REGISTERED NUMBER: 981321 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

FOR

MORRIS GREENHALGH LIMITED



MORRIS GREENHALGH LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors on the Abbreviated Financial Statements	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Financial Statements	10

MORRIS GREENHALGH LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2000

DIRECTORS:	S G Wood S I Hassellof N P Wallberg
SECRETARY:	S G Wood
REGISTERED OFFICE:	Prince Street Bolton BL1 2NP
REGISTERED NUMBER:	981321 (England and Wales)
AUDITORS:	Ryans Chartered Accountants and Registered Auditors 67 Chorley Old Road Bolton BL1 3AJ
BANKERS:	Lloyds TSB Bank plc 113 Deansgate Bolton BL1 1HB

MORRIS GREENHALGH LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2000

The directors present their report with the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the manufacture of adhesives and chemical products.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS
Prior to the company's sale to BIM Kemi AB, it paid a cash dividend of £1,400,000 and a cash in lieu of stock dividend of £1,752.

DIRECTORS
The directors during the year under review were:

S G Wood	
S I Hassellof	- appointed 9/3/00
N P Wallberg	- appointed 9/3/00
Mrs P J Wood	- resigned 9/3/00

The beneficial interests of the directors holding office on 31st December 2000 in the issued share capital of the company were as follows:

	31.12.00	1.1.00 or date of appointment if later
Ordinary £1 shares		
S G Wood	-	4,589
S I Hassellof	-	-
N P Wallberg	-	-

N P Wallberg owns 813,427 shares of 10 SKr each in the parent company.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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

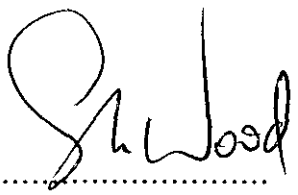
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

AUDITORS

The auditors, Ryans, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....

S G Wood - SECRETARY

Dated: 20.3.01

REPORT OF THE AUDITORS TO MORRIS GREENHALGH LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to eighteen, together with the full financial statements of the company for the year ended 31st December 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to eighteen are properly prepared in accordance with that provision.

Ryans
Chartered Accountants
and Registered Auditors
67 Chorley Old Road
Bolton
BL1 3AJ

Dated: 20/3/01

MORRIS GREENHALGH LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
GROSS PROFIT			1,580,268		2,034,509
Distribution costs		768,931		720,460	
Administrative expenses		632,583		939,402	
			1,401,514		1,659,862
OPERATING PROFIT	3		178,754		374,647
Interest payable and similar charges	4		44,780		74,561
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			133,974		300,086
Tax on profit on ordinary activities	5		39,715		57,657
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			94,259		242,429
Extraordinary items after taxation	6		(126,812)		-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(32,553)		242,429
Dividends	7		1,401,752		-
			(1,434,305)		242,429
Retained profit brought forward			1,500,905		1,258,476
			66,600		1,500,905
Bonus share issue			(1,758)		-
RETAINED PROFIT CARRIED FORWARD			£64,842		£1,500,905

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

MORRIS GREENHALGH LIMITED

ABBREVIATED BALANCE SHEET
31ST DECEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS:					
Tangible assets	8		1,083,555		1,326,212
CURRENT ASSETS:					
Stocks	9	616,178		802,109	
Debtors	10	1,034,413		1,060,727	
Cash at bank		270,621		61,917	
		1,921,212		1,924,753	
CREDITORS: Amounts falling due within one year	11	2,174,558		1,318,998	
NET CURRENT (LIABILITIES)/ASSETS:			(253,346)		605,755
TOTAL ASSETS LESS CURRENT LIABILITIES:			830,209		1,931,967
CREDITORS: Amounts falling due after more than one year	12		354,609		422,062
			£475,600		£1,509,905
CAPITAL AND RESERVES:					
Called up share capital	15		410,758		9,000
Profit and loss account			64,842		1,500,905
SHAREHOLDERS' FUNDS:	18		£475,600		£1,509,905

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

S G Wood

.....

