PATERSON BRODIE

REGISTERED NUMBER: 00952421

Abbreviated Financial Statements

for the Year Ended 31 March 2002

for

Vulcan Refractories Limited



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21/11/02

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Vulcan Refractories Limited

Company Information
for the Year Ended 31 March 2002

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 2002

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

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
An interim dividend of £6 per share was paid on 17 April 2001. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2002 will be £15,000.

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 2002 in the issued share capital of the company were as follows:

	31.3.02	1.4.01
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: 14 - 11 - 02.

Vulcan Refractories Limited

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

We have examined the abbreviated financial statements on pages four to fifteen, together with the full financial statements of the company for the year ended 31 March 2002 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 audit 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 fifteen 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: 19/11/02

Vulcan Refractories Limited

Abbreviated Profit and Loss Account for the Year Ended 31 March 2002

	Notes	31.3.02 £	31.3.01 £
GROSS PROFIT		902,679	973,167
Administrative expenses		929,900	877,067
OPERATING (LOSS)/PROFIT	4	(27,221)	96,100
Interest receivable and similar income		82	82
		(27,139)	96,182
Interest payable and similar charges	5	22,119	16,052
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,258)	80,130
Tax on (loss)/profit on ordinary activities	6	38,017	10,322
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(87,275)	69,808
Dividends	7	15,000	-
		(102,275)	69,808
Retained profit brought forward		1,061,888	992,080
RETAINED PROFIT CARRIED FORWARD		£959,613	£1,061,888

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

Vulcan Refractories Limited

Abbreviated Balance Sheet
31 March 2002

	Notes	31.3.02 £	31.3.02 £	31.3.01 £	31.3.01 £
FIXED ASSETS:					
Tangible assets	8		1,185,401		852,954
CURRENT ASSETS:					
Stocks	9	290,401		324,008	
Debtors	10	488,231		611,518	
Cash at bank and in hand		58,359		36,344	
		836,991		971,870	
CREDITORS: Amounts falling due within one year	11	611,102		612,758	
NET CURRENT ASSETS:			225,889		359,112
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,411,290		1,212,066
CREDITORS: Amounts falling due after more than one year	12		(400,838)		(147,678)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(48,339)		-
			£962,113		£1,064,388
CAPITAL AND RESERVES:					
Called up share capital	15		2,500		2,500
Profit and loss account			959,613		1,061,888
SHAREHOLDERS' FUNDS:	16		£962,113		£1,064,388

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:

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N J Zienkowicz - DIRECTOR

Approved by the Board on 14-11-02

The notes form part of these financial statements

Vulcan Refractories Limited

Cash Flow Statement
for the Year Ended 31 March 2002

	Notes	31.3.02 £	31.3.02 £	31.3.01 £	31.3.01 £
Net cash inflow from operating activities	1		259,686		19,024
Returns on investments and servicing of finance	2		(22,037)		(15,970)
Taxation			(10,322)		(10,599)
Capital expenditure	2		(163,571)		(217,613)
Equity dividends paid			(15,000)		-
			48,756		**(225,158)**
Financing	2		19,110		121,842
Increase/(Decrease) in cash in the period			**£67,866**		**£(103,316)**
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		**67,866**		**(103,316)**	
Cash outflow from decrease in debt and lease financing		55,591		28,157	
Change in net debt resulting from cash flows			123,457		(75,159)
New finance leases			(260,069)		(9,884)
Movement in net debt in the period			**(136,612)**		**(85,043)**
Net (debt)/funds at 1 April			**(70,589)**		**14,454**
Net debt at 31 March			**£(207,201)**		**£(70,589)**

The notes form part of these financial statements

Vulcan Refractories Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2002

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

	31.3.02 £	31.3.01 £
Operating (loss)/profit	(27,221)	96,100
Depreciation charges	105,014	90,503
Loss on sale of fixed assets	6,208	136
Decrease/(Increase) in stocks	33,607	(70,351)
Decrease/(Increase) in debtors	133,609	(120,985)
Increase in creditors	8,469	23,621
Net cash inflow from operating activities	259,686	19,024

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

	31.3.02 £	31.3.01 £
Returns on investments and servicing of finance		
Interest received	82	82
Interest paid	(16,514)	(11,507)
Interest element of hire purchase or finance lease rentals payments	(5,605)	(4,545)
Net cash outflow for returns on investments and servicing of finance	(22,037)	(15,970)
Capital expenditure		
Purchase of tangible fixed assets	(167,371)	(229,713)
Sale of tangible fixed assets	3,800	12,100
Net cash outflow for capital expenditure	(163,571)	(217,613)
Financing		
New loan taken out in year	328,545	150,000
Loan repayments in year	(253,845)	-
Hire purchase repayments - capital element	(55,590)	(28,158)
Net cash inflow from financing	19,110	121,842

The notes form part of these financial statements

Vulcan Refractories Limited

Notes to the Cash Flow Statement
for the Year Ended 31 March 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.01 £	Cash flow £	Other non-cash changes £	At 31.3.02 £
Net cash:				
Cash at bank and in hand	36,344	22,015		58,359
Bank overdraft	(73,967)	45,851		(28,116)
	(37,623)	67,866		30,243
Debt:				
Hire purchase or finance leases	(32,966)	55,591	(260,069)	(237,444)
	(32,966)	55,591	(260,069)	(237,444)
Total	(70,589)	123,457	(260,069)	(207,201)
Analysed in Balance Sheet				
Cash at bank and in hand	36,344			58,359
Bank overdraft	(73,967)			(28,116)
Hire purchase or finance leases				
within one year	(21,216)			(52,678)
after one year	(11,750)			(184,766)
	(70,589)			(207,201)

The notes form part of these financial statements

Vulcan Refractories Limited

Notes to the Financial Statements
for the Year Ended 31 March 2002

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. TURNOVER

The turnover and loss (2001 - profit) before taxation are attributable to the one principal activity of the company.

