

CAYLEY CHEMICAL CORPORATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2004

CONTENTS

Page	1/2	Directors Report
	3	Statement of Directors Responsibilities
	4	Balance Sheet
	5	Profit and Loss Account
	6/7	Notes to the Accounts

COMPANY INFORMATION

COMPANY NUMBER

2116782

REGISTERED OFFICE

10 Manor Park.
Mackenzie Way,
Cheltenham, Gloucestershire

DIRECTORS

P.J. Mills. B.Sc.

SECRETARY

B. Earl, M.A. (Cantab)

BANKERS

Barclays Bank PLC.
128 High Street.
Cheltenham, Gloucestershire

AUDITORS

N.B. Lancaster and Co.,
Chartered Accountants,
and Registered Auditor,
5 Cecil Street,
Carlisle.
CA1 1NL



CAYLEY CHEMICAL CORPORATION LIMITED

DIRECTORS REPORT

The Director presents his Seventeenth Annual Report to the Members of the Company, together with Audited Accounts for the year ended 30th June, 2004.

<u>TRADING RESULTS</u>	<u>Y.E. 30.6.2004</u>	<u>Y.E. 30.6.2003</u>
Profit on Ordinary Activities Before Taxation	-	-
Taxation	-	-
Profit on Ordinary Activities After Taxation	<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px; margin: 0 auto;"></div>	<div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px; margin: 0 auto;"></div>

The Company has not traded during the year.

STATE OF AFFAIRS

The Director considers that the Company's State of Affairs is satisfactory..

On 1st July, 2002 Cayley Chemical Corporation Limited became a wholly owned subsidiary of its holding company – C.C.C. Trading Limited (Co. No. 2353833) following the acquisition of Mr. P.J. Mills 40% shareholding. The Company's trade was merged with the holding company which now trades as Cayley Chemical Corporation.

FIXED ASSETS

The Company's movements in Fixed Assets are set out in Note 5 to the Accounts.

DIRECTORS AND THEIR INTERESTS

The Director serving during the year and his interest in the Company's Share Capital was as follows:-

	<u>ORD. SHARES</u> <u>AT 30.6.2004</u>	<u>ORD. SHARES</u> <u>AT 30.6.2003</u>
P.J. Mills,	NIL	NIL

Through Mr. Mills ownership and control of C.C.C. Trading Limited he effectively controls 100% of the Shares in Cayley Chemical Corporation Limited.

Cayley Chemical Corporation Limited is a wholly owned Subsidiary of C.C.C. Trading Limited and is now Dormant and has not traded during the year.

CAYLEY CHEMICAL CORPORATION LIMITED

DIRECTORS REPORT (CONTD.)

CHARITABLE AND POLITICAL DONATIONS

Charitable	NIL (Previous Year = NIL)
Political	NIL (Previous Year = NIL)

INCOME AND CORPORATION TAXES ACT

The Company is a "Close Company" within the meaning of the Act.

AUDITORS

Although the Company is entitled to exemption from the requirements to have an Audit under the provisions of Section 249 (A) (1) and no Audit has been undertaken the company's Auditors. Messrs. N.B. Lancaster and Co., Chartered Accountants, continue to hold office and a resolution re-appointing them as Registered Auditors will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



P. J. MILLS

11th OCTOBER, 2004

DIRECTOR

CAYLEY CHEMICAL CORPORATION LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of the 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD




P. J. MILLS

DIRECTOR

11th OCTOBER, 2004

CAYLEY CHEMICAL CORPORATION LIMITEDBALANCE SHEET AS AT 30TH JUNE, 2004As At 30.6.2003

		<u>ASSETS EMPLOYED</u>		
		<u>FIXED ASSETS</u>		
	125000	Tangible Assets (Note 5)		125000
		<u>CURRENT ASSETS</u>		
-		Debtors	-	
-		Cash at Bank and in Hand	-	
-			-	
=====			=====	
		<u>LESS CURRENT LIABILITIES</u>		
-		Creditors Falling Due Within One Year	-	
=====			=====	
-		<u>NET CURRENT ASSETS</u>	-	
		<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		125000
125000		<u>LESS CREDITORS FALLING DUE AFTER ONE YEAR</u> (Note 2)		87357
87357				
		<u>NET ASSETS</u>		37643
37643				=====
=====		<u>REPRESENTED BY:-</u>		
		<u>CAPITAL AND RESERVES</u>		
	23502	Called Up Share Capital (Note 3)		23502
		<u>RESERVES</u>		
4371		Share Premium Account	4371	
9770		Revaluation Reserve	9770	
-		Profit and Loss Account	-	
	14141			14141
		<u>CAPITAL EMPLOYED</u>		
	37643			37643
37643				=====
=====		<p>The Directors consider that the Company is entitled to exemption from the requirement to have an Audit under the provisions of Section 249 A (1) of the Companies Act 1985. Shareholders holding 10% or more of the Company's Share Capital have not issued a notice requiring an Audit. The Directors have confirmed that no notice has been deposited under Section 249(b) (2) of the Companies Act 1985. The Directors acknowledge their responsibilities for ensuring that the Company keeps Accounting Records which comply with Section 221 of the Companies Act 1985, and for preparing Accounts which give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of its Profit for the year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the Company.</p> <p><u>APPROVED BY THE DIRECTOR ON 11TH OCTOBER, 2004</u> <u>AND SIGNED ON BEHALF OF THE BOARD:-</u></p>		
		P.J. Mills		Director

