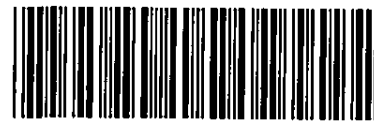


Company Registration No. 1266537 (England and Wales)

**ALCHEM (WIDNES) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2007**

FRIDAY



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COMPANIES HOUSE

**Hamilton-Burke Dufau Limited**  
**Chartered Accountants**  
**Liverpool**

# **ALCHEM (WIDNES) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	D Drinkwater E Drinkwater J R Wilson
<b>Secretary</b>	S J Adams
<b>Company number</b>	1266537
<b>Registered office</b>	Gladstone House 2 Church Road Liverpool L15 9EG
<b>Auditors</b>	Hamilton-Burke Dufau Limited Gladstone House 2 Church Road Liverpool L15 9EG

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# **ALCHEM (WIDNES) LIMITED**

## **CONTENTS**

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# **ALCHEM (WIDNES) LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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The directors present their report and financial statements for the year ended 30 September 2007

#### **Principal activities**

The principal activity of the company continued to be that of electrical and instrumentation contracting

#### **Directors**

The following directors have held office since 1 October 2006

D Drinkwater

E Drinkwater

J R Wilson

M Broughton

(Resigned 7 June 2007)

J E Drinkwater

(Resigned 8 October 2007)

In accordance with the company's Articles of Association, D Drinkwater retires by rotation and being eligible offers himself for re-election

#### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hamilton-Burke Dufau Limited be reappointed as auditors of the company will be put to the Annual General Meeting

#### **Trustee shareholding**

A director in the audit firm acts as a trustee of the life interest settlements, which together hold 100% of the parent company's issued share capital

# **ALCHEM (WIDNES) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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#### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

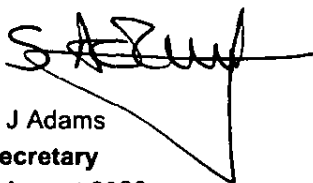
#### **Statement of disclosure to auditors**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the board



S J Adams

**Secretary**

7 August 2008

# **ALCHEM (WIDNES) LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF ALCHEM (WIDNES) LIMITED**

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We have audited the financial statements of Alchem (Widnes) Limited for the year ended 30 September 2007 set out on pages 5 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

# ALCHEM (WIDNES) LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE SHAREHOLDERS OF ALCHEM (WIDNES) LIMITED

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#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

#### Emphasis of matter

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 10 of the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £54,206 during the year ended 30 September 2007 and, at that date, the company's current liabilities exceeded its total assets by £457,444.

These conditions, along with the other matters explained in note 1,10 of the financial statements, indicate the existence of a material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

*Hamilton-Burke Dufau Limited*

Hamilton-Burke Dufau Limited

7 August 2008

Chartered Accountants

Registered Auditor

Gladstone House  
2 Church Road  
Liverpool  
L15 9EG

# ALCHEM (WIDNES) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2007

	Notes	2007 £	2006 £
Turnover		2,038,927	1,902,514
Cost of sales		(1,694,701)	(1,580,606)
Gross profit		344,226	321,908
Administrative expenses		(408,365)	(448,468)
Operating loss	2	(64,139)	(126,560)
Interest payable and similar charges	3	(1,738)	(1,853)
Loss on ordinary activities before taxation		(65,877)	(128,413)
Tax on loss on ordinary activities	4	11,671	26,046
Loss for the year	13	(54,206)	(102,367)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# ALCHEM (WIDNES) LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Intangible assets	5	-		1	
Tangible assets	6	90,845		82,816	
		<u>90,845</u>		<u>82,817</u>	
<b>Current assets</b>					
Stocks		5,375		19,810	
Debtors	7	476,055		458,905	
		<u>481,430</u>		<u>478,715</u>	
<b>Creditors, amounts falling due within one year</b>	8	<u>(1,029,719)</u>		<u>(968,234)</u>	
<b>Net current liabilities</b>		<u>(548,289)</u>		<u>(489,519)</u>	
<b>Total assets less current liabilities</b>		<u>(457,444)</u>		<u>(406,702)</u>	
<b>Creditors: amounts falling due after more than one year</b>	9	(5,196)		-	
<b>Provisions for liabilities</b>	10	<u>(11,774)</u>		<u>(13,506)</u>	
		<u>(474,414)</u>		<u>(420,208)</u>	
<b>Capital and reserves</b>					
Called up share capital	12	1,002		1,002	
Profit and loss account	13	<u>(475,416)</u>		<u>(421,210)</u>	
<b>Shareholders' funds</b>	14	<u>(474,414)</u>		<u>(420,208)</u>	

