

Company Registration No. 3084635 (England and Wales)

FLAMEPROOFINGS LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002



FLAMEPROOFINGS LIMITED

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FLAMEPROOFINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Principal activities and review of the business

The principal activity of the company in the year under review was that of the coating of fabrics in order to make them flame retardant.

Results and dividends

The results for the year are set out on page 3.

No dividends will be distributed for the year ended 31 March 2002.

Directors

The following directors have held office since 1 April 2001:

A M Sciama
M E Sciama
R N Sciama

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
A M Sciama	3,000	3,000
M E Sciama	3,000	3,000
R N Sciama	3,000	3,000

Auditors

The auditors, Waterworths, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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.

On behalf of the board


.....

M E Sciama

Director

6.11.2002
.....

FLAMEPROOFINGS LIMITED

AUDITORS' REPORT TO FLAMEPROOFINGS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 13, together with the 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 accounts 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 accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts 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 considered 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 section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 13 are properly prepared in accordance with that provision.



Waterworths

Chartered Accountants
Registered Auditors

7 November 2002

Central Buildings
Richmond Terrace
Blackburn
Lancashire
BB1 7AP

FLAMEPROOFINGS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Gross profit		310,867	640,379
Administrative expenses		(409,335)	(390,723)
Other operating income		11,000	18,000
Operating (loss)/profit	2	(87,468)	267,656
Loss on sale of fixed assets	3	(58,301)	-
(Loss)/profit on ordinary activities before interest		(145,769)	267,656
Other interest receivable and similar income		3,917	-
Interest payable and similar charges	4	(258)	(5,261)
(Loss)/profit on ordinary activities before taxation		(142,110)	262,395
Tax on (loss)/profit on ordinary activities	5	31,132	(106,680)
(Loss)/profit on ordinary activities after taxation	14	(110,978)	155,715

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FLAMEPROOFINGS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	6		173,667		277,587
Current assets					
Stocks	7	32,495		68,517	
Debtors	8	738,501		1,141,098	
		<u>770,996</u>		<u>1,209,615</u>	
Creditors: amounts falling due within one year	9	<u>(349,788)</u>		<u>(770,349)</u>	
Net current assets			<u>421,208</u>		<u>439,266</u>
Total assets less current liabilities			594,875		716,853
Accruals and deferred income	11		<u>(11,000)</u>		<u>(22,000)</u>
			<u>583,875</u>		<u>694,853</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account	14		<u>573,875</u>		<u>684,853</u>
Shareholders' funds	15		<u>583,875</u>		<u>694,853</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 6.11.2002.



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M E Sciamia
Director

FLAMEPROOFINGS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2002

	2002 £	2001 £
Net cash inflow from operating activities	508,368	246,890
Returns on investments and servicing of finance		
Interest received	3,917	-
Interest element of hire purchase payments	(958)	(6,361)
	<u> </u>	<u> </u>
Net cash inflow from/(outflow for) returns on investments and servicing of finance	2,959	(6,361)
Taxation	(46,679)	(241,493)
Capital expenditure		
Payments to acquire tangible assets	(76,937)	(108,933)
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	(76,937)	(108,933)
	<u> </u>	<u> </u>
Net cash inflow/(outflow) before management of liquid resources and financing	387,711	(109,897)
Financing		
Capital element of hire purchase contracts	(22,314)	(102,448)
	<u> </u>	<u> </u>
Net cash outflow for financing	(22,314)	(102,448)
	<u> </u>	<u> </u>
Increase/(decrease) in cash in the year	<u>365,397</u>	<u>(212,345)</u>

FLAMEPROOFINGS 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	2002	2001
		£	£
	Operating (loss)/profit	(87,468)	267,656
	Depreciation of tangible assets	122,556	257,952
	Decrease in stocks	36,022	7,472
	Decrease/(increase) in debtors	433,729	(210,791)
	Increase/(decrease) in creditors within one year	14,529	(57,399)
	Grant release	(11,000)	(18,000)
	Net cash inflow from operating activities	<u>508,368</u>	<u>246,890</u>

2	Analysis of net debt	1 April 2001	Cash flow	Other non-cash changes	31 March 2002
		£	£	£	£
	Bank overdrafts	(469,991)	365,397	-	(104,594)
	Hire purchase	(22,314)	22,314	-	-
	Net debt	<u>(492,305)</u>	<u>387,711</u>	<u>-</u>	<u>(104,594)</u>

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Increase/(decrease) in cash in the year	365,397	(212,345)
	Cash outflow from decrease in debt and lease financing	22,314	102,448
	Movement in net debt in the year	<u>387,711</u>	<u>(109,897)</u>
	Opening net debt	(492,305)	(382,408)
	Closing net debt	<u>(104,594)</u>	<u>(492,305)</u>

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	20% on cost
Motor vehicles	25% on cost

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.6 Pensions

The company contributes to externally managed personal pension schemes on behalf of certain employees. The contributions payable are charged to the profit and loss account in the period to which they relate.

1.7 Deferred taxation

Deferred taxation arises when profits and surpluses are recognised in the financial statements in one period but are assessed to corporation tax in another.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

1.8 Government grants

Grants in respect of capital expenditure are treated as a deferred credit and are released to the profit and loss account in instalments over the estimated economic life of the assets concerned.