During the year to 31st March 2002 51.4% of turnover was attributable to geographical markets outside the U.K.

3. OTHER OPERATING INCOME

	31.3.02	31.3.01
	£	£
Rents received	6,500	1,425

4. STAFF COSTS

	31.3.02	31.3.01
	£	£
Wages and salaries	665,174	796,939
Social security costs	59,326	64,466
Other pension costs	11,131	11,652
	735,631	873,057

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

	31.3.02	31.3.01
Office and management	11	11
Production	45	50
	56	61

5. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging:

	31.3.02	31.3.01
	£	£
Depreciation - owned assets	105,014	90,503
Loss on disposal of fixed assets	6,208	136
Auditors' remuneration	7,350	7,104
Directors' emoluments	42,165	41,087

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.02	31.3.01
	£	£
Bank interest	1,531	8,758
Bank loan interest	14,983	2,749
Hire purchase	5,605	4,545
	22,119	16,052

7. TAXATION

Analysis of the tax charge

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

	31.3.02 £	31.3.01 £
Current tax:		
UK corporation tax	(10,322)	10,322
Deferred tax:		
Deferred taxation	48,339	-
Tax on (loss)/profit on ordinary activities	38,017	10,322

UK corporation tax has been charged at 20% (2001 - 20%).

8. DIVIDENDS

	31.3.02 £	31.3.01 £
Equity shares:		
Interim - ordinary shares	15,000	-

9. TANGIBLE FIXED ASSETS

	Factory Premises	Freehold Land	Plant & Machinery
	£	£	£
COST:			
At 1 April 2001	451,931	42,500	813,031
Additions	75,738	-	342,679
At 31 March 2002	527,669	42,500	1,155,710
DEPRECIATION:			
At 1 April 2001	54,141	-	467,527
Charge for year	10,480	-	77,440
At 31 March 2002	64,621	-	544,967
NET BOOK VALUE:			
At 31 March 2002	463,048	42,500	610,743
At 31 March 2001	397,791	42,500	345,504

9. **TANGIBLE FIXED ASSETS - continued**

	Fixtures & Fittings	Motor vehicles	Totals
	£	£	£
COST:			
At 1 April 2001	77,298	66,563	1,451,323
Additions	29,053	-	447,470
Disposals	(2,818)	(26,298)	(29,116)
At 31 March 2002	103,533	40,265	1,869,677
DEPRECIATION:			
At 1 April 2001	48,002	28,700	598,370
Charge for year	10,130	6,964	105,014
Eliminated on disposals	(2,818)	(16,290)	(19,108)
At 31 March 2002	55,314	19,374	684,276
NET BOOK VALUE:			
At 31 March 2002	48,219	20,891	1,185,401
At 31 March 2001	29,296	37,863	852,954

Included in Tangible Fixed Assets are assets held under hire purchase contracts, at 31st March 2002 these assets had a Net Book Valuue of £285,020 (2001 £59,075).

10. **STOCKS**

	31.3.02	31.3.01
	£	£
Raw materials	128,089	188,758
Work in progress	48,236	24,759
Finished goods	114,076	110,491
	290,401	324,008

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.02	31.3.01
	£	£
Trade debtors	449,143	602,639
Other debtors	29,251	-
Prepayments & accrued income	9,837	8,879
	488,231	611,518

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.02 £	31.3.01 £
Bank loans and overdrafts (see note 14)	36,744	88,039
Trade creditors	452,603	401,345
Hire purchase	52,678	21,216
Other creditors	20,030	-
Social security & other taxes	18,992	42,361
Taxation	-	10,322
Accrued expenses & deferred income	30,055	49,475
	611,102	612,758

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

	31.3.02 £	31.3.01 £
Bank loans (see note 14)	216,072	135,928
Hire purchase	184,766	11,750
	400,838	147,678

14. LOANS AND OVERDRAFTS

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

	31.3.02 £	31.3.01 £
Amounts falling due within one year or on demand:		
Bank overdrafts	28,116	73,967
Bank loans	8,628	14,072
	36,744	88,039
Amounts falling due between one and two years:		
Bank loans	21,836	29,660
Amounts falling due between two and five years:		
Bank loans	75,179	102,476
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	119,057	3,792

15. PROVISIONS FOR LIABILITIES AND CHARGES

	31.3.02	31.3.01
	£	£
Deferred tax	48,339	-

	Deferred tax
	£
Transfer to Profit and Loss Account for the period	48,339
Balance at 31 March 2002	48,339

Deferred tax provision

	31.3.02	31.3.01
	£	£
Accelerated Capital Allowances	84,063	-
Tax Losses Carried Forward	(35,724)	-
	48,339	-

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.02 £	31.3.01 £
2,500	Ordinary shares	£1	2,500	2,500

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.3.02	31.3.01
	£	£
(Loss)/Profit for the financial year	(87,275)	69,808
Dividends	(15,000)	-
Net (reduction)/addition to shareholders' funds	(102,275)	69,808
Opening shareholders' funds	1,064,388	994,580
Closing shareholders' funds	962,113	1,064,388
Equity interests	962,113	1,064,388

18. 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 .