S G Wood - DIRECTOR

Approved by the Board on 20.3.01

The notes form part of these financial statements

MORRIS GREENHALGH LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2000

	Notes	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	1		1,708,137		623,888
Returns on investments and servicing of finance	2		(44,780)		(74,561)
Taxation			(57,657)		(69,261)
Capital expenditure	2		(91,786)		(231,843)
Equity dividends paid			(1,401,752)		(2,800)
			112,162		**245,423**
Financing	2		316,899		(44,595)
Increase in cash in the period			**£429,061**		**£200,828**

Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		**429,061**		**200,828**	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		51,427		(19,694)	
Change in net debt resulting from cash flows			480,488		181,134
Movement in net debt in the period			**480,488**		**181,134**
Net debt at 1st January			**(313,449)**		**(494,583)**
Net funds/(debt) at 31st December			**£167,039**		**£(313,449)**

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	178,754	374,647
Depreciation charges	211,619	219,690
Profit on sale of fixed assets	(3,986)	(2,075)
Decrease/(Increase) in stocks	185,931	(59,158)
Decrease in debtors	26,314	39,928
Increase in creditors	1,109,505	50,856
Net cash inflow from operating activities	1,708,137	623,888

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	(36,552)	(61,835)
Interest element of finance lease rentals payments	(8,228)	(12,726)
Net cash outflow for returns on investments and servicing of finance	(44,780)	(74,561)
Capital expenditure		
Purchase of tangible fixed assets	(108,911)	(268,594)
Sale of tangible fixed assets	17,125	36,751
Net cash outflow for capital expenditure	(91,786)	(231,843)

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2000

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	2000 £	1999 £
Financing		
New loan taken out in year	29,226	130,243
Loan repayments in year	(112,212)	(141,886)
Amount withdrawn by directors	(115)	(32,952)
Cash receipt re share issue	400,000	-
Net cash inflow/(outflow) from financing	316,899	(44,595)

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/00 £	Cash flow £	At 31/12/00 £
Net cash:			
Cash at bank	61,917	208,704	270,621
Bank overdraft	(220,357)	220,357	-
	(158,440)	429,061	270,621
Debt:			
Finance leases	(155,009)	51,427	(103,582)
	(155,009)	51,427	(103,582)
Total	(313,449)	480,488	167,039
Analysed in Balance Sheet			
Cash at bank	61,917		270,621
Bank overdraft	(220,357)		-
Finance leases			
within one year	(64,704)		(48,673)
after one year	(90,305)		(54,909)
	(313,449)		167,039

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover
Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	- 5% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 12.5% on reducing balance
Motor vehicles	- 25% on cost

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

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	869,587	1,077,501
Social security costs	82,779	108,715
Other pension costs	15,337	23,761
	967,703	1,209,977

The average monthly number of employees during the year was as follows:

	2000	1999
Manufacturing	15	16
Sales and distribution	12	11
Office and management	10	11
Technical	8	8
	45	46

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2000	1999
	£	£
Hire of plant and machinery	5,670	5,390
Depreciation - owned assets	144,600	136,460
Depreciation - assets on finance leases	67,019	83,230
Profit on disposal of fixed assets	(3,986)	(2,075)
Auditors' remuneration	3,700	3,600
Non-audit work	4,685	7,357
Foreign exchange differences	1,143	680
Directors' emoluments	110,704	356,758

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	5,683	30,413
Debenture loan interest	30,735	30,954
Director's loan interest	-	373
Interest on taxation	134	95
Finance lease interest	8,228	12,726
	44,780	74,561

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	39,715	57,657

UK corporation tax has been charged at 29% (1999 - 20.25%).

The company has a potential deferred tax liability for the year, based on an effective tax rate of 29%, of £10,561 (1999 - credit £210), attributable to accelerated capital allowances, for which no provision has been made. The total amount of unprovided deferred tax at 31st December 2000, calculated at the current effective rate of corporation tax was £24,911 (1999 - £14,350).

6. EXTRAORDINARY ITEMS

	2000	1999
	£	£
Charges:		
Deficit on property revaluation	126,812	-

7. DIVIDENDS

	2000	1999
	£	£
Equity shares:		
Interim - ordinary	1,401,752	-

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

8. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION:					
At 1st January 2000	783,498	1,508,927	65,769	337,006	2,695,200
Additions	1,040	40,960	26,695	40,216	108,911
Disposals	-	-	-	(52,491)	(52,491)
Deficit on revaluation	(134,319)	-	-	-	(134,319)
At 31st December 2000	650,219	1,549,887	92,464	324,731	2,617,301
DEPRECIATION:					
At 1st January 2000	7,507	1,145,026	36,926	179,527	1,368,986
Charge for year	23,166	107,551	12,470	68,432	211,619
Eliminated on disposals	-	-	-	(39,352)	(39,352)
Revaluation adjustment	(7,507)	-	-	-	(7,507)
At 31st December 2000	23,166	1,252,577	49,396	208,607	1,533,746
NET BOOK VALUE:					
At 31st December 2000	627,053	297,310	43,068	116,124	1,083,555
At 31st December 1999	775,991	363,901	28,842	157,478	1,326,212

