u>92</u>	<u>99</u>

Directors' emoluments comprise :

Management remuneration	215,134	228,610
Pension contributions	50,516	38,526
Benefits in kind	<u>21,949</u>	<u>22,217</u>
	£ <u>287,599</u>	£ <u>289,353</u>

Particulars of emoluments (excluding pension contributions) are :

Chairman & highest paid director	£ <u>110,520</u>	£ <u>116,869</u>
Other directors :	<u>No</u>	<u>No</u>
£ 30,001 - £ 35,000	-	1
£ 35,001 - £ 40,000	1	-
£ 85,001 - £ 90,000	1	-
£115,001 - £120,000	-	1

4. **OPERATING PROFIT** **1995** **1994**

This is stated after charging :	<u>£</u>	<u>£</u>
Directors' emoluments	287,599	289,353
Depreciation on owned assets	118,992	101,594
Depreciation on assets acquired under hire purchase contracts and finance leases	13,749	47,850
Auditors' remuneration	11,750	10,500
Profit on disposal of fixed assets	84	836
Hire of other assets	<u>204,415</u>	<u>180,746</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

5.	<u>INTEREST PAYABLE</u>	<u>1995</u>	<u>1994</u>
	On bank loans & overdrafts wholly repayable within five years by instalments	53,094	65,308
	On other loans repayable within five years	4,515	6,268
	On loans not repayable within five years	14,777	19,428
	On hire purchase contracts and finance leases	<u>8,017</u>	<u>17,883</u>
		£ <u>80,403</u>	£ <u>108,887</u>

6. **TAXATION**

6.1 The taxation charge which is based on the profits of the year is made up as follows :

		<u>1994</u>
	U.K Corporation tax @ 25 % (1994 : 25 %)	68,177
	Transfer from deferred taxation	(3,162)
	Underprovision in previous years	<u>4,778</u>
		£ <u>69,793</u>
		£ <u>109,866</u>

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

	<u>Group</u>		<u>Company</u>	
6.2	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	The potential liability to deferred tax has been provided as follows :			
	Provided :			
	Accelerated capital allowances	£ <u>1,505</u>	£ <u>4,667</u>	£ <u>3,295</u>
	Not provided :			
	I B A's	34,039	44,706	44,706
	On property revaluation surpluses	<u>6,509</u>	<u>10,213</u>	<u>10,213</u>
		£ <u>40,548</u>	£ <u>54,919</u>	£ <u>54,919</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES**NOTES TO THE CONSOLIDATED ACCOUNTS - Continued****FOR THE YEAR ENDED 28TH FEBRUARY 1995****7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY**

G.W Chemicals Limited has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. Of the group's results for the year, a loss of £64,214 (1994 : profit of £137,473) has been dealt with in the holding company's accounts.

8. PENSION COSTS

The group operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the company, being invested with insurance companies. The pension charge under the schemes for the year was £100,349 (1994 : £72,879).

9. TANGIBLE FIXED ASSETS

	<u>Freehold Land & Buildings</u>	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
9.1 <u>GROUP</u>					
Cost or valuation :					
At 1st March 1994	735,000	449,210	355,641	195,945	1,735,796
Additions	1,000	19,363	-	8,420	28,783
Disposals	<u>-</u>	<u>-</u>	(6,862)	<u>-</u>	(6,862)
At 28th February 1995	<u>736,000</u>	<u>468,573</u>	<u>348,779</u>	<u>204,365</u>	<u>1,757,717</u>
Depreciation :					
At 1st March 1994	-	236,491	237,683	146,897	621,071
Charge for the year	9,860	39,050	63,637	20,194	132,741
Disposals	<u>-</u>	<u>-</u>	(6,435)	<u>-</u>	(6,435)
At 28th February 1995	<u>9,860</u>	<u>275,541</u>	<u>294,885</u>	<u>167,091</u>	<u>747,377</u>
Net Book Value :					
At 28th February 1995	£ <u>726,140</u>	£ <u>193,032</u>	£ <u>53,894</u>	£ <u>37,274</u>	£ <u>1,010,340</u>
At 28th February 1994	£ <u>735,000</u>	£ <u>212,719</u>	£ <u>117,958</u>	£ <u>49,048</u>	£ <u>1,114,725</u>
 The net book value of assets held under hire purchase agreements is as follows :	£ <u>-</u>	£ <u>-</u>	£ <u>15,489</u>	£ <u>-</u>	£ <u>15,489</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

