NEW GUARD COATINGS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1995

Company no. 01304607

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COMPANIES HOUSE 20/05/95

LITHGOW, PERKINS & CO.

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CHARTERED ACCOUNTANTS

CROWN CHAMBERS
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Report of the auditors to the Directors of NEW GUARD COATINGS LIMITED pursuant to Paragraph 24 of Schedule 8 of the Companies Act 1985.

We have examined the abbreviated accounts on pages 4 to 8 together with the full financial statements of the company. The scope of our work for the purpose of this report was limited to confirming that the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Schedule 8 of that Act, and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled to the exemption as set out in the director's statement on page 4 and the abbreviated accounts have been properly prepared in accordance with Section A of Part III of Schedule 8 of the Companies Act 1985.

On 12th May 1995 we reported to the members on the full statutory accounts of the company prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1995. Our report under section 235 of the Companies Act 1985 was as follows:

"AUDITORS' REPORT TO THE SHAREHOLDERS OF

NEW GUARD COATINGS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and accounting policies set out in the notes to the accounts.

Respective responsibilities of directors and auditors
As described on page 3 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.

Registered to carry on audit work and authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

NEW GUARD COATINGS LIMITED (cont'd)

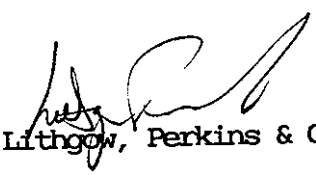
Basis of opinion
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 as to whether 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 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lithgow, Perkins & Co.

Chartered Accountants and
Registered Auditor

12th May 1995"



Lithgow, Perkins & Co.

Chartered Accountants and
Registered Auditor

12th May 1995

NEW GUARD COATINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		293,009		279,610
CURRENT ASSETS					
Stocks		43,188		28,365	
Debtors		309,812		197,064	
Cash at bank and in hand		537		525	
		353,537		225,954	
CREDITORS: Amounts falling due within one year	3	(404,792)		(312,791)	
NET CURRENT LIABILITIES			(51,255)		(86,837)
TOTAL ASSETS LESS CURRENT LIABILITIES			241,754		192,773
CREDITORS: Amounts falling due after more than one year	4	(18,863)		(7,707)	
			(18,863)		(7,707)
			222,891		185,066
CAPITAL AND RESERVES					
Called-up share capital	5		5,000		5,000
Revaluation reserve			121,123		121,123
Profit and loss account			96,768		58,943
			222,891		185,066

The directors have taken advantage of the exemptions for individual financial statements conferred by Part I and Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that the company is entitled to the benefits of those exemptions as a small company.

Approved by the board :

G.A. Cooper Director

12th May 1995

The notes set out on pages 5 to 8 form part of these financial statements

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1995

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Motor vehicles	- 25% on the reducing balance method
Fixtures & equipment	- 10% on the reducing balance method
Freehold property	- 2% of revaluation on straight line method

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Deferred taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the following timing differences:

The excess of tax allowances given for fixed assets over the depreciation provided,

surpluses on revaluation of fixed assets pending disposal,

except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(e) Assets leased

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged on a straight-line basis over the term of the lease.

(f) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

(g) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

2 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & equipment	Freehold property	Total
	£	£	£	£
COST				
At 1st April 1994	112,191	66,259	76,877	255,327
Additions at cost	41,962	8,807	-	50,769
Applicable to disposals	(34,669)	-	-	(34,669)
Surplus on revaluation	-	-	121,123	121,123
At 31st March 1995	119,484	75,066	198,000	392,550
DEPRECIATION				
At 1st April 1994	51,913	29,087	15,840	96,840
Charge for the year	17,057	4,568	3,960	25,585
Released by disposals	(22,884)	-	-	(22,884)
At 31st March 1995	46,086	33,655	19,800	99,541
NET BOOK VALUE				
At 31st March 1995	73,398	41,411	178,200	293,009
At 31st March 1994	60,278	37,172	182,160	279,610

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1995	1994
	£	£
Net book value at 31st March 1995	55,790	42,604
Depreciation charge for the year	8,029	11,857

The freehold property was revalued on an open market basis at £198,000 on 31st March 1990 by G.A. Property Services.

For assets which have been revalued, a comparison between the present book values and the book values at which the assets would have been carried if they were on a historical cost basis is set out below:

	Revalued Amount 1995 £	Historic Cost Amount 1995 £	Revalued Amount 1994 £	Historic Cost Amount 1994 £
Freehold property				
Cost or valuation	198,000	88,689	198,000	88,689
Depreciation to date	19,800	10,644	15,840	9,757
Net book value	178,200	78,045	182,160	78,932

3 CREDITORS: Amounts falling due within one year

	1995 £	1994 £
The following secured amounts fall due within one year:		
Bank overdrafts	87,481	93,513
Net obligations under finance leases and hire purchase contracts	14,060	23,229
	101,541	116,742

	1995 £	1994 £
Amounts payable by instalments due within one year hence:		
Net obligations under finance leases and hire purchase contracts	14,060	23,229

4 CREDITORS: Amounts falling due after more than one year

	1995 £	1994 £
The following secured amounts fall due after more than one year:		
Net obligations under finance leases and hire purchase contracts	18,863	7,707

	1995 £	1994 £
Amounts payable by instalments between one and five years hence:		
Net obligations under finance leases and hire purchase contracts	18,863	7,707

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1995

5 SHARE CAPITAL	Number 1995	Value 1995 £	Number 1994	Value 1994 £
Authorised:				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
Issued and fully paid:				
Ordinary shares of £1 each	5,000	5,000	5,000	5,000