PATERSON BRODIE

REGISTERED NUMBER: 00952421

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Abbreviated Financial Statements

for the Year Ended 31 March 2000

for

Vulcan Refractories Limited

PATERSON BRODIE

Vulcan Refractories Limited

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PATERSON BRODIE

Vulcan Refractories Limited

Company Information
for the Year Ended 31 March 2000

DIRECTORS:	N J Zienkowicz Mrs M Zienkowicz
SECRETARY:	Mrs M Zienkowicz
REGISTERED OFFICE:	Brookhouses Industrial Estate Cheadle Stoke on Trent STAFFS. ST10 1PN
REGISTERED NUMBER:	00952421
AUDITORS:	*Paterson Brodie* Chartered Accountants Registered Auditors *Cliveden Chambers* Cliveden Place Longton Stoke on Trent ST3 4JB

Vulcan Refractories Limited

Report of the Directors for the Year Ended 31 March 2000

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

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of manufacturers of Infra-Red heating elements, refractory products and ceramic finishing media.

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

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2000.

DIRECTORS
The directors during the year under review were:

N J Zienkowicz
Mrs M Zienkowicz

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

	31.3.00	1.4.99
Ordinary shares £1 shares		
N J Zienkowicz	2,500	2,500
Mrs M Zienkowicz	-	-

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, Paterson Brodie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

M. Zienkowicz
.....
Mrs M Zienkowicz - SECRETARY

Dated: 23/6/2000

Vulcan Refractories Limited

Report of the Auditors to Vulcan Refractories Limited Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages four to thirteen, together with the full financial statements of the company for the year ended 31 March 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 four to thirteen are properly prepared in accordance with that provision.

Paterson Brodie

Paterson Brodie
Chartered Accountants
Registered Auditors
Cliveden Chambers
Cliveden Place
Longton
Stoke on Trent ST3 4JB

Dated: 26/6/2000

Vulcan Refractories Limited

Abbreviated Profit and Loss Account for the Year Ended 31 March 2000

	Notes	31.3.00 £	31.3.99 £
GROSS PROFIT		870,866	706,135
Administrative expenses		755,811	781,066
OPERATING PROFIT/(LOSS)	3	115,055	(74,931)
Interest receivable and similar income		454	1,231
		115,509	(73,700)
Interest payable and similar charges	4	10,527	11,236
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		104,982	(84,936)
Tax on profit/(loss) on ordinary activities	5	10,067	(16,004)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		94,915	(68,932)
Retained profit brought forward		897,165	966,097
RETAINED PROFIT CARRIED FORWARD		£992,080	£897,165

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 profit for the current year and the loss for the previous year.

The notes form part of these financial statements

Vulcan Refractories Limited

Abbreviated Balance Sheet
31 March 2000

	Notes	31.3.00 £	31.3.00 £	31.3.99 £	31.3.99 £
FIXED ASSETS:					
Tangible assets	6		716,095		678,040
CURRENT ASSETS:					
Stocks	7	253,657		245,853	
Debtors	8	490,533		598,005	
Cash at bank and in hand		65,693		3,481	
		809,883		847,339	
CREDITORS: Amounts falling due within one year	9	506,099		586,450	
NET CURRENT ASSETS:			303,784		260,889
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,019,879		938,929
CREDITORS: Amounts falling due after more than one year	10		25,299		39,264
			£994,580		£899,665
CAPITAL AND RESERVES:					
Called up share capital	12		2,500		2,500
Profit and loss account			992,080		897,165
Shareholders' funds	13		£994,580		£899,665

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:

.....
N J ZIENKOWICZ - DIRECTOR

Approved by the Board on 25th June 2000

The notes form part of these financial statements

Vulcan Refractories Limited

Cash Flow Statement
for the Year Ended 31 March 2000

	Notes	31.3.00 £	31.3.00 £	31.3.99 £	31.3.99 £
Net cash inflow from operating activities	1		329,447		92,913
Returns on investments and servicing of finance	2		(10,073)		(10,005)
Taxation			16,536		(16,004)
Capital expenditure	2		(128,754)		(82,959)
			207,156		**(16,055)**
Financing	2		*(40,861)*		*(34,796)*
Increase/(Decrease) in cash in the period			**£166,295**		**£(50,851)**
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		**166,295**		**(50,851)**	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		40,862		(15,205)	
Change in net debt resulting from cash flows			207,157		(66,056)
Movement in net debt in the period			**207,157**		**(66,056)**
Net debt at 1 April 1999			**(192,703)**		**(126,647)**
Net funds/(debt) at 31 March 2000			**£14,454**		**£(192,703)**

The notes form part of these financial statements

Vulcan Refractories Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2000

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.00 £	31.3.99 £
Operating profit/(loss)	115,055	(74,931)
Depreciation charges	91,037	88,042
Loss on sale of fixed assets	-	1,799
Profit on sale of fixed assets	(339)	(6,000)
Increase in stocks	(7,804)	(31,076)
Decrease in debtors	107,472	69,975
Increase in creditors	24,026	45,104
Net cash inflow from operating activities	329,447	92,913

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

	31.3.00 £	31.3.99 £
Returns on investments and servicing of finance		
Interest received	454	1,231
Interest paid	-	(4,149)
Interest element of hire purchase or finance lease rentals payments	(10,527)	(7,087)
Net cash outflow for returns on investments and servicing of finance	(10,073)	(10,005)
Capital expenditure		
Purchase of tangible fixed assets	(163,803)	(100,659)
Sale of tangible fixed assets	35,049	17,700
Net cash outflow for capital expenditure	(128,754)	(82,959)
Financing		
Finance lease and hire purchase advances	22,595	57,796
Finance lease and hire purchase repayments	(63,456)	(42,592)
Pension loan repayment	-	(50,000)
Net cash outflow from financing	(40,861)	(34,796)

