

NEW GUARD COATINGS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1997  
Company no. 01304607



# LITHGOW, PERKINS & CO.

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CHARTERED  
ACCOUNTANTS

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## AUDITORS' REPORT TO NEW GUARD COATINGS LIMITED

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 3 to 7 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1997.

### Respective responsibilities of directors and auditors

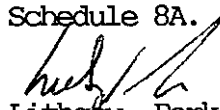
The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemption claimed in the director's statement on page 3 and whether the abbreviated accounts 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 accounts have been properly prepared from those 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 246(5) and (6) in respect of the year ended 31st March 1997, and the abbreviated accounts have been properly prepared in accordance with Schedule 8A.

  
Lithgow, Perkins & Co.

Chartered Accountants and  
Registered Auditor

18th June 1997

NEW GUARD COATINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH 1997

|                                                         | Notes | 1997           |                | 1996           |                |
|---------------------------------------------------------|-------|----------------|----------------|----------------|----------------|
|                                                         |       | £              | £              | £              | £              |
| FIXED ASSETS                                            |       |                |                |                |                |
| Tangible assets                                         | 2     |                | 399,180        |                | 378,230        |
| CURRENT ASSETS                                          |       |                |                |                |                |
| Stocks                                                  |       | 57,946         |                | 50,224         |                |
| Debtors                                                 |       | 370,317        |                | 238,229        |                |
| Cash at bank and in hand                                |       | 883            |                | 732            |                |
|                                                         |       | <u>429,146</u> |                | <u>289,185</u> |                |
| CREDITORS: Amounts falling due within one year          | 3     | (466,907)      |                | (393,776)      |                |
| NET CURRENT LIABILITIES                                 |       |                | (37,761)       |                | (104,591)      |
| TOTAL ASSETS LESS CURRENT LIABILITIES                   |       |                | 361,419        |                | 273,639        |
| CREDITORS: Amounts falling due after more than one year | 4     | (88,118)       |                | (15,583)       |                |
|                                                         |       |                | (88,118)       |                | (15,583)       |
|                                                         |       |                | <u>273,301</u> |                | <u>258,056</u> |
| CAPITAL AND RESERVES                                    |       |                |                |                |                |
| Called-up share capital                                 | 5     |                | 5,000          |                | 5,000          |
| Revaluation reserve                                     |       |                | 141,146        |                | 141,146        |
| Profit and loss account                                 |       |                | <u>127,155</u> |                | <u>111,910</u> |
| SHAREHOLDERS' FUNDS                                     |       |                | <u>273,301</u> |                | <u>258,056</u> |

The directors have taken advantage, in the preparation of the abbreviated accounts, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board:

G.A. Cooper  - Director

18th June 1997

The notes set out on pages 4 to 7 form an integral part of these accounts

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1997

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.

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1997

(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<br>vehicles | Fixtures<br>&<br>equipment | Freehold<br>property | Total          |
|-------------------------|-------------------|----------------------------|----------------------|----------------|
|                         | £                 | £                          | £                    | £              |
| COST                    |                   |                            |                      |                |
| At 1st April 1996       | 123,441           | 87,996                     | 255,000              | 466,437        |
| Additions at cost       | 57,451            | 6,128                      | 340                  | 63,919         |
| Applicable to disposals | (49,377)          | -                          | -                    | (49,377)       |
| At 31st March 1997      | <u>131,515</u>    | <u>94,124</u>              | <u>255,340</u>       | <u>480,979</u> |
| DEPRECIATION            |                   |                            |                      |                |
| At 1st April 1996       | 49,119            | 39,088                     | -                    | 88,207         |
| Charge for the year     | 18,891            | 4,884                      | 5,100                | 28,875         |
| Released by disposals   | (35,283)          | -                          | -                    | (35,283)       |
| At 31st March 1997      | <u>32,727</u>     | <u>43,972</u>              | <u>5,100</u>         | <u>81,799</u>  |
| NET BOOK VALUE          |                   |                            |                      |                |
| At 31st March 1997      | <u>98,788</u>     | <u>50,152</u>              | <u>250,240</u>       | <u>399,180</u> |
| At 31st March 1996      | <u>74,322</u>     | <u>48,908</u>              | <u>255,000</u>       | <u>378,230</u> |

