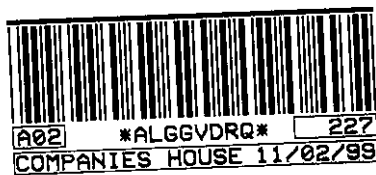


AEGIS ADVANCED MATERIALS LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1998

Company No: 02604099



BOWKER, STEVENS & CO.,
Chartered Accountants
Halesowen, West Midlands

AEGIS ADVANCED MATERIALS LIMITED

1.

DIRECTORS' REPORT
for the year ended 30th April 1998

The directors present their report and accounts for the year ended 30th April 1998.

Principal Activity and Review of the Business

The company's principal activity during the year was that of Manufacturers Agents. The directors consider the state of the company's affairs at the date of the balance sheet to be satisfactory.

Results and Dividends

The profit for the year, after taxation, amounted to £30,584. The directors do not recommend the payment of a dividend.

Directors and their Interests

The directors of the company at 30th April 1998 and their interests in the issued share capital were:

	<u>Ordinary shares of £1 each</u>	
	<u>1998</u>	<u>1997</u>
M.J. Kingsley	700	700
Mrs R. Kingsley	300	300

The directors are permanent directors and do not retire by rotation.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors.



Director

Approved by the board 29th January 1999

We report on the accounts for the year ended 30th April 1998 set out on pages 3 to 7.

Respective responsibilities of directors and reporting accountants

As described on page 4 the company's directors are responsible for the preparation of accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Bowker, Stevens & Co.

BOWKER, STEVENS & CO.,
Chartered Accountants
Reporting Accountants

4th February 1999

Suite No.2
Centre Court
Vine Lane
Halesowen
West Midlands

AEGIS ADVANCED MATERIALS LIMITED

3.

PROFIT AND LOSS ACCOUNT
for the year ended 30th April 1998

	<u>Notes</u>	<u>1998</u>		<u>1997</u>	
		£	£	£	£
Turnover	2		193,676		177,761
Cost of sales			110,230		78,116
			<hr/>		<hr/>
<u>Gross Profit</u>			83,446		99,645
Other income - Grant received			6,429		3,389
			<hr/>		<hr/>
			89,875		103,034
Administration expenses			53,532		51,177
			<hr/>		<hr/>
<u>Operating Profit</u>	3		36,343		51,857
Interest receivable	4	2,377		1,533	
Interest payable	4	(6)	2,371	-	1,533
			<hr/>		<hr/>
<u>Profit on ordinary activities</u> <u>before taxation</u>			38,714		53,390
Taxation	5		8,130		12,690
			<hr/>		<hr/>
<u>Profit on ordinary activities</u> <u>after taxation</u>			30,584		40,700
Dividends	10		-		20,000
			<hr/>		<hr/>
			30,584		20,700
Retained profit brought forward			72,030		51,330
			<hr/>		<hr/>
<u>Retained profit carried forward</u>			102,614		72,030
			<hr/>		<hr/>

All of the company's operations are classed as continuing.
The company had no recognised gains or losses other than the profit
for the period.

BALANCE SHEET
as at 30th April 1998

	Notes	1998		1997	
		£	£	£	£
<u>Current Assets</u>					
Stocks	6	16,475		14,735	
Debtors	7	63,840		33,657	
Cash at bank		<u>74,361</u>		<u>83,643</u>	
		154,676		132,035	
<u>Creditors: amounts falling due within one year</u>	8	<u>51,062</u>		<u>59,005</u>	
<u>Net Current Assets</u>			<u>103,614</u>		<u>73,030</u>
			<u>103,614</u>		<u>73,030</u>
<u>Capital and Reserves</u>					
Called up share capital	9		1,000		1,000
Profit and loss account			<u>102,614</u>		<u>72,030</u>
<u>Shareholders Funds</u>	11		<u>103,614</u>		<u>73,030</u>

In the directors' opinion the company was entitled under section 249A(2) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 30th April 1998. No member of the company has deposited a notice under section 249B(2) requiring an audit of these accounts.

The directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss of each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors.



Director

Approved by the board 29th January 1999

The notes on pages 5 to 7 form part of these accounts

NOTES TO THE ACCOUNTS
for the year ended 30th April 1998

1. Accounting Policies

Basis of accounting

The accounts are prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable for goods and services provided in the UK and overseas net of trade discounts, VAT and other related taxes.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

2. Turnover

Turnover, and pre-tax profit is attributable to the following activity:

	<u>Turnover</u>		<u>Pre-tax Profit</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	£	£	£	£
Manufacturers Agents	193,676	177,761	38,714	53,390
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

3. Operating Profit is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Loss on foreign exchange	547	1,026
	<u> </u>	<u> </u>

AEGIS ADVANCED MATERIALS LIMITED

6.

NOTES TO THE ACCOUNTS
for the year ended 30th April 1998 (Continued)

	<u>1998</u>	<u>1997</u>
	£	£
<u>4. Interest</u>		
Interest receivable		
Bank	2,377	1,533
	<hr/>	<hr/>
Interest payable		
Other	6	-
	<hr/>	<hr/>
<u>5. Taxation</u>		
<u>UK Current year taxation</u>		
UK Corporation tax @ 21%	8,130	12,682
Prior year adjustment	-	8
	<hr/>	<hr/>
	8,130	12,690
	<hr/>	<hr/>
<u>6. Stocks</u>		
Goods for resale	16,475	14,735
	<hr/>	<hr/>
<u>7. Debtors</u>		
Trade debtors	57,829	28,502
Prepayments	122	107
M.J. Kinglsey - Current account	-	48
Other debtors	5,889	-
Advance Corporation Tax	-	5,000
	<hr/>	<hr/>
	63,840	33,657
	<hr/>	<hr/>
<u>8. Creditors: amounts falling due within one year</u>		
Trade creditors	27,028	22,040
Corporation tax	8,130	12,682
Other taxes	-	3,029
Accruals	1,100	1,050
Other creditors	14,700	15,100
Directors' current accounts	104	104
Advance Corporation Tax	-	5,000
	<hr/>	<hr/>
	51,062	59,005
	<hr/>	<hr/>
<u>9. Called Up Share Capital</u>		
Authorised		
20,000 Ordinary Shares of £1 each	20,000	20,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
1,000 Ordinary Shares of £1 each	1,000	1,000
	<hr/>	<hr/>

AEGIS ADVANCED MATERIALS LIMITED

7.

NOTES TO THE ACCOUNTS
for the year ended 30th April 1998 (Continued)

	<u>1998</u>	<u>1997</u>
	£	£
10. <u>Dividend</u>		
Ordinary:		
Interim paid of NIL per share (1997 £20)	-	20,000
	<hr/>	<hr/>
11. <u>Reconciliation of Movement in Shareholders Funds</u>		
Shareholders funds at 1st May 1997	72,030	51,330
Profit for the financial year	30,584	20,700
	<hr/>	<hr/>
Shareholders funds at 30th April 1998	102,614	72,030
	<hr/>	<hr/>

12. Related Party Transactions

Charges totalling £27,131 (1997 £15,100) were made to the company by a business controlled by M.J.Kingsley, a director and controlling shareholder of Aegis Advanced Materials Limited, in respect of expenses incurred and recharges made on behalf of the company.