

ALBACHEM LIMITED

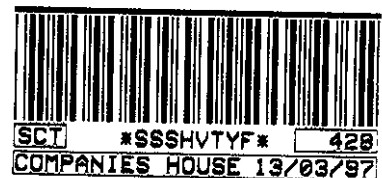
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Directors' Report and Financial Statements

For the year ended 31 July 1996

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ALBACHEM LIMITED

Director's Report and Financial Statements

For the year ended 31 July 1996

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Directors

J F Ramage
R Ramage

Secretary

S C Brock

Accountants

Scott-Moncrieff Downie Wilson

Bankers

Lloyds Bank plc

Registered office

17 Melville Street
Edinburgh
EH3 7PH

ALBACHEM LIMITED

Director's Report

For the year ended 31 July 1996

The directors present their report and financial statements for the year ended 31 July 1996.

Principal activity

The principal activity of the company is scientific research.

Review of the business and future developments

The directors are pleased to report that the company has traded profitably during the year and are confident that profitably will continue.

Dividends and transfers to reserves

The directors do not recommend a dividend which leaves a profit for the period of £33,304 to be transferred to reserves.

Directors and their interests

The directors of the company in office during the year and their beneficial interests in the ordinary share capital was as follows:

Ordinary shares
of £1 each
31 July 1996 31 July 1995

R Ramage
J F Ramage

J. F. Ramage

121
47

121
47

By order of the Board

S. C. Brock

Secretary
S C Brock

23/2/1997

ALBACHEM LIMITED

Accountants' Report to the Directors

For the year ended 31 July 1996

As described on page 4 you are responsible for the preparation of the financial statements and you consider that the company is exempt from an audit. In accordance with your instructions and in order to assist you to fulfil your responsibilities, we have prepared the financial statements on pages 3 to 7 from the accounting records and from information and explanations supplied to us.

Scott-Moncrieff Downie Wilson

SCOTT-MONCRIEFF DOWNIE WILSON
Chartered Accountants
17 Melville Street
Edinburgh
EH3 7PH

1 March

1997

ALBACHEM LIMITED

Profit and Loss Account

For the year ended 31 July 1996

	Notes	1996 £	1995 £
Turnover - continuing operations	2	60,051	-
Other income		24,320	-
Total income		84,371	-
Cost of sales		(41,581)	-
Gross profit		42,790	-
Overheads		(4,984)	(1,469)
Bank interest received		439	-
Operating profit/(loss) - continuing operations		38,245	(1,469)
Tax on profit/(loss) on ordinary activities		(4,941)	-
Retained profit/(loss) for financial period		33,304	(1,469)

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 5 to 7 form part of these financial statements

ALBACHEM LIMITED

Balance Sheet

As at 31 July 1996

	Notes	1996	1995
		£	£
Fixed assets			
Tangible assets	6	20,433	1,463
Current assets			
Bank		25,321	-
Debtors	7	14,290	423
		<u>39,611</u>	<u>423</u>
Creditors: Amounts falling due within one year	8	<u>(28,111)</u>	<u>(3,257)</u>
Net current assets/(liabilities)		11,500	(2,834)
Net assets/(liabilities)		<u>31,933</u>	<u>(1,371)</u>
Capital and reserves			
Equity share capital	9	98	98
Profit and loss account	9	31,835	(1,469)
Shareholders' funds	9	<u>31,933</u>	<u>(1,371)</u>

The directors:

1. confirm that for the year ended 31 July 1996 the company was entitled to the exemption under subsection (1) of section 249A;
2. confirm that no notice requiring an audit had been deposited under subsection (2) of s249B in relation to the financial statements for the financial year; and
3. acknowledge their responsibility for:
 - a) ensuring that the company keeps accounting records which comply with section 221; and
 - b) preparing financial statements 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 or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The financial statements were approved by

the directors on ...23/2/97.....

 Director
R Ramage

The notes on pages 5 to 7 form part of these financial statements

ALBACHEM LIMITED

Notes to the Financial Statements

For the year ended 31 July 1996

1. Accounting policies

Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life as follows:-

All assets 33% straight line

Cashflow statement

The company is exempt from preparing a cashflow statement in compliance with the Financial Reporting Standard No1.

Government grants

Grants of a revenue nature are credited to income in the period to which they relate.

2. Turnover

Turnover relates entirely to scientific research activities. Turnover is stated net of VAT and arises within the UK. The company received a SMART award during the year.

3. Operating profit	1996 £
Operating profit is stated after charging:	
Depreciation	2,001
Director's remuneration	-
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4. Staff costs

The company had no employees during the year.

5. Taxation	1996 £	1995 £
Corporation tax on profit for the period	4,941	-
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ALBACHEM LIMITED

Notes to the Financial Statements - continued

For the year ended 31 July 1996

6.	Fixed assets	Plant & Machinery £	Office Equipment £	Furniture & Fixtures £	Total £
	Cost				
	At 1 August 1995	-	1,504	-	1,504
	Additions	18,500	2,041	430	20,971
	At 31 July 1996	18,500	3,545	430	22,475
	Depreciation				
	At 1 August 1995	-	41	-	41
	Charged in year	1,526	357	118	2,001
	At 31 July 1996	1,526	398	118	2,042
	Net Book Value				
	At 31 July 1996	16,974	3,147	312	20,433
	At 31 July 1995	-	1,463	-	1,463
7.	Debtors			1996 £	1995 £
	Trade debtors			10,520	-
	Other debtors			3,770	423
				14,290	423
8.	Creditors			1996 £	1995 £
	Trade creditors			22,170	-
	Accruals			1,000	750
	Corporation tax			4,941	-
	Loan			-	2,507
				28,111	3,257

ALBACHEM LIMITED

Notes to the Financial Statements - continued

For the year ended 31 July 1996

9. Capital and reserves	1996	1995
	£	£
Ordinary equity shares of 50 pence each		
Authorised	1,000	1,000
Issued	98	98
<i>Reconciliation of movement in shareholder's funds</i>	<i>1996</i>	<i>1995</i>
	£	£
Opening shareholder's funds	(1,371)	-
Issue of share capital	-	98
Retained profit	33,304	(1,469)
Closing shareholder's funds	31,933	(1,371)