

INTERNATIONAL COATING PRODUCTS (UK) LTD.

ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1996

REGISTERED NUMBER 1006417

R. J. Gale, BA(Hons) FCA,
6, Greenfields Road,
Dereham,
Norfolk,
NR20 3TE



INTERNATIONAL COATING PRODUCTS (UK) LTD.

ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1996

COMPANY INFORMATION

DIRECTORS:

C.M.T. Hermelin

M. Hermelin

REGISTERED OFFICE:

Chichester House,
278/282, High Holborn,
London WC1V 7HA.

BANKERS:

Lloyds Bank plc.,
Slough Central Branch,
24, High St.,
Slough,
SL1 1EJ

AUDITOR:

Robert J. Gale, BA(Hons) FCA,
Chartered Acct & Registered Auditor,
6, Greenfields Road,
Dereham,
Norfolk,
NR20 3TE

INTERNATIONAL COATING PRODUCTS (UK) LTD.

DIRECTORS' REPORT

The directors submit their annual report on the affairs of the company, together with the audited financial statements for the year ended 31st December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company under review was the distribution of the "Alltek" surface coating products and application equipment to the construction industry and licensing of production rights with "know-how" of the said coatings.

The company has increased its engagement in direct marketing and selling of its products as a complement and in addition to its traditional marketing of technical service.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year ended 31st December 1996 are set out on page 4 and the financial position of the company as at that date are as set out on page 5.

DIVIDEND

No dividend has been or is intended to be declared in respect of the calendar year 1996.

DIRECTORS

The directors interest in the share capital of the company is as follows:

	<u>Class of capital</u>	<u>31.12.96</u>	<u>31.12.95</u>
C.M.T. Hermelin	Ordinary shares	1	1
M. Hermelin	Ordinary shares	-	-

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 the period. In preparing those financial statements, the directors are required to:

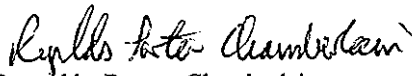
- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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 ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud or any other irregularities.

CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

For and on behalf of the Board


Reynolds, Porter, Chamberlain

Secretary

19 September 1997

AUDITOR'S REPORT TO INTERNATIONAL COATING PRODUCTS (UK) LTD.
UNDER SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts set out on pages 4 to 7 together with the financial statements of the company for the year ended 31st December prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditor.

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) & (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 my opinion to you.

Basis of opinion

I have carried out the procedures I 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 my work for the purpose of this report did not include examining or dealing with events after the date of my report on the financial statements

Opinion

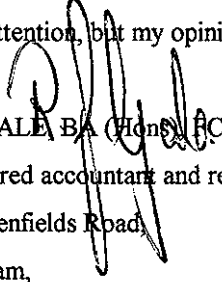
In my opinion the company is entitled to deliver abbreviated accounts in accordance with sections 246(5) & (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 7 are properly prepared in accordance with those provisions.

Other information

On 19th September 1997, I reported to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and my report included the following paragraph:-

Going concern

In forming my opinion, I have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the basis of accounting on a going concern basis. The company has a deficit of assets and is supported by overdue debts due to companies controlled by various members of the Hermelin family. In view of the dependence on those members, I consider that it should be drawn to your attention, but my opinion is not qualified in that respect.


R.J. GALE B.A. (Hons), FCA,
Chartered accountant and registered auditor.
6, Greenfields Road,
Dereham,
Norfolk,
NR20 3TE

Date: 19/9/97.

INTERNATIONAL COATING PRODUCTS (UK) LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1996

	<u>NOTE</u>	<u>1996</u> £	<u>1995</u> £
TURNOVER	1(a)	371760	264222
Cost of sales		268871	197037
GROSS PROFIT		102889	67185
Administration expenses		101970	67089
OPERATING PROFIT/ (LOSS)	2	919	96
Corporation Tax Payable	3	0	0
NET PROFIT/ (LOSS AFTER TAXATION)		919	96

INTERNATIONAL COATING PRODUCTS (UK) LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1996