Cost or valuation at 31st December 2000 is represented by:

	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
Valuation in 2000	(134,319)	-	-	-	(134,319)
Cost	784,538	1,549,887	92,464	324,731	2,751,620
	650,219	1,549,887	92,464	324,731	2,617,301

If land and buildings had not been revalued they would have been included at the following historical cost:

	2000	1999
	£	£
Cost	784,538	783,498
Aggregate depreciation	30,673	7,507

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1st January 2000	337,006
Additions	28,916
Disposals	(52,491)
At 31st December 2000	313,431
DEPRECIATION:	
At 1st January 2000	179,527
Charge for year	67,019
Eliminated on disposals	(39,352)
At 31st December 2000	207,194
NET BOOK VALUE:	
At 31st December 2000	106,237
At 31st December 1999	157,478

9. STOCKS

	2000	1999
	£	£
Raw materials	332,322	470,136
Packaging	9,211	9,732
Finished goods	274,645	322,241
	616,178	802,109

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Trade debtors	995,360	1,008,988
Loan to employee	3,640	3,640
Prepayments	35,413	48,099
	1,034,413	1,060,727

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts (see note 13)	34,500	254,357
Finance leases (see note 14)	48,673	64,704
Trade creditors	750,967	518,267
Directors current accounts	-	115
Parent company loan	1,145,921	-
V.A.T.	81,680	73,219
Social security & other taxes	24,616	24,473
Taxation	39,715	57,657
Accrued expenses	48,486	326,206
	2,174,558	1,318,998

Trade creditors include amounts owing to group companies of £25,303.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans (see note 13)	299,700	331,757
Finance leases (see note 14)	54,909	90,305
	354,609	422,062

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	220,357
Bank loans	34,500	34,000
	34,500	254,357
Amounts falling due between one and two years:		
Bank loans	34,500	34,000
Amounts falling due between two and five years:		
Bank loans	103,500	102,000
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	161,700	195,757

The debenture loan, which is secured on the company's freehold land and buildings, is repayable over a period of approximately fifteen years by equal monthly instalments inclusive of interest at 2.25% above Finance House Base Rate, subject to a minimum 7.25% per annum.

14. OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2000	1999
	£	£
Gross obligations repayable:		
Within one year	55,486	70,631
Between one and five years	58,413	100,463
	113,899	171,094
Finance charges repayable:		
Within one year	6,813	5,927
Between one and five years	3,504	10,158
	10,317	16,085
Net obligations repayable:		
Within one year	48,673	64,704
Between one and five years	54,909	90,305
	103,582	155,009

15. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2000 £	1999 £
500,000 (1999 - 50,000)	Ordinary	£1	500,000	50,000
			500,000	50,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
410,758 (1999 - 9,000)	Ordinary	£1	410,758	9,000
			410,758	9,000

15. CALLED UP SHARE CAPITAL - continued

On 21st February 2000, the company sub-divided its share capital into £1 and 1p ordinary shares. On 5th March 2000, a bonus issue of 175,773 shares of 1p was made. On 28th December 2000, the company increased its authorised share capital from £50,000 to £500,000 and issued 27 shares of 1p and 400,000 shares of £1 for cash. Subsequently, on the same date, the then existing 175,800 shares of 1p were re-classified as 1,758 shares of £1 and the whole of the authorised share capital was amalgamated as £1 ordinary shares.

16. ULTIMATE PARENT COMPANY

The company's ultimate parent company is BIM Kemi AB, incorporated in Sweden.

17. TRANSACTIONS WITH DIRECTORS

The company paid rent of £11,868 (1999 - £13,762) for storage accommodation to a pension fund of which S G Wood is the beneficiary.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
(Loss)/Profit for the financial year	(32,553)	242,429
Dividends	(1,401,752)	-
	(1,434,305)	242,429
Shares issued for cash	400,000	-
Net (reduction)/addition to shareholders' funds	(1,034,305)	242,429
Opening shareholders' funds	1,509,905	1,267,476
Closing shareholders' funds	475,600	1,509,905
Equity interests	475,600	1,509,905