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

Approved by the Board and authorised for issue on 7 August 2008



E Drinkwater  
Director

# ALCHEM (WIDNES) LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2007

	£	2007 £	£	2006 £
<b>Net cash (outflow)/inflow from operating activities</b>		(19,013)		125,503
<b>Returns on investments and servicing of finance</b>				
Interest paid	(1,738)		(1,853)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(1,738)		(1,853)
<b>Taxation</b>		-		958
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(11,387)		(3,196)	
Receipts from sales of tangible assets	2,750		11,500	
<b>Net cash (outflow)/inflow for capital expenditure</b>		(8,637)		8,304
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(29,388)		132,912
<b>Financing</b>				
Capital element of hire purchase contracts	(6,260)		(11,578)	
<b>Net cash outflow from financing</b>		(6,260)		(11,578)
<b>(Decrease)/increase in cash in the year</b>		(35,648)		121,334

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2007

1	Reconciliation of operating loss to net cash (outflow)/inflow from operating activities	2007	2006
		£	£
	Operating loss	(64,139)	(126,560)
	Depreciation of tangible assets	15,687	14,264
	Loss/(profit) on disposal of tangible assets	769	(3,030)
	Loss on disposal of intangible assets	1	-
	Decrease in stocks	14,435	57,779
	(Increase)/decrease in debtors	(17,150)	206,873
	Increase/(decrease) in creditors within one year	21,445	(54,220)
	Group relief	9,939	30,397
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(19,013)</b>	<b>125,503</b>

2	Analysis of net debt	1 October 2006	Cash flow	Other non-cash changes	30 September 2007
		£	£	£	£
	Net cash				
	Bank overdrafts	(61,600)	(35,648)	-	(97,248)
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	-	(9,588)	-	(9,588)
	<b>Net debt</b>	<b>(61,600)</b>	<b>(45,236)</b>	<b>-</b>	<b>(106,836)</b>

3	Reconciliation of net cash flow to movement in net debt	2007	2006
		£	£
	(Decrease)/increase in cash in the year	(35,648)	121,334
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(9,588)	11,579
	<b>Movement in net debt in the year</b>	<b>(45,236)</b>	<b>132,913</b>
	Opening net debt	(61,600)	(194,513)
	<b>Closing net debt</b>	<b>(106,836)</b>	<b>(61,600)</b>

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

#### **1.4 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% on written down value
Fixtures, fittings & equipment	10% on written down value
Motor vehicles	25% on written down value

#### **1.6 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

#### **1.7 Stock**

Stock is valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

#### **1.8 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

#### **1.9 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 1 Accounting policies

(continued)

#### 1.10 Going Concern

The company meets its day to day working capital requirements through the availability of loans from the parent company and fellow subsidiaries. The group as a whole are meeting their working capital requirements through the availability of bank overdraft facilities whilst they take steps to rationalise and consolidate their position. Management accounts prepared after the year end reflect the results of that rationalisation process and the group as a whole is generating a net profit.

In common with all such facilities, the bank overdrafts are repayable on demand. Although there can be no inherent certainty in relation to such matters, on the basis of discussions with the company's bankers, the directors consider it reasonable to rely on the banks continued support. The directors therefore consider it appropriate to prepare the accounts on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the group support or of the overdraft facilities.

2	Operating loss	2007 £	2006 £
	Operating loss is stated after charging		
	Depreciation of tangible assets	15,687	14,264
	Loss on disposal of tangible assets	769	-
	Loss on disposal of intangible assets	1	-
	Auditors' remuneration	10,200	10,500
	Directors' emoluments	86,274	102,275
	Compensation for loss of office paid to directors	30,000	-
	and after crediting		
	Profit on disposal of tangible assets	-	3,030

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006 - 2)

3	Interest payable	2007 £	2006 £
	On bank loans and overdrafts	801	321
	Hire purchase interest	937	1,532
		<u>1,738</u>	<u>1,853</u>

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

<b>4 Taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Domestic current year tax</b>		
Adjustment for prior years	-	2,097
Receipt in respect of group relief	(9,939)	(30,397)
	<u>(9,939)</u>	<u>(30,397)</u>
<b>Current tax charge</b>	<b>(9,939)</b>	<b>(28,300)</b>
<b>Deferred tax</b>		
Deferred tax charge/credit current year	(1,732)	2,254
	<u>(1,732)</u>	<u>2,254</u>
	<u>(11,671)</u>	<u>(26,046)</u>
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(65,877)	(128,413)
	<u>(65,877)</u>	<u>(128,413)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2006 - 0.00%)	-	-
	<u>-</u>	<u>-</u>
<b>Effects of</b>		
Tax losses utilised	(9,939)	(30,397)
Adjustments to previous periods	-	2,097
	<u>(9,939)</u>	<u>(28,300)</u>
<b>Current tax charge</b>	<b>(9,939)</b>	<b>(28,300)</b>
	<u>(9,939)</u>	<u>(28,300)</u>