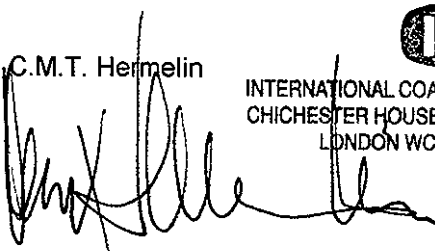
	NOTE	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Tangible assets	4	1219	2700
CURRENT ASSETS:			
Stock	5	4787	16843
Debtors	6	53510	36641
Cash at Banks		25094	16636
Administration expenses		83391	70120
CREDITORS			
Amounts falling due within one year	7	-238112	-227241
NET CURRENT LIABILITIES		-154721	-157121
TOTAL NET LIABILITIES		-153502	-154421
CAPITAL AND RESERVES			
Share capital	8	43745	43745
Profit & loss account	9	-197247	-198166
		-153502	-154421

DIRECTORS' STATEMENT

- 1) The directors acknowledge their responsibilities as detailed on page 2
- 2) In preparing these accounts, we have relied upon exemptions provided by Section 246 (or Schedule 8, para 23) and we have done so on the grounds that the company is entitled to those exemptions as a small company.

Approved by the Board on *19th September 1997*

C.M.T. Hermelin




INTERNATIONAL COATING PRODUCTS (UK) LTD
 CHICHESTER HOUSE, 278/282 HIGH HOLBORN,
 LONDON WC1V 7HA, ENGLAND

INTERNATIONAL COATING PRODUCTS (UK) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

1 PRINCIPAL ACCOUNTING POLICIES

As in previous years, the accounts are prepared in accordance with the historical cost convention.

The following is a summary of the more important accounting policies used by the company.

a) **TURNOVER** represents the total value of goods and services (excluding VAT) supplied and charged to customers.

b) **TANGIBLE FIXED ASSETS** are stated at cost less accumulated depreciation thereon.

DEPRECIATION is calculated to write off the cost of tangible assets over their respective expected economic lives. The annual rate used for this purpose is 25% straight line.

c) **STOCKS** are valued at the lower of cost and net realisable value on a first-in first-out basis. Net realisable value is based on an estimated selling price less any costs expected to be incurred prior to completion and disposal. Due provision will be made for slow moving or obsolete stock.

d) **TAXATION**. No provision has been made for taxation due as the accumulated losses exceed the timing differences.

economic lives. The annual rate used for this purpose is 25% straight line.

e) **CASH FLOW STATEMENTS**. The company is exempt from including cash flow statements as part of their financial statements.

f) **FOREIGN CURRENCY** is translated at year end rates for all transactions

2 OPERATING PROFIT (LOSS) IS STATED AFTER CHARGING

	<u>1996</u>	<u>1995</u>
Directors remuneration	27513	21762
Other staff costs	0	0
Auditor's remuneration	1250	0
Depreciation	1481	1481

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax payable	0	0
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4 TANGIBLE FIXED ASSETS

	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Totals</u>
Cost at 1.1.96	807	9495	5922	16224
Additions in the year	0	0	0	0
Cost as at 31.12.96	807	9495	5922	16224
Depreciation as at 1.1.96	806	9494	3224	13524
Provided in the year	0	0	1481	1481
Depreciation as at 31.12.96	806	9494	4705	15005
Net Book Value 31.12.95	1	1	2698	2700
Net Book Value 31.12.96	1	1	1217	1219

INTERNATIONAL COATING PRODUCTS (UK) LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1996

5 STOCKS

	<u>1996</u>	<u>1995</u>
Goods held for resale	4787	16843
The directors are of the opinion that there are no significant differences between replacement cost and the book values stated above. Stock is stated net of slow moving and obsolete stock provisions		

6 DEBTORS

	<u>1996</u>	<u>1995</u>
Trade debtors due within one year	53330	36553
Other debtors & prepayments	180	88
	53510	36641

7 CREDITORS

	<u>1996</u>	<u>1995</u>
Bank overdraft	0	3863
Accruals	836	150
Trade creditors	88476	79292
Tax & social security costs	0	0
Other creditors	148800	143936
	238112	227241

8 SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Aurhorised: Ordinary shares of £1 each	100000	100000
Issued & fully paid: Ordinary £1 shares	43745	43745

9 PROFIT & LOSS ACCOUNT

	<u>1996</u>	<u>1995</u>
As at 1st January 1996	-198166	-198262
Profit (Loss) for the year	919	96
As at 31st December 1996	-197247	-198166

10 CAPITAL COMMITMENTS

There were no capital commitments contracted, or authorised but not contracted, (1995 nil) at the year end.

11 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the board of directors on 19th September 1997.