CAYLEY CHEMICAL CORPORATION LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 2004Y.E. 30.6.2003

	-	<u>TURNOVER</u> (Note 1(b))	-
	-	<u>Less</u> Cost of Sales	-
	-	<u>GROSS PROFIT</u>	-
	-	<u>Less</u> Net Operating Expenses	-
	-	<u>OPERATING PROFIT</u>	-
	-	<u>Add</u> Interest Received (Note 2)	-
	-	<u>Less</u> Interest Payable (Note 3)	-
	-	<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</u> (Note 4)	-
	-	<u>TAXATION</u> (Note 6)	-
	-	<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAX</u>	-
	-	<u>APPROPRIATIONS</u>	-
	-	- Dividends	-
	-	<u>RETAINED PROFIT FOR FINANCIAL YEAR</u>	-
801225		<u>Add</u> Retained Earnings B/Fwd.	-
801225			-
801225		<u>Less</u> Transfer to Holding Company	-
-		<u>RETAINED EARNINGS</u>	-
=====			=====
		<u>NOTES</u>	
		1. <u>Continuing Operations</u>	
		The Company has not traded during the above Financial Years.	
		2. <u>Total Recognised Gains and Losses</u>	
		The Company has no recognised gains or losses other than the Profit shown for each Financial Year.	

CAYLEY CHEMICAL CORPORATION LIMITED

NOTES TO THE ACCOUNTS

1. **ACCOUNTING POLICIES**

(a) Basis of Preparation

The Accounts have been prepared under the Historical Cost Convention and comply with applicable Statements of Standard Accounting Practice.

(b) Depreciation

Provision is made for Depreciation of Tangible Assets at the following rates computed by the reducing balance method in order to write off the cost of Assets over their estimated useful lives:-

Office Equipment, Fixtures and Fittings - 25% p.a. on Reducing Balance

Motor Vehicles - 25% p.a. on Reducing Balance

No provision is made for the Depreciation of Freehold Property as in the opinion of the Director the property is maintained to the highest standard and is worth at least the Book Value shown in the Accounts.

2.	<u>Creditors Falling Due After One Year</u>	<u>2004</u>	<u>2003</u>
	Owing to Holding Company (C.C.C. Trading Limited)	87,357	-
		=====	=====
3.	<u>Called Up Share Capital</u>		
	<u>Authorised</u> - 100,000 Ordinary Shares of £1 each	100,000	100,000
		=====	=====
	<u>Issued</u> - 23,502 Ordinary Shares of £1 each, Fully Paid	23,502	23,502
		=====	=====

4. Ultimate Holding Company

The Company's Ultimate Holding Company is C.C.C. Trading Limited (Registered in England) which owns the whole of the Issued Share Capital of Cayley Chemical Corporation Limited. 100% of the Share Capital of C.C.C. Trading Limited is owned by Mr. P.J. Mills and family.

CAYLEY CHEMICAL CORPORATION LIMITED**NOTES TO THE ACCOUNTS**

	<u>FREEHOLD PREMISES</u>	<u>TOTAL</u>
5. Cost as at 30.6.2003	125,000	125,000
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
Cost as at 30.6.2004	125,000	125,000
	<hr/>	<hr/>
Depreciation as at 30.6.2003	-	-
Elimination Relating to Disposals	-	-
Provision for Depreciation	-	-
	<hr/>	<hr/>
Depreciation as at 30.6.2004	-	-
	<hr/>	<hr/>
<u>Net Book Value As At 30.6.2003</u>	125,000	125,000
	<hr/>	<hr/>
<u>Net Book Value As At 30.6.2004</u>	125,000	125,000
	<hr/>	<hr/>

The Company's Freehold Property was revalued by H.D. Wilkinson, Chartered Surveyor of Cheltenham on 9th April, 1999 at £125,000. No Depreciation is provided on the Company's Freehold Property as in the opinion of the Director it will be maintained to the highest standard.