

AVON ELECTRO-PLATING SERVICES LIMITED

FINANCIAL STATEMENTS

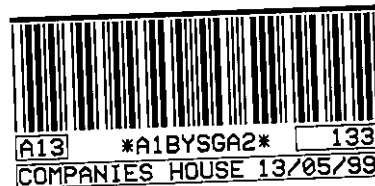
31ST JULY 1998

Registered number: 01265523

MICHAEL COOK & CO

CHARTERED ACCOUNTANTS

Weston-super-Mare



AVON ELECTRO-PLATING SERVICES LIMITED

FINANCIAL STATEMENTS

for the year ended 31st July 1998

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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AVON ELECTRO-PLATING SERVICES LIMITED

COMPANY INFORMATION

31st July 1998

INCORPORATED	England and Wales on 25 June 1976.
NUMBER	01265523
DIRECTORS	Mr. G.C. Bateman Mrs S.M. Dunn
SECRETARY	Mrs. S.M. Dunn
REGISTERED OