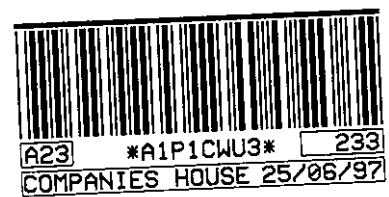


CHEMIQUE ADHESIVES AND SEALANTS LIMITED
COMPANY NUMBER: 1945954

ABBREVIATED ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 1996



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CHEMIQUE ADHESIVES AND SEALANTS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 December 1996

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CHEMIQUE ADHESIVES AND SEALANTS LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to
Chemique Adhesives and Sealants Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

Other information

Today we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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.

continued

CHEMIQUE ADHESIVES AND SEALANTS LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
Chemique Adhesives and Sealants Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

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 error or other irregularity. 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 company's affairs as at 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'



DEAN STATHAM
Chartered Accountants and
Registered Auditors
Bank Passage
Stafford
ST16 2JS

Dated:

19/6/97

CHEMIQUE ADHESIVES AND SEALANTS LIMITED

ABBREVIATED BALANCE SHEET

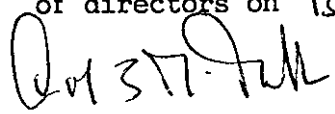
at 31 December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	2		426,953		239,190
Investments	2		-		15,000
			<u>426,953</u>		<u>254,190</u>
Current assets					
Stocks		213,000		219,464	
Debtors		744,604		799,755	
Cash at bank and in hand		-		15	
		<u>957,604</u>		<u>1,019,234</u>	
Creditors: amounts falling due within one year	3	(730,382)		(787,348)	
Net current assets			<u>227,222</u>		<u>231,886</u>
Total assets less current liabilities			<u>654,175</u>		<u>486,076</u>
Creditors: amounts falling due after more than one year	3	(405,924)		(220,305)	
			<u>248,251</u>		<u>265,771</u>
Capital and reserves					
Called up share capital	4	50,000		50,000	
Profit and loss account		198,251		215,771	
Total shareholders' funds			<u>248,251</u>		<u>265,771</u>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 13/6/97 and signed on its behalf by:



M J McMullen
Director

CHEMIQUE ADHESIVES AND SEALANTS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	2% straight line
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Computer equipment	33% straight line
Fixtures and fittings	15% reducing balance
Freehold land and buildings	2% straight line
Property improvements	Straight line over term of lease, except where the extension of the lease is known with reasonable certainty the property improvements are written off over 10 years.

The depreciation rates of plant and machinery and fixtures and fittings have been increased from 7.5% to 15% (both reducing balance) in order to accurately write off these assets over their useful economic lives. This has resulted in an increased depreciation charge of approximately £22,000.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

CHEMIQUE ADHESIVES AND SEALANTS LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

2 Fixed assets

Cost	Tangible fixed assets £	Shares in group undertakings £	Total £
1 January 1996	408,594	15,000	423,594
Additions	257,758	-	257,758
Disposals	(38,996)	-	(38,996)
31 December 1996	<u>627,356</u>	<u>15,000</u>	<u>642,356</u>
Depreciation			
1 January 1996	169,404	-	169,404
Charge for year	54,201	-	54,201
Disposals	(23,202)	-	(23,202)
Amounts written off	-	15,000	15,000
31 December 1996	<u>200,403</u>	<u>15,000</u>	<u>215,403</u>
Net book amount			
31 December 1996	<u>426,953</u>	<u>-</u>	<u>426,953</u>
1 January 1996	<u>239,190</u>	<u>15,000</u>	<u>254,190</u>

Shares in group undertakings

The investment represented a 100% holding in Axil Products Ltd, a company registered in England and Wales.

Due to the exemptions available under section 248 of the Companies Act 1985 the company is exempt from the requirement to prepare group accounts.

Axil Products Ltd ceased trading on 14 February 1997. The value of the investment has been written off as the company was insolvent at this date.

3 Secured creditors:

	1996 £	1995 £
Bank loans	173,415	-
Bank overdraft	144,549	176,401
Other creditor	<u>220,000</u>	<u>220,000</u>
Obligations under finance leases and hire purchase contracts:		
In the next year	22,010	3,298
In the second to fifth year	21,986	305
	<u>43,996</u>	<u>3,603</u>

CHEMIQUE ADHESIVES AND SEALANTS LIMITED
NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

4 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

5 Directors' transactions

Mr M J McMullen owns one of the units from which the company operates and since 1st March 1989 has rented the premises to the company for a period of 10 years at an annual rent of £24,000.