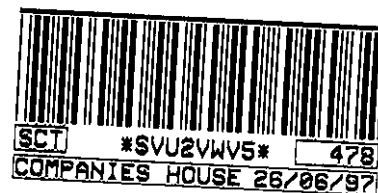


REGISTERED NUMBER: SC9607

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996
FOR
THE MILROY CHEMICAL COMPANY LIMITED



6

THE MILROY CHEMICAL COMPANY LIMITED

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THE MILROY CHEMICAL COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS:

E A I Young
G M C I Young
L S I Young

SECRETARY:

A Dempster

REGISTERED OFFICE:

Lawmoor Place
Dixons Blazes Estate
GLASGOW
G5 0YE

REGISTERED NUMBER:

SC9607

AUDITORS:

R A SCOTT, WHEELAN AND COMPANY
Chartered Accountants
Registered Auditor
13 Fitzroy Place
GLASGOW
G3 7RW

THE MILROY CHEMICAL COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MILROY CHEMICAL COMPANY LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to seven together with the full financial statements of THE MILROY CHEMICAL COMPANY LIMITED 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 five 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 five to seven have been properly prepared in accordance with that Schedule.

Other information

On 7th May 1997 we reported, as auditors of THE MILROY CHEMICAL COMPANY LIMITED, to the shareholders 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 five to nine which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page two 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.

THE MILROY CHEMICAL COMPANY LIMITED

**REPORT OF THE AUDITORS TO
THE MILROY CHEMICAL COMPANY LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

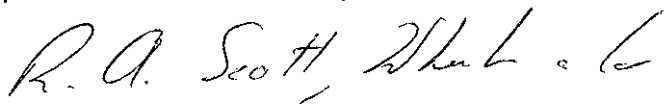
Basis of opinion

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 judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



R A SCOTT, WHEELAN AND COMPANY
Chartered Accountants
Registered Auditor
13 Fitzroy Place
GLASGOW
G3 7RW

Dated: 7th May 1997

THE MILROY CHEMICAL COMPANY LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF
THE MILROY CHEMICAL COMPANY LIMITED
PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

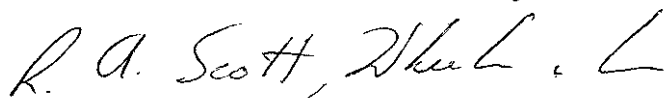
We have examined the financial statements of the company and each of its subsidiaries for the year ended 31 December 1996.

Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

Opinion

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.



R A SCOTT, WHEELAN AND COMPANY
Chartered Accountants
Registered Auditor
13 Fitzroy Place
GLASGOW
G3 7RW

Dated: 7th May 1997

THE MILROY CHEMICAL COMPANY LIMITED

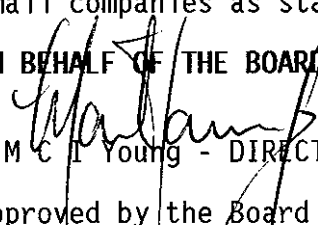
ABBREVIATED BALANCE SHEET As at 31 December 1996

		1996		1995	
	Notes	£	£	£	£
FIXED ASSETS:					
Investments	2		7,250		7,250
CURRENT ASSETS:					
Debtors	3	99,350		99,350	
NET CURRENT ASSETS:			99,350		99,350
TOTAL ASSETS LESS CURRENT LIABILITIES:			106,600		106,600
CREDITORS: Amounts falling due after more than one year			28,958		28,958
			<u>£77,642</u>		<u>£77,642</u>
CAPITAL AND RESERVES:					
Called Up Share Capital	4		25,000		25,000
Other Reserves			47,490		47,490
Profit & Loss Account			5,152		5,152
Shareholders' Funds			<u>£77,642</u>		<u>£77,642</u>

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


G M C I Young - DIRECTOR

Approved by the Board on 6th May 1997

The notes form part of these financial statements

THE MILROY CHEMICAL COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 December 1996

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

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.

2. FIXED ASSET INVESTMENTS

	£
COST:	
As at 1 January 1996	
and 31 December 1996	<u>7,250</u>
NET BOOK VALUE:	
As at 31 December 1996	<u>£7,250</u>
As at 31 December 1995	<u>£7,250</u>

The company's investments in the ordinary share capital of unlisted companies at the balance sheet date include the following:

Company	%age Holding	Country of Incorporation
Mathison Palmer & Co Ltd	100	Scotland

3. DEBTORS FALLING DUE AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Ingram Brothers (Glasgow) Ltd	<u>99,350</u>	<u>99,350</u>

THE MILROY CHEMICAL COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1996

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:			1996	1995
Number:	Class:	Nominal Value:	£	£
23,000	Ordinary	£1	23,000	23,000
2,000	Founder Preference	£1	2,000	2,000
			<u>25,000</u>	<u>25,000</u>

5. ULTIMATE PARENT COMPANY

The ultimate parent company is George Ingram (Glasgow) Limited.