



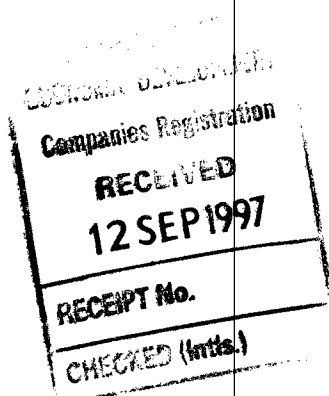
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ACE Chemicals Limited
Abbreviated financial statements
for the period ended 31 December 1996

(Abbreviated in accordance with the provisions of the
Companies (Northern Ireland) Order 1986)

Registered no: NI 30625



ACE Chemicals Limited

Abbreviated financial statements for the period ended 31 December 1996

Pages

Report of the auditors

1 - 2

Abbreviated balance sheet

3

Notes to the abbreviated financial statements

4 - 5

Report of the auditors to the directors of ACE Chemicals Limited under Schedule 8 paragraph 24 of the Companies (Northern Ireland) Order 1986

We have examined the abbreviated financial statements on pages 3 to 5 together with the annual financial statements of Kilco Chemicals Limited for the period ended 31 December 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated financial statements have been properly prepared from the annual financial statements.

In our opinion the company is entitled to the exemptions conferred by Section A of Part III of Schedule 8 to the Companies (Northern Ireland) Order 1986 and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

We reported, as auditors of ACE Chemicals Limited, to the members on 18 April 1997 on the company's annual financial statements prepared under Article 234 of the Companies (Northern Ireland) Order 1986 and our audit report was as follows:-

"We have audited the financial statements on pages 5 to 11.

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.

Basis of opinion

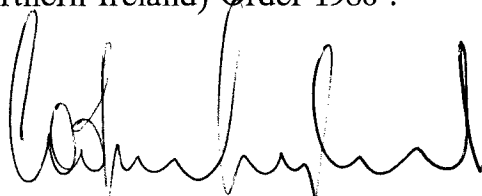
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Report of the auditors to the directors of
ACE Chemicals Limited under Schedule 8 paragraph
24 of the Companies (Northern Ireland) Order 1986
(continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1996 and of the loss for the period then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986".



Coopers & Lybrand

Chartered Accountants and Registered Auditors

Belfast

18 April 1997

ACE Chemicals Limited

3

Abbreviated balance sheet at 31 December 1996

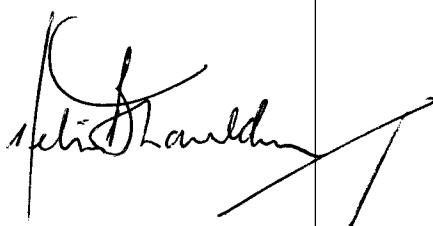
| | Notes | 1996 £ |
|--|-------|-------------------------|
| Fixed assets | | |
| Intangible assets | | 306,980 |
| Tangible assets | 2 | <u>51,937</u> |
| | | 358,917 |
| Current assets | | |
| Stocks | | 43,762 |
| Debtors | | 79,103 |
| Cash at bank and in hand | | <u>2,992</u> |
| | | 125,857 |
| Creditors: amounts falling due within one year | | <u>191,442</u> |
| Net current liabilities | | <u>(65,585)</u> |
| Total assets less current liabilities | | <u>293,332</u> |
| Creditors: amounts falling due after more than one year | | <u>321,000</u> |
| Net liabilities | | <u><u>£(27,668)</u></u> |
| Capital and reserves | | |
| Called-up share capital | 3 | 2 |
| Profit and loss account | | <u>(27,670)</u> |
| | | <u><u>£(27,668)</u></u> |

Advantage has been taken of the exemptions for small companies conferred by Section A of Part III of Schedule 8 to the Companies (Northern Ireland) Order 1986 on the grounds that, in the directors' opinion, the company is entitled to benefit from those exemptions as a small company.

P B Donaldson

Directors

18 April 1997



**Notes to the abbreviated financial statements
for the period ended 31 December 1996****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

| | % |
|-----------------------|----|
| Plant and Machinery | 20 |
| Motor vehicles | 25 |
| Fixtures and fittings | 6 |
| Computer Equipment | 25 |

Goodwill

Goodwill is the excess of purchase consideration over the fair value of net assets acquired. It is capitalised and amortised over ten years, being its estimated useful economic life.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value. Work in progress is valued at the direct cost of material and labour plus attributable overheads.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods supplied.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Cashflow statements and related party transactions

The company is a wholly owned subsidiary of Kilco Chemicals Limited. As a consequence it is exempt from the requirement to publish a cashflow statement. Since the ultimate parent company publishes consolidated group accounts then the company has taken advantage of the exemption to not report transactions with other group members as permitted in FRS8.

2 Tangible fixed assets

| | Total £ |
|----------------------------|----------------|
| Cost | |
| At 9 September 1996 | 47,000 |
| Additions | 11,533 |
| Disposals | (3,000) |
| | <hr/> |
| At 31 December 1996 | 55,533 |
| | <hr/> |
| Depreciation | |
| At 9 September 1996 | - |
| Charge for the period | 3,659 |
| Eliminated on disposals | (63) |
| | <hr/> |
| At 31 December 1996 | 3,596 |
| | <hr/> |
| Net book value | |
| At 31 December 1996 | £51,937 |
| | <hr/> <hr/> |

3 Called-up share capital

| | 1996 |
|---|-------------|
| Authorised | |
| 500,000 ordinary shares of £1 each | £500,000 |
| | <hr/> <hr/> |
| Allotted, called up and fully paid | |
| 2 ordinary shares of £1 each | £2 |
| | <hr/> <hr/> |

4 Ultimate holding company

According to the register kept by the company Kilco Chemicals Limited, a company registered in Northern Ireland, has a 100% interest in the equity capital of ACE Chemicals Limited.

Copies of the accounts of the parent company are available from:-

Kilco Chemicals Limited
1A Trench Road
Mallusk
Newtownabbey