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:

|                                   | 1997<br>£     | 1996<br>£     |
|-----------------------------------|---------------|---------------|
| Net book value at 31st March 1997 | <u>96,472</u> | <u>60,889</u> |
| Depreciation charge for the year  | <u>15,050</u> | <u>15,908</u> |

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NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1997

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<br>Amount<br>1997<br>£ | Historic<br>Cost<br>Amount<br>1997<br>£ | Revalued<br>Amount<br>1996<br>£ | Historic<br>Cost<br>Amount<br>1996<br>£ |
|----------------------|---------------------------------|-----------------------------------------|---------------------------------|-----------------------------------------|
| Freehold property    |                                 |                                         |                                 |                                         |
| Cost or valuation    | 255,340                         | 149,766                                 | 255,000                         | 149,426                                 |
| Depreciation to date | <u>5,100</u>                    | <u>13,635</u>                           | <u>-</u>                        | <u>12,138</u>                           |
| Net book value       | <u>250,240</u>                  | <u>136,131</u>                          | <u>255,000</u>                  | <u>137,288</u>                          |

The freehold property was revalued on an open market capital value in the sum of £255,000 as at 31st March 1996.

3 CREDITORS: Amounts falling due within one year

|                                                                  | 1997<br>£      | 1996<br>£      |
|------------------------------------------------------------------|----------------|----------------|
| The following secured amounts fall due within one year:          |                |                |
| Bank loans and overdrafts                                        | 97,653         | 116,645        |
| Net obligations under finance leases and hire purchase contracts | <u>22,558</u>  | <u>16,630</u>  |
|                                                                  | <u>120,211</u> | <u>133,275</u> |

|                                                                  | 1997<br>£     | 1996<br>£     |
|------------------------------------------------------------------|---------------|---------------|
| Amounts payable by instalments due within one year hence:        |               |               |
| Bank loans                                                       | 11,125        | -             |
| Net obligations under finance leases and hire purchase contracts | <u>22,558</u> | <u>16,630</u> |
|                                                                  | <u>33,683</u> | <u>16,630</u> |

4 CREDITORS: Amounts falling due after more than one year

|                                                                  | 1997<br>£     | 1996<br>£     |
|------------------------------------------------------------------|---------------|---------------|
| The following secured amounts fall due after more than one year: |               |               |
| Bank loans                                                       | 59,209        | -             |
| Net obligations under finance leases and hire purchase contracts | <u>28,909</u> | <u>15,583</u> |
|                                                                  | <u>88,118</u> | <u>15,583</u> |

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1997

|                                                                  |                                   |               | 1997<br>£     | 1996<br>£     |               |
|------------------------------------------------------------------|-----------------------------------|---------------|---------------|---------------|---------------|
| Amounts payable by instalments between one and five years hence: |                                   |               |               |               |               |
| Bank loans                                                       |                                   |               | 44,499        | -             |               |
| Net obligations under finance leases and hire purchase contracts |                                   |               | 28,909        | 15,583        |               |
|                                                                  |                                   |               | <u>73,408</u> | <u>15,583</u> |               |
|                                                                  |                                   |               | 1997<br>£     | 1996<br>£     |               |
| Amounts payable by instalments more than five years hence:       |                                   |               |               |               |               |
| Bank loans                                                       |                                   |               | <u>14,709</u> | <u>-</u>      |               |
| 5                                                                | SHARE CAPITAL                     | Number        | Value         | Number        | Value         |
|                                                                  |                                   | 1997          | 1997          | 1996          | 1996          |
|                                                                  |                                   |               | £             |               | £             |
|                                                                  | Authorised:                       |               |               |               |               |
|                                                                  | Ordinary shares                   |               |               |               |               |
|                                                                  | of £1 each                        | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> |
|                                                                  | Issued and fully paid:            |               |               |               |               |
|                                                                  | Ordinary shares                   |               |               |               |               |
|                                                                  | of £1 each                        | <u>5,000</u>  | <u>5,000</u>  | <u>5,000</u>  | <u>5,000</u>  |
| 6                                                                | CAPITAL AND OTHER COMMITMENTS     |               | 1997          | 1996          |               |
|                                                                  |                                   |               | £             | £             |               |
|                                                                  | Capital and other commitments:    |               |               |               |               |
|                                                                  | Authorised but not contracted for |               | 25,000        | -             |               |
|                                                                  |                                   |               | <u>25,000</u> | <u>-</u>      |               |