The notes form part of these financial statements

Vulcan Refractories Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2000

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.99 £	Cash flow £	At 31.3.00 £
Net cash:			
Cash at bank and in hand	3,481	62,212	65,693
Bank overdraft	(104,083)	104,083	-
	(100,602)	166,295	65,693
Debt:			
Hire purchase or finance leases	(92,101)	40,862	(51,239)
	(92,101)	40,862	(51,239)
Total	(192,703)	207,157	14,454
Analysed in Balance Sheet			
Cash at bank and in hand	3,481		65,693
Bank overdraft	(104,083)		-
Hire purchase or finance leases			
within one year	(52,837)		(25,940)
after one year	(39,264)		(25,299)
	(192,703)		14,454

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements for the Year Ended 31 March 2000

1. ACCOUNTING POLICIES

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

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.

Factory Premises	- 2% on cost
Freehold Land	- not provided
Plant & Machinery	- at varying rates on cost
Fixtures & Fittings	*- at varying rates on cost*
Motor vehicles	- 25% on reducing balance

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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.

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

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 the transaction. Exchange differences are taken into account in arriving at the operating results.

2. STAFF COSTS

	31.3.00	31.3.99
	£	£
Wages and salaries	670,151	704,897
Social security costs	57,183	55,049
Other pension costs	11,146	7,214
	738,480	767,160

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

	31.3.00	31.3.99
Office and management	11	12
Production	40	42
	51	54

3. OPERATING PROFIT/(LOSS)

The operating profit (1999 - operating loss) is stated after charging/(crediting):

	31.3.00	31.3.99
	£	£
Depreciation - owned assets	91,037	88,042
Profit on disposal of fixed assets	(339)	(4,201)
Auditors' remuneration	7,150	6,840
Directors' emoluments	40,036	39,062

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.00	31.3.99
	£	£
Bank interest	-	1,393
Pension fund loan interest	-	2,756
Hire purchase	10,527	7,087
	10,527	11,236

5. TAXATION

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.3.00	31.3.99
	£	£
UK corporation tax	10,599	-
Loss relief claim	-	(16,004)
Repayment supplement	(532)	-
	10,067	(16,004)

UK corporation tax has been charged at 20% (1999 - not applicable).

6. **TANGIBLE FIXED ASSETS**

	Factory Premises	Freehold Land	Plant & Machinery
	£	£	£
COST:			
At 1 April 1999	283,341	42,500	666,852
Additions	14,913	-	98,205
Disposals	-	-	(6,746)
At 31 March 2000	298,254	42,500	758,311
DEPRECIATION:			
At 1 April 1999	39,139	-	359,595
Charge for year	5,965	-	57,481
Eliminated on disposals	-	-	(6,746)
At 31 March 2000	45,104	-	410,330
NET BOOK VALUE:			
At 31 March 2000	253,150	42,500	347,981
At 31 March 1999	244,202	42,500	307,258

	Fixtures & Fittin-gs	Motor vehicles	Totals
	£	£	£
COST:			
At 1 April 1999	89,914	85,232	1,167,839
Additions	22,491	28,194	163,803
Disposals	(38,536)	(57,474)	(102,756)
At 31 March 2000	73,869	55,952	1,228,886
DEPRECIATION:			
At 1 April 1999	58,952	32,114	489,800
Charge for year	15,940	11,651	91,037
Eliminated on disposals	(38,536)	(22,764)	(68,046)
At 31 March 2000	36,356	21,001	512,791
NET BOOK VALUE:			
At 31 March 2000	37,513	34,951	716,095
At 31 March 1999	30,962	53,118	678,040

7. **STOCKS**

	31.3.00 £	31.3.99 £
Raw materials	153,808	158,020
Work in progress	12,780	19,165
Finished goods	87,069	68,668
	253,657	245,853

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.00 £	31.3.99 £
Trade debtors	473,999	590,829
Other debtors	5,330	-
Prepayments & accrued income	11,204	7,176
	490,533	598,005

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.00 £	31.3.99 £
Bank loans and overdrafts (see note 11)	-	104,083
Trade creditors	335,454	307,538
Hire purchase	25,940	52,837
Social security & other taxes	19,568	31,852
Taxation	10,599	(16,004)
Accrued expenses	114,538	106,144
	506,099	586,450

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

	31.3.00 £	31.3.99 £
Hire purchase	25,299	39,264

11. LOANS AND OVERDRAFTS

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

	31.3.00 £	31.3.99 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	104,083

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.00 £	31.3.99 £
2,500	Ordinary shares	£1	2,500	2,500

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.00	31.3.99
	£	£
Profit/(Loss) for the financial year	94,915	(68,932)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	94,915	(68,932)
Opening shareholders' funds	899,665	968,597
CLOSING SHAREHOLDERS' FUNDS	994,580	899,665
Equity interests	994,580	899,665

14. CONTROLLING PARTIES

The company was controlled throughout the current and previous period by one of its directors, Mr N.J.Zienkowicz, by virtue of his 100% shareholding .

15. DEFERRED TAXATION

A potential liability to taxation exists at the balance sheet date amounting to £64,067 (1999- £61,455) the analysis of which is noted below. No provision has been made in these accounts as the liability is not expected to crystalise in the foreseeable future.

	31.3.00	31.3.99
	£	£
Accelerated capital allowances	64,067	60,716
Other timing differences	-	739
	64,067	61,455