9.2	<u>COMPANY</u>	<u>Freehold Land & Buildings</u>	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
	Cost or valuation :					
	At 1st March 1994	735,000	382,426	292,256	141,803	1,551,485
	Additions	1,000	5,350	-	6,916	13,266
	Disposals	<u>-</u>	<u>-</u>	(<u>6,862</u>)	<u>-</u>	(<u>6,862</u>)
	At 28th February 1995	<u>736,000</u>	<u>387,776</u>	<u>285,394</u>	<u>148,719</u>	<u>1,557,889</u>
	Depreciation :					
	At 1st March 1994	-	184,513	197,653	99,789	481,955
	Charge for the year	9,860	35,100	54,463	17,518	116,941
	Disposals	<u>-</u>	<u>-</u>	(<u>6,435</u>)	<u>-</u>	(<u>6,435</u>)
	At 28th February 1995	<u>9,860</u>	<u>219,613</u>	<u>245,681</u>	<u>117,307</u>	<u>592,461</u>
	Net Book Value :					
	At 28th February 1995	£ <u>726,140</u>	£ <u>168,163</u>	£ <u>39,713</u>	£ <u>31,412</u>	£ <u>965,428</u>
	At 28th February 1994	£ <u>735,000</u>	£ <u>197,913</u>	£ <u>94,603</u>	£ <u>42,014</u>	£ <u>1,069,530</u>
	Depreciable amount	£ <u>493,000</u>				

The net book value of assets held under hire purchase

agreements is as follows : £ - £ - £ 6,089 £ - £ 6,089

The freehold properties at Ainleys Industrial Estate, Elland and Moorhey Street, Oldham, were valued at 22nd February 1994 by Messrs Eddisons, Chartered Surveyors on an open market basis for existing use at £540,000 and £95,000 respectively. The historical cost of the revalued freehold properties of the company and the group is £545,072.

10. INVESTMENTS

10.1 Company

**Shares in
Subsidiary
undertakings**

Cost :

At 1st March 1994 and at 28th February 1995 £ 137,929

Provision for diminution in value :

At 1st March 1994 and at 28th February 1995 £ -

Net book value :

At 28th February 1995 £ 137,929

At 28th February 1994 £ 137,929

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES**NOTES TO THE CONSOLIDATED ACCOUNTS - Continued****FOR THE YEAR ENDED 28TH FEBRUARY 1995****10.2 Shares in subsidiary undertakings**

<u>Company's Name</u>	<u>% Holding in £1 Ordinary shares</u>	<u>Nature of Business</u>
Poulman Chemicals Limited*	100 %	Supply of cleaning equipment and chemicals to the catering industry.
CMR Chemical Services* Limited	75 %	Manufacture and supply of chemicals and allied products.
Daylodge Limited*	100 %	Holding company.
MDT Chemicals Limited	100 %	Sale of cleaning materials
Detra Limited	100 %	Marketing of cleaning materials
Senatemart Limited	100 %	Dormant
MDT Dishwashers Limited	100 %	Dormant

* Direct subsidiaries of G.W Chemicals Limited

All subsidiary undertakings are companies registered in England and Wales.

11. STOCKS

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
The main categories of stock are :				
Raw materials & consumables	203,668	191,157	167,928	155,590
Finished goods & goods for resale	<u>150,367</u>	<u>178,935</u>	<u>122,657</u>	<u>147,621</u>
	£ <u>354,035</u>	£ <u>370,092</u>	£ <u>290,585</u>	£ <u>303,211</u>

12. DEBTORS

Trade debtors	1,247,294	1,302,691	926,884	1,029,441
Prepayments	<u>59,580</u>	<u>57,955</u>	<u>56,562</u>	<u>54,891</u>
	£ <u>1,306,874</u>	£ <u>1,360,646</u>	£ <u>983,446</u>	£ <u>1,084,332</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

13. **CREDITORS : Amounts falling due within one year**

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Current instalments due on loans	101,448	122,958	56,448	62,958
Bank overdraft	401,959	415,436	311,571	326,211
Trade creditors	808,234	770,708	662,929	650,732
Current corporation tax	78,088	76,982	24,514	48,077
ACT payable	-	33,796	-	33,796
Amounts due to subsidiary undertakings	-	-	278,558	143,365
Other taxes & social security costs	225,202	216,002	185,989	188,463
Other creditors	75,213	126,968	25,405	126,968
Current obligations under hire purchase contracts (Note 15)	3,797	36,410	513	27,233
Accruals	<u>100,772</u>	<u>129,589</u>	<u>77,189</u>	<u>109,094</u>
	£ <u>1,794,713</u>	£ <u>1,928,849</u>	£ <u>1,624,116</u>	£ <u>1,716,897</u>

The bank overdraft and loans are secured on the freehold property of the group.