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

2	Operating (loss)/profit	2002	2001
		£	£
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	122,556	257,952
	Operating lease rentals - land and buildings	136,000	141,000
	Auditors' remuneration	4,500	4,500
	and after crediting:		
	Government grants - amortisation in the year	11,000	18,000
	Government grants - received and credited to profit in the year	4,134	13,000
		<u> </u>	<u> </u>
3	Exceptional item	2002	2001
		£	£
	Loss on disposal of plant and machinery	58,301	-
		<u> </u>	<u> </u>
	The exceptional item has no impact on the tax credit for the year.		
4	Interest payable	2002	2001
		£	£
	Hire purchase interest	258	5,261
		<u> </u>	<u> </u>
5	Taxation	2002	2001
		£	£
	Current tax		
	U.K. corporation tax on profits for the year	(31,132)	106,680
		<u> </u>	<u> </u>
	The current tax credit assessed for the year is lower than the standard rate of corporation tax of 30%. The difference is explained below:		
	(Loss)/profit before taxation	(142,110)	262,395
		<u> </u>	<u> </u>
	Notional current tax based on the UK standard rate of 30%	(42,633)	78,719
	Expenses not deductible for tax purposes	191	174
	Depreciation for the year in excess of capital allowances	12,422	27,787
	Small companies relief	(1,112)	-
		<u> </u>	<u> </u>
	Current tax (credit)/charge for the year	(31,132)	106,680
		<u> </u>	<u> </u>

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

6 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2001	1,363,393	23,150	1,386,543
Additions	76,937	-	76,937
Disposals	(267,507)	-	(267,507)
At 31 March 2002	1,172,823	23,150	1,195,973
Depreciation			
At 1 April 2001	1,085,806	23,150	1,108,956
On disposals	(209,206)	-	(209,206)
Charge for the year	122,556	-	122,556
At 31 March 2002	999,156	23,150	1,022,306
Net book value			
At 31 March 2002	173,667	-	173,667
At 31 March 2001	277,587	-	277,587

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 March 2002	-
At 31 March 2001	108,880
Depreciation charge for the year	
31 March 2002	-
31 March 2001	54,440

7 Stocks

	2002 £	2001 £
Raw materials and consumables	19,156	47,836
Finished goods and goods for resale	13,339	20,681
	32,495	68,517

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

8 Debtors	2002 £	2001 £
Trade debtors	689,215	1,027,370
Corporation tax	31,132	-
Other debtors	14,198	105,462
Prepayments and accrued income	3,956	8,266
	<u>738,501</u>	<u>1,141,098</u>

9 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	104,594	469,991
Net obligations under hire purchase contracts	-	22,314
Trade creditors	177,396	137,859
Corporation tax	-	46,679
Other taxes and social security costs	12,545	17,372
Accruals and deferred income	55,253	76,134
	<u>349,788</u>	<u>770,349</u>

The bank borrowings are secured by a fixed and floating charge over the assets of the company and are also subject to a cross guarantee from certain companies under common control.

10 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Not provided		Provided	
	2002 £	2001 £	2002 £	2001 £
Accelerated capital allowances	<u>(64,981)</u>	<u>(52,559)</u>	<u>-</u>	<u>-</u>

11 Accruals and deferred income

	Government grants £
Balance at 1 April 2001	22,000
Amortisation in the year	(11,000)
Balance at 31 March 2002	<u>11,000</u>

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

12 Pension costs

The company contributes to externally managed personal pension schemes on behalf of certain employees. The pension cost charge represents contributions payable by the company to the funds and amounted to £7,399 (2001 - £3,035). No contributions were outstanding at the year end.

13 Share capital

	2002 £	2001 £
Authorised		
100,000 Ordinary shares of £ 1 each	100,000	100,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £ 1 each	10,000	10,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2001	684,853
Retained loss for the year	(110,978)
Balance at 31 March 2002	573,875

15 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
(Loss)/Profit for the financial year	(110,978)	155,715
Opening shareholders' funds	694,853	539,138
Closing shareholders' funds	583,875	694,853

16 Contingent liabilities

There is a contingent liability in respect of a cross guarantee given to the company's bankers relating to the borrowings of certain companies under common control amounting to £2,588,989 (2001: £2,047,965).

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

17 Financial commitments

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2002 £	2001 £
Expiry date:		
Within one year	136,000	136,000

18 Capital commitments

At 31 March 2002 the company had capital commitments as follows:

	2002 £	2001 £
Contracted for but not provided in the financial statements	215,251	-

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Management	3	3
Production	32	33
	35	36

Employment costs

	£	£
Wages and salaries	451,864	528,130
Social security costs	37,739	45,671
Other pension costs	7,399	3,035
	497,002	576,836

FLAMEPROOFINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2002

20 Related party transactions

The company is controlled by A M Sciamia, M E Sciamia and R N Sciamia who together control 90% of the share capital.

These three individuals also control Tame Valley Padding Company Limited, Stormproofings Limited and Takehot Limited. The company is party to a bank cross guarantee with certain companies under common control, details of which are set out in note 16 to these financial statements.

Transactions and balances with companies under common control are summarised as follows:-

	2002 £	2001 £
Included within the profit and loss account:		
Sales to companies under common control	-	609
Purchases from companies under common control	449,359	459,081
Rent payable to companies under common control	-	22,500
Management charge from company under common control	250,000	250,000
Included within the balance sheet:		
Amounts due from companies under common control	1,666	-

The company occupies a property which is leased from a Sciamia family trust of which A M Sciamia is a trustee. Annual rent payable in respect of this property amounts to £56,000 (2001 - £56,000).

The company also occupies properties leased from A M Sciamia, M E Sciamia and R N Sciamia. Rent payable during the year amounted to £80,000 (2001 - £62,500).