

Alchem Widnes Limited

FINANCIAL STATEMENTS

for the year ended

30 September 2010



Alchem Widnes Limited
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

E Drinkwater
WF Creasy
JE Drinkwater

REGISTERED OFFICE

3 Hardman Street
Manchester
M3 3HF

Alchem Widnes Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Alchem Widnes Limited for the year ended 30 September 2010

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of electrical and instrumentation contracting

DIRECTORS

The directors who served the company during the year were as follows

E Drinkwater
JR Wilson
WF Creasy
JE Drinkwater

JR Wilson resigned as a director on 29 October 2010

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board



E Drinkwater

Director

201-06-2011.

Alchem Widnes Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2010

| | <i>Notes</i> | 2010 £ | 2009 £ |
|--|--------------|-----------|-----------|
| TURNOVER | | 702,207 | 1,110,629 |
| Cost of sales | | 760,011 | 1,123,383 |
| Gross loss | | (57,804) | (12,754) |
| Administrative expenses | | 188,347 | 265,423 |
| Other operating income | 1 | - | (829,912) |
| OPERATING (LOSS)/PROFIT | 2 | (246,151) | 551,735 |
| Attributable to | | | |
| Operating loss before exceptional items | | (246,151) | (278,177) |
| Exceptional items | 2 | - | 829,912 |
| | | (246,151) | 551,735 |
| Interest payable and similar charges | 4 | 1,277 | 865 |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | (247,428) | 550,870 |
| Taxation | 6 | 1,463 | (730) |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | 16 | (248,891) | 551,600 |

The loss/profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Alchem Widnes Limited

BALANCE SHEET

30 September 2010

| | Notes | 2010 £ | 2009 £ |
|---|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | <u>58,110</u> | <u>69,338</u> |
| CURRENT ASSETS | | | |
| Stocks | | - | 11,486 |
| Debtors | 8 | <u>129,064</u> | <u>258,897</u> |
| | | 129,064 | 270,383 |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | <u>485,727</u> | <u>390,846</u> |
| NET CURRENT LIABILITIES | | <u>(356,663)</u> | <u>(120,463)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(298,553)</u> | <u>(51,125)</u> |
| PROVISIONS FOR LIABILITIES AND CHARGES | 11 | <u>9,632</u> | <u>8,169</u> |
| | | <u>(308,185)</u> | <u>(59,294)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 1,002 | 1,002 |
| Profit and loss account | 15 | <u>(309,187)</u> | <u>(60,296)</u> |
| DEFICIT | 16 | <u>(308,185)</u> | <u>(59,294)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

For the year ending 30 September 2010, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and its members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements on pages 3 to 10 were approved by the board of directors and authorised for issue on 29 June 2011 and are signed on its behalf by



E Drinkwater
Director

Alchem Widnes Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

CASH FLOW STATEMENT

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS 1

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be ascertained with reasonable certainty

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

| | |
|---------------------|------------------------|
| Plant & Machinery | - 15% reducing balance |
| Fixtures & Fittings | - 10% reducing balance |
| Motor Vehicles | - 25% reducing balance |

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate that the carrying value may not be recoverable

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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 within 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

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

Alchem Widnes Limited

ACCOUNTING POLICIES

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

GOING CONCERN

The directors conclude that the going concern basis remains appropriate due to the continued support of the company's principal shareholder and Cellular Systems Limited, a company held under common control. Since the year end, the company has halved its administrative expenses and has repaid its bank overdraft.

Alchem Widnes Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2010

1 OTHER OPERATING INCOME

| | 2010 | 2009 |
|--|------|---------|
| | £ | £ |
| Exceptional other operating income (see note 2 also) | - | 829,912 |

2 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)

| | 2010 | 2009 |
|--|-------|-----------|
| | £ | £ |
| Depreciation of owned fixed assets | 9,624 | 9,567 |
| Depreciation of assets held under hire purchase agreements | - | 2,291 |
| Auditor's fees | - | 10,212 |
| Exceptional other operating income | - | (829,912) |

Exceptional other operating income in 2009 was in respect of the waiver of loans owed to the former parent company and a former fellow subsidiary company as part of the de-merger process

3 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

| | 2010 | 2009 |
|--|---------------|---------------|
| | £ | £ |
| Aggregate remuneration | 45,430 | 51,397 |
| Value of company pension contributions to money purchase schemes | 1,350 | 1,350 |
| | <u>46,780</u> | <u>52,747</u> |

The number of directors who accrued benefits under company pension schemes was as follows

| | 2010 | 2009 |
|------------------------|----------|----------|
| | No | No |
| Money purchase schemes | <u>1</u> | <u>1</u> |

4 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2010 | 2009 |
|------------------------------------|--------------|------------|
| | £ | £ |
| On finance leases | 2 | 242 |
| Other interest and similar charges | 1,275 | 623 |
| | <u>1,277</u> | <u>865</u> |

5 PENSION CONTRIBUTIONS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately in an independently administered fund. The pension cost charge represents contributions payable to the fund totalling £1,350 (2009 £1,350). Pension contributions totalling £225 (2009 £nil) were accrued at the balance sheet date.

Alchem Widnes Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2010

6 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | 2010 £ | 2009 £ |
|--|--------------|--------------|
| Deferred tax | | |
| Origination and reversal of timing differences (note 12) | | |
| Fixed asset timing differences | (1,064) | (730) |
| Losses and other deductions | 812 | - |
| Adjustments in respect of prior periods | (756) | - |
| Effect of changed tax rate on opening balance | 2,471 | - |
| Total deferred tax | <u>1,463</u> | <u>(730)</u> |

7 TANGIBLE FIXED ASSETS

| | Plant & Machinery £ | Fixtures & Fittings £ | Motor Vehicles £ | Total £ |
|----------------------|---------------------------|-----------------------------|------------------------|----------------|
| Cost | | | | |
| At 1 October 2009 | 91,768 | 109,911 | 94,921 | 296,600 |
| Disposals | - | - | (12,265) | (12,265) |
| At 30 September 2010 | <u>91,768</u> | <u>109,911</u> | <u>82,656</u> | <u>284,335</u> |
| Depreciation | | | | |
| At 1 October 2009 | 76,891 | 70,924 | 79,447 | 227,262 |
| Charge for the year | 2,233 | 3,862 | 3,530 | 9,625 |
| On disposal | - | - | (10,662) | (10,662) |
| At 30 September 2010 | <u>79,124</u> | <u>74,786</u> | <u>72,315</u> | <u>226,225</u> |
| Net book value | | | | |
| At 30 September 2010 | <u>12,644</u> | <u>35,125</u> | <u>10,341</u> | <u>58,110</u> |
| At 30 September 2009 | <u>14,877</u> | <u>38,987</u> | <u>15,474</u> | <u>69,338</u> |

Hire purchase agreements

Included within the net book value of £58,110 is £nil (2009 - £6,872) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £nil (2009 - £2,291).

8 DEBTORS

| | 2010 £ | 2009 £ |
|---------------|----------------|----------------|
| Trade debtors | 123,027 | 216,574 |
| Other debtors | 6,038 | 42,323 |
| | <u>129,064</u> | <u>258,897</u> |

Alchem Widnes Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 September 2010

9 CREDITORS Amounts falling due within one year

| | 2010 | 2009 |
|--|----------------|----------------|
| | £ | £ |
| Bank overdrafts | 47,362 | 52,408 |
| Trade creditors | 97,586 | 113,902 |
| Other taxation and social security costs | 43,915 | 38,870 |
| Obligations under hire purchase agreements | — | 416 |
| Accruals and deferred income | 29,083 | — |
| Other creditors | 267,781 | 185,250 |
| | <u>485,727</u> | <u>390,846</u> |

The bank facility is secured by an unscheduled debenture dated 4 August 1987. Other creditors include amounts owed to a related party (see note 13) totalling £267,445 (2009 £129,695).

10 COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

| | 2010 | 2009 |
|-------------------------------|----------|------------|
| | £ | £ |
| Amounts payable within 1 year | — | 416 |
| | <u>—</u> | <u>416</u> |

11 PROVISIONS FOR LIABILITIES

| | Deferred taxation |
|--|-------------------|
| | £ |
| Balance brought forward | 8,169 |
| Profit and Loss Account movement arising during the year | 1,463 |
| Balance carried forward | <u>9,632</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of

| | 2010 | 2009 |
|---|--------------|--------------|
| | £ | £ |
| Excess of taxation allowances over depreciation on fixed assets | 9,632 | 8,169 |
| | <u>9,632</u> | <u>8,169</u> |

12 CONTROL

E Drinkwater is the ultimate controlling party, through shares owned by trusts for which he is trustee and beneficiary.

Alchem Widnes Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2010

13 RELATED PARTY TRANSACTIONS

During the year the company purchased goods amounting to £123,922 (2009 £22,192) from Cellular Systems Limited, a company related by virtue of common control. The company also supplied goods and services to the value of £28,121 (2009 £55,454) to Cellular Systems Limited. At the year end £267,445 (2009 £129,695) was due to Cellular Systems Limited.

14 SHARE CAPITAL

| | 2010 £ | 2009 £ |
|--|--------------|--------------|
| Authorised 1,100 Ordinary shares of £1 each | <u>1,100</u> | <u>1,100</u> |
| | 2010 £ | 2009 £ |
| Allotted, called up and fully paid 1,002 Ordinary shares of £1 each | <u>1,002</u> | <u>1,002</u> |

15 PROFIT AND LOSS ACCOUNT

| | 2010 £ | 2009 £ |
|--------------------------------------|------------------|-----------------|
| At 1 October 2009 | (60,296) | (611,896) |
| (Loss)/profit for the financial year | <u>(248,891)</u> | <u>551,600</u> |
| At 30 September 2010 | <u>(309,187)</u> | <u>(60,296)</u> |

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2010 £ | 2009 £ |
|--------------------------------------|------------------|------------------|
| (Loss)/profit for the financial year | (248,891) | 551,600 |
| Opening shareholders' deficit | <u>(59,294)</u> | <u>(610,894)</u> |
| Closing shareholders' deficit | <u>(308,185)</u> | <u>(59,294)</u> |

17 CONTINGENCIES

The directors have confirmed that there were no contingent liabilities which should be disclosed at 30 September 2010.

18 CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 30 September 2010.