14. **CREDITORS : Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
14.1 <u>Long term loans</u>				
Bank loans (repayable by instalments)	202,278	287,890	93,748	149,960
Pension fund loan (9.25% interest repayable February 1996)	50,000	50,000	-	-
Obligations under hire purchase contracts (Note 15)	<u>-</u>	<u>3,798</u>	<u>-</u>	<u>514</u>
	£ <u>252,278</u>	£ <u>341,688</u>	£ <u>93,748</u>	£ <u>150,474</u>

Group and Company
1995 **1994**

14.2 Bank loans repayable wholly or in part more than five years after the balance sheet date

Aggregate amount of instalments falling due for repayment after five years

10 year loan with interest fixed @ 2.25% over Base Rate

£ 6,946 £ 34,733

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

15. OBLIGATIONS UNDER HIRE PURCHASE

		<u>1994</u>
Amounts payable within one year	4,373	44,492
Between two & five years inclusive	<u>-</u>	<u>4,373</u>
	4,373	48,865
Less : Finance charges relating to future periods	(<u>576</u>)	(<u>8,657</u>)
	£ <u>3,797</u>	£ <u>40,208</u>
This is shown as :		
Current obligations (Note 13)	3,797	36,410
Non-current obligations (Note 14)	<u>-</u>	<u>3,798</u>
	£ <u>3,797</u>	£ <u>40,208</u>

16. OPERATING LEASE COMMITMENTS

The group and company have annual obligations under non-cancellable operating leases for other operating assets in respect of leases which expire :

		<u>1994</u>
Within one year	17,143	11,008
Within 2 to 5 years inclusive	<u>173,964</u>	<u>178,440</u>
	£ <u>191,107</u>	£ <u>189,448</u>

NOTES TO THE CASH-FLOW STATEMENT FOR THE YEAR ENDED 28TH FEBRUARY 1995

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

	<u>1995</u>	<u>1994</u>
Operating profit	251,998	452,624
Rental income	-	(1,288)
Depreciation	132,741	149,354
Loss on sale of tangible fixed assets	(84)	836
Decrease/(Increase) in stocks	16,057	(282)
Decrease in debtors	53,772	20,175
(Decrease)/Increase in creditors	(<u>30,113</u>)	<u>2,290</u>
Net cash inflow from operating activities	£ <u>424,371</u>	£ <u>623,709</u>

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

18. ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENTS DURING THE YEAR

1994

Balance at 1st March 1994	(405,877)	(549,574)
Net cash inflow	<u>62,786</u>	<u>143,697</u>
Balance at 28th February 1995	£ <u>(343,091)</u>	£ <u>(405,877)</u>

Cash and cash equivalents comprise cash at bank and in hand less borrowings repayable on demand.

19. ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>Cash at Bank & in Hand</u>	<u>Bank Overdraft</u>	<u>Cash & Cash Equivalents</u>
At 1st March 1993	6,848	(556,422)	(549,574)
Movement in year	<u>2,711</u>	<u>140,986</u>	<u>143,697</u>
At 28th February 1994	9,559	(415,436)	(405,877)
Movement in year	<u>49,309</u>	<u>13,477</u>	<u>62,786</u>
At 28th February 1995	£ <u>58,868</u>	£ <u>(401,959)</u>	£ <u>(343,091)</u>

20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Loans and Finance lease obligations

Balance at 1st March 1994	501,056	675,356
Cash outflows from financing	<u>(143,533)</u>	<u>(174,300)</u>
Balance at 28th February 1995	£ <u>357,523</u>	£ <u>501,056</u>

21. DEFERRED CONSIDERATION

Group and Company

Balance at 1st March 1994 and 28th February 1995	£ <u>58,730</u>
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The consideration for the acquisition of Daylodge Limited is based upon the gross turnover of Daylodge Limited and its subsidiary undertakings for the 36 months commencing 1st December 1992.

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED ACCOUNTS - Continued

FOR THE YEAR ENDED 28TH FEBRUARY 1995

22. **CALLED-UP SHARE CAPITAL** **1995** **1994**

Equity Interests :

Authorised :

Ordinary shares of £1 each £ 100,000 £ 100,000

Allotted, issued and fully paid £ 29,102 £ 29,102

23. **REVALUATION RESERVE**

Group and Company

1994

At 1st March 1994 249,048 309,137

Revaluations during the year - (60,089)

Amortised to profit and loss account (2,026) _____ -

At 28th February 1995 £ 247,022 £ 249,048

24. At 28th February 1995 the group and company had no capital commitments (1994 : £Nil)

25. **CONTINGENT LIABILITIES**

At 28th February 1995 the company had given an unlimited cross-guarantee in respect of its subsidiary undertaking's bank borrowings, which stood at £Nil at the year end, additional to the bank overdraft and loans disclosed in Note 13 and 14.

26. **APPROVAL OF ACCOUNTS**

The accounts set out on pages 4 to 19 were approved by the directors on 12th July 1995.

AUDITORS' REPORT

TO THE MEMBERS OF

G.W CHEMICALS LIMITED AND SUBSIDIARY COMPANIES

We have audited the financial statements set out on pages 4 to 19, which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and group as at 28th February 1995 and of the group's profit for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

Brebner, Allen & Trapp

Brebner, Allen & Trapp,
Chartered Accountants
& Registered Auditor,
The Quadrangle,
180 Wardour Street,
LONDON
W1V 4LB

14th November 1995.