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 5 Intangible fixed assets

	Other intangible assets £
<b>Cost</b>	
At 1 October 2006	31,017
Disposals	(31,017)
At 30 September 2007	-
<b>Amortisation</b>	
At 1 October 2006	31,016
Amortisation on disposals	(31,016)
At 30 September 2007	-
<b>Net book value</b>	
At 30 September 2007	-
At 30 September 2006	1

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 6 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2006	85,318	105,843	85,178	276,339
Additions	4,898	989	21,348	27,235
Disposals	-	-	(11,605)	(11,605)
At 30 September 2007	90,216	106,832	94,921	291,969
<b>Depreciation</b>				
At 1 October 2006	68,470	57,521	67,532	193,523
On disposals	-	-	(8,086)	(8,086)
Charge for the year	2,835	4,886	7,966	15,687
At 30 September 2007	71,305	62,407	67,412	201,124
<b>Net book value</b>				
At 30 September 2007	18,911	44,425	27,509	90,845
At 30 September 2006	16,848	48,322	17,646	82,816

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
<b>Net book values</b>	
At 30 September 2007	12,216
<b>Depreciation charge for the year</b>	
At 30 September 2007	3,632



# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

7 Debtors	2007 £	2006 £
Trade debtors	474,492	276,347
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	170,447
Other debtors	1,563	12,111
	<u>476,055</u>	<u>458,905</u>

8 Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	97,248	61,600
Net obligations under hire purchase contracts	4,392	-
Trade creditors	153,315	144,452
Amounts owed to group undertakings and undertakings in which the company has a participating interest	668,462	648,596
Taxation and social security	95,141	95,264
Other creditors	11,161	18,322
	<u>1,029,719</u>	<u>968,234</u>

The bank facility is secured by an unscheduled debenture dated 4 August 1987

9 Creditors: amounts falling due after more than one year	2007 £	2006 £
Net obligations under hire purchase contracts	<u>5,196</u>	<u>-</u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	4,392	-
Repayable between one and five years	5,196	-
	<u>9,588</u>	<u>-</u>
Included in liabilities falling due within one year	(4,392)	-
	<u>5,196</u>	<u>-</u>

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 10 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 October 2006	13,506
Profit and loss account	(1,732)
	<u>11,774</u>
Balance at 30 September 2007	<u>11,774</u>

The deferred tax liability is made up as follows

	2007 £	2006 £
Accelerated capital allowances	<u>11,774</u>	<u>13,506</u>

### 11 Pension and other post-retirement benefit commitments

#### Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2007 £	2006 £
Contributions payable by the company for the year	<u>3,175</u>	<u>3,435</u>

### 12 Share capital

	2007 £	2006 £
<b>Authorised</b>		
1,100 Ordinary shares of £1 each	<u>1,100</u>	<u>1,100</u>
<b>Allotted, called up and fully paid</b>		
1,002 Ordinary shares of £1 each	<u>1,002</u>	<u>1,002</u>

# ALCHEM (WIDNES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2006	(421,210)
Loss for the year	(54,206)
Balance at 30 September 2007	<u>(475,416)</u>

### 14 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Loss for the financial year	(54,206)	(102,367)
Opening shareholders' funds	<u>(420,208)</u>	<u>(317,841)</u>
Closing shareholders' funds	<u>(474,414)</u>	<u>(420,208)</u>

### 15 Directors' emoluments

	2007 £	2006 £
Emoluments for qualifying services	83,826	99,410
Company pension contributions to money purchase schemes	2,448	2,865
Compensation for loss of office	30,000	-
	<u>116,274</u>	<u>102,275</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2006- 2)

### 16 Control

The immediate and ultimate parent company is Modernuser Limited, a company incorporated in England

The controlling parties are E Drinkwater and D Drinkwater, on the basis that together they hold 100% of the voting rights of the parent company, through shares owned by trusts of which they are trustees

## **ALCHEM (WIDNES) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2007**

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#### **17 Related party transactions**

The accounts include management charges amounting to £37,400 (2006 £34,000) in respect of administration costs incurred by Modernuser Limited, the Parent Company, on behalf of Alchem (Widnes) Limited. At the year end £313,493 (2006 484,182) was due to Modernuser Limited.

During the year Alchem (Widnes) Limited purchased goods amounting to £3,092 (2006 £4,289) from Hutchinson Engineering Limited, a fellow subsidiary. The company also supplied goods and services to the value of £5,030 (2006 £6,996) to Hutchinson Engineering Limited. At the year end £349,508 (2006 £164,414) was due to Hutchinson Engineering Limited.

During the year the company purchased goods amounting to £62,628 (2006 £nil) from Cellular Systems Limited, a fellow subsidiary. The company also supplied goods and services to the value of £41,105 (2006 £nil) to Cellular Systems Limited. At the year end £5,461 was due to Cellular Systems Limited (2006 £170,447 was due from Cellular Systems Limited).

The accounts include consultancy charges amounting to £7,732 (2006 £nil) paid to Silverstone Consultores e Servicos Lda, a company related by common directorship.