



DURHAM CHEMICAL GROUP LIMITED

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DURHAM CHEMICAL GROUP LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of the shareholders of Durham Chemical Group Limited will be held at the Registered Office, Birtley, Chester-le-Street, Co. Durham on 25th June 1986 at 10.00 a.m. for the following purposes:-

1. To receive and adopt the Report of the Directors and Statement of Accounts for the year ended 31st December 1985.
2. As special business to consider the following resolution which will be proposed as a special resolution:-

RESOLUTION

THAT, the company having satisfied the provisions of section 252, Companies Act 1985, relating to dormant companies, the company be exempt from the obligation to appoint auditors as otherwise required by section 384 of that Act.

By order of the Board

S.J. Langman
Secretary

2nd June, 1986

NOTE: Any member entitled to attend and vote at the above mentioned meeting is entitled to appoint another person as his proxy to attend, and on a poll, vote instead of him, and such proxy need not also be a member.

DURHAM CHEMICAL GROUP LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the accounts for the year ended 31st December, 1985.

REVIEW OF ACTIVITIES AND DEVELOPMENTS

On the 1st January 1985 the whole of the company's activities in chemical manufacture and distribution were transferred to Durham Chemicals Limited. The company has been dormant throughout 1986.

On 10th January, 1985 the company changed its name to Durham Chemical Group Limited.

DIRECTORS

The directors who held office during the year were Mr. R.E. Stedman (Chairman) Dr. D.P. Dodgson and Mr. S.J. Langman (appointed 25th March 1985). Mr. J.S. Thompson (formerly Chairman) died on 28th March 1985.

By Order of the Board

S.J. Langman
Secretary

Registered Office:
Birtley.
Chester-le-Street,
Co. Durham.

2nd May, 1986

DURHAM CHEMICAL GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1985

	Note	1985 <u>£'000</u>	1984 <u>£'000</u>
TURNOVER	2	-	27,365
COST OF SALES		-	22,304
GROSS PROFIT		-	5,061
DISTRIBUTION COSTS		-	403
ADMINISTRATIVE EXPENSES		-	3,400
OPERATING PROFIT		-	1,258
INTEREST PAYABLE AND SIMILAR CHARGES	3	-	247
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	-	1,011
TAX ON PROFIT ON ORDINARY ACTIVITIES	5	-	70
PROFIT FOR THE FINANCIAL YEAR		-	941
DIVIDEND		-	941
TRANSFER TO RESERVES		-	NIL

DURHAM CHEMICAL GROUP LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1985

	Note	1985 <hr/> £'000	1984 <hr/> £'000
FIXED ASSETS			
Tangible assets	6	-	3,413
CURRENT ASSETS			
Stocks	7	-	5,437
Debtors	8	131	5,843
Trade Investment	9	-	2
Cash at bank and in hand		-	3
		<hr/> 131	<hr/> 11,285
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	10	-	5,851
NET CURRENT ASSETS		<hr/> 131	<hr/> 5,434
TOTAL ASSETS LESS CURRENT LIABILITIES		131	8,847
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	-	744
PROVISION FOR LIABILITIES AND CHARGES	12	-	539
		-	1,283
		<hr/> 131	<hr/> 7,564
CAPITAL AND RESERVES			
Called up share capital	14	85	85
Share premium account	15	29	29
Profit and loss account	15	17	17
		<hr/> 131	<hr/> 131
AMOUNT DUE TO DURHAM CHEMICALS LIMITED		-	7,433
		<hr/> 131	<hr/> 7,564

Approved by:

R.E. Stedman
)
 D.P. Dodgson

R.E. Stedman
D.P. Dodgson

2nd May, 1986

DURHAM CHEMICAL GROUP LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared under the historical cost convention.

(b) Depreciation

Fixed Assets, including assets acquired under leases, are written off in equal instalments over their estimated useful lives. No depreciation is provided on freehold land. Estimates of useful lives of the assets are:-

Buildings	25-50 years
Plant and Machinery	10-20 years
Motor Vehicles	4-10 years
Furniture and Equipment	3-20 years

(c) Government Grants

Government Grants receivable in respect of capital expenditure are released to the Profit and Loss Account at the rate at which depreciation is provided on the related assets.

