

NEW GUARD COATINGS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998
Company no. 01304607



LITHGOW, PERKINS & CO.

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CHARTERED
ACCOUNTANTS

CROWN CHAMBERS
PRINCES STREET
HARROGATE
HG1 1NJ

AUDITORS' REPORT TO NEW GUARD COATINGS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 3 to 7 together with the financial statements of the company for the year ended 31st March 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

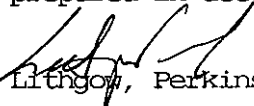
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions 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 accounts and that the abbreviated accounts 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 7 are properly prepared in accordance with those provisions.


Lithgow, Perkins & Co.

Chartered Accountants and
Registered Auditor

4th June 1998

NEW GUARD COATINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		381,785		399,180
CURRENT ASSETS					
Stocks		84,015		57,946	
Debtors		399,690		370,317	
Cash at bank and in hand		993		883	
		<u>484,698</u>		<u>429,146</u>	
CREDITORS: Amounts falling due within one year	3	(538,982)		(466,907)	
NET CURRENT LIABILITIES			(54,284)		(37,761)
TOTAL ASSETS LESS CURRENT LIABILITIES			327,501		361,419
CREDITORS: Amounts falling due after more than one year	5	(76,619)		(88,118)	
			(76,619)		(88,118)
			<u>250,882</u>		<u>273,301</u>
CAPITAL AND RESERVES					
Called-up share capital	7		5,000		5,000
Revaluation reserve			141,146		141,146
Profit and loss account			<u>104,736</u>		<u>127,155</u>
SHAREHOLDERS' FUNDS			<u>250,882</u>		<u>273,301</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

4th June 1998

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 1998

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 1998

(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 1997	131,515	94,124	255,341	480,980
Additions at cost	-	26,212	-	26,212
Applicable to disposals	(15,305)	-	-	(15,305)
At 31st March 1998	<u>116,210</u>	<u>120,336</u>	<u>255,341</u>	<u>491,887</u>
DEPRECIATION				
At 1st April 1997	32,727	43,972	5,100	81,799
Charge for the year	22,536	7,364	5,100	35,000
Released by disposals	(6,697)	-	-	(6,697)
At 31st March 1998	<u>48,566</u>	<u>51,336</u>	<u>10,200</u>	<u>110,102</u>
NET BOOK VALUE				
At 31st March 1998	<u>67,644</u>	<u>69,000</u>	<u>245,141</u>	<u>381,785</u>
At 31st March 1997	<u>98,788</u>	<u>50,152</u>	<u>250,240</u>	<u>399,180</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:

	1998 £	1997 £
Net book value at 31st March 1998	<u>79,053</u>	<u>96,472</u>
Depreciation charge for the year	<u>19,667</u>	<u>15,050</u>

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1998

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 1998 £	Historic Cost Amount 1998 £	Revalued Amount 1997 £	Historic Cost Amount 1997 £
Freehold property				
Cost or valuation	255,341	149,766	255,340	149,766
Depreciation to date	<u>10,200</u>	<u>15,132</u>	<u>5,100</u>	<u>13,635</u>
Net book value	<u>245,141</u>	<u>134,634</u>	<u>250,240</u>	<u>136,131</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

	1998 £	1997 £
The following secured amounts fall due within one year:		
Bank loans and overdrafts	169,443	97,653
Net obligations under finance leases and hire purchase contracts	<u>15,222</u>	<u>22,558</u>
	<u>184,665</u>	<u>120,211</u>

	1998 £	1997 £
Amounts payable by instalments due within one year hence:		
Bank loans	11,125	11,125
Net obligations under finance leases and hire purchase contracts	<u>15,222</u>	<u>22,558</u>
	<u>26,347</u>	<u>33,683</u>

4 LEASE COMMITMENTS

Annual commitments under operating leases	Land & Buildings 1998 £	Other Assets 1998 £	Land & Buildings 1997 £	Other Assets 1997 £
Operating leases expiring:				
Within 1-5 years	-	14,410	-	-
Annual commitments at 31st March 1998	<u>-</u>	<u>14,410</u>	<u>-</u>	<u>-</u>

5 CREDITORS: Amounts falling due after more than one year

NEW GUARD COATINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 31ST MARCH 1998

	1998 £	1997 £
The following secured amounts fall due after more than one year:		
Bank loans	54,362	59,209
Net obligations under finance leases and hire purchase contracts	<u>22,257</u>	<u>28,909</u>
	<u>76,619</u>	<u>88,118</u>

	1998 £	1997 £
Amounts payable by instalments between one and five years hence:		
Bank loans	44,499	44,499
Net obligations under finance leases and hire purchase contracts	<u>22,257</u>	<u>28,909</u>
	<u>66,756</u>	<u>73,408</u>

	1998 £	1997 £
Amounts payable by instalments more than five years hence:		
Bank loans	<u>9,863</u>	<u>14,709</u>

6 RELATED PARTIES

A member of the directors' close family is employed by the company. Administration expenses includes £10,000 in respect of the cost involved.

7	SHARE CAPITAL	Number 1998	Value 1998 £	Number 1997	Value 1997 £
	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>

8	CAPITAL AND OTHER COMMITMENTS	1998 £	1997 £
	Capital and other commitments:		
	Authorised but not contracted for	<u>-</u>	<u>25,000</u>
		<u>-</u>	<u>25,000</u>