(d) Taxation

Provision is made on a liability basis for all tax deferred by timing differences except that provision is not made where there is a reasonable probability that the tax deferred will continue for the foreseeable future, in accordance with S.S.A.P.15.(revised).

(e) Stocks

Stocks are stated at cost or net realisable value whichever is the lower. Cost comprises materials and manufacturing expenses.

2. TURNOVER

Turnover is the amount receivable in the year, from the sale of chemical products, for goods supplied to customers exclusive of VAT.

The geographical markets supplied were as follows:-

	1985 £'000	1984 £'000
United Kingdom	-	21,339
Asia	-	1,617
North America	-	27
Elsewhere	-	4,382
	<hr/>	<hr/>
	-	27,365
	<hr/>	<hr/>

DURHAM CHEMICAL GROUP LIMITED
NOTES TO THE ACCOUNTS (Continued)

3. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable is payable solely to group companies.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following amounts have been charged in arriving at the profit:-

		1985 £'000	1984 £'000
Staff costs	Note 4a	-	3,415
Director's emoluments	Note 4b	-	131
Depreciation	Note 4c	-	420
Hire of plant and machinery		-	9
Remuneration of auditors		-	10
		-	3,985
		-	3,985

		1985 £'000	1984 £'000
(a) Staff costs			
Wages & Salaries		-	2,844
Social Security costs		-	235
Other pension costs		-	336
		-	3,415
		-	3,415

The average number of employees in the year was NIL (1984 - 368)

		1985 £'000	1984 £'000
(b) Directors' Emoluments			
Fees		-	1
Other remuneration		-	112
Pension scheme contributions		-	18
		-	131
		-	131

		1985 Number	1984 Number
Particulars of Directors' emoluments			
Chairman £ NIL (1984-£ NIL)		1	1
Past Chairman £ NIL		1	-
Highest Paid Director £ NIL (1984-£34,562)		-	1
Other Directors £20,001 - £25,000		-	1
£15,001 - £20,000		-	3
£ NIL		2	-

DURHAM CHEMICAL GROUP LIMITED
NOTES TO THE ACCOUNTS (Continued)

(c) Depreciation

The amount of depreciation allocated in respect of assets held comprises:

	1985 £'000	1984 £'000
Tangible fixed assets owned	-	296
Tangible fixed assets held under finance leases	-	124
	<u>-</u>	<u>420</u>

	1985 £'000	1984 £'000
5. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation Tax at NIL (1984 46.25%) on profit on ordinary activities for the year	-	160
Deferred Taxation	-	(83)
Adjustment in respect of previous years:	-	(7)
	<u>-</u>	<u>70</u>

The taxation charge for 1984 was reduced by £20,000 in respect of accelerated capital allowances and other timing differences and reduced by £50,000 in respect of stock relief.

	1985 £'000	1984 £'000
The deferred taxation comprises :	-	
Accelerated capital allowances	-	283
Deferred lease payments	-	(6)
	<u>-</u>	<u>277</u>

The potential amounts of deferred taxation and relief on all time differences, not provided in these accounts are:-

	1985 £'000	1984 £'000
Accelerated capital allowances	<u>-</u>	<u>469</u>

DURHAM CHEMICAL GROUP LIMITED
NOTES TO THE ACCOUNTS (Continued)

6. TANGIBLE ASSETS

	Freehold Buildings £'000	Plant and Machinery £'000	Motor Vehicles £'000	Furniture and Equipment £'000	Total £'000
Cost:					
At beginning of the year	94	6,959	483	319	7,855
Intra Group Transfers	94	6,959	483	319	7,855
At the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation					
At the beginning of the year	53	3,727	403	259	4,442
Intra Group Transfers	53	3,727	403	259	4,442
At the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31st December 1985	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 31st December 1984	<u>41</u>	<u>3,232</u>	<u>80</u>	<u>60</u>	<u>3,413</u>

The net amount of assets included above, which were held under finance leases at 31st December, 1985 was £ NIL (1984 - £1,825,000)

DURHAM CHEMICAL GROUP LIMITED

NOTES TO THE ACCOUNTS (Continued)

	1985 £'000	1984 £'000
7. STOCKS		
Raw materials and packages	-	2,122
Finished goods and purchases for resale	-	3,315
	<u>-</u>	<u>5,437</u>
	1985 £'000	1984 £'000
8. DEBTORS		
Trade debtors	-	5,073
Amount owed by group companies	131	-
Amount owed by fellow subsidiaries	-	133
Prepayment and accrued income	-	637
	<u>131</u>	<u>5,843</u>
	1985 £'000	1984 £'000
9. TRADE INVESTMENT		
Unquoted - 8% of the ordinary share capital of Zenit Limited, registered in England	-	2
	<u>-</u>	<u>2</u>
	1985 £'000	1984 £'000
10. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR		
Trade Creditors	-	1,740
Accruals and deferred income	-	624
Amount owed to ultimate holding company	-	2,088
Amount owed to group companies	-	23
Amounts owed to fellow subsidiaries	-	8
Corporation Tax	-	220
Other taxes and social security	-	207
Proposed Final dividend	-	941
	<u>-</u>	<u>5,851</u>
	1985 £'000	1984 £'000
11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Finance leases payable within 2-5 years	-	744
	<u>-</u>	<u>744</u>

DURHAM CHEMICAL GROUP LIMITED

NOTES TO THE ACCOUNTS (Continued)

		1985 £'000	1984 £'000
12.	PROVISIONS FOR LIABILITIES AND CHARGES		
	Deferred Tax	-	277
	Government Grants	-	262
		<u>-</u>	<u>539</u>
		<u>-</u>	<u>539</u>
		1985 £'000	1984 £'000
13.	GOVERNMENT GRANTS		
	At the beginning of the year	262	168
	Intra Group transfers	262	-
	Grants receivable on expenditure	-	133
		<u>-</u>	<u>301</u>
	Transferred to Profit & Loss Account	-	39
		<u>-</u>	<u>39</u>
	At the end of the year	<u>-</u>	<u>262</u>
		1985 Issued and Fully Paid £'000	1984 Issued and Fully Paid £'000
14.	CALLED UP SHARE CAPITAL		
	Ordinary shares of 15p each	85	85
		<u>85</u>	<u>85</u>
		1985 £'000	1984 £'000
15.	RESERVES (AT THE BEGINNING AND END OF THE YEAR)		
	Share premium account	29	29
	Profit and Loss Account	17	17
		1985 £'000	1984 £'000
16.	CAPITAL EXPENDITURE		
	Capital expenditure not provided for in these accounts was approximately:-		
	Expenditure contract for	-	14
	Expenditure authorised but not contracted for	-	386
17.	ULTIMATE HOLDING COMPANY		
	The ultimate holding company is Harrisons & Crosfield PLC, incorporated in England.		

DURHAM CHEMICAL GROUP LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST DECEMBER 1985

	1985		1984	
	£'000	£'000	£'000	£'000
SOURCE OF FUNDS				
Profit before taxation	-			1,011
Adjustment for items not involving the movement of funds:-				
Depreciation	-		420	
Release of deferred credits	-	-	(39)	381
Total Generated from Operations	-	-		1,392
Funds from other sources:				
Group Relief and Taxation received	-		356	
Disposal of tangible assets	3,413	3,413	8	364
		3,413		1,756
APPLICATION OF FUNDS				
Dividend paid	(941)		(237)	
Taxation paid	(220)		(11)	
Purchase of tangible assets (less grants)	-		(545)	
Payment under finance leases	-	(1,161)	(273)	(1,066)
		2,252		690
Movement of Working Capital				
(Decrease)Increase in debtors	(5,848)		1,253	
(Decrease)Increase in stocks	(5,437)		932	
Decrease (Increase in creditors due within one year	4,690		(1,326)	
Decrease (Increase) in advances from Durham Chemicals Limited	8,103		(169)	
Decrease in creditors due after more than one year	744	2,252	-	690

REPORT OF THE AUDITORS
TO THE MEMBERS OF DURHAM CHEMICAL GROUP LIMITED

We have audited the financial statements on pages 3 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1985 and of the source and application of funds for the year then ended and comply with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE

CHARTERED ACCOUNTANTS

Middlesbrough,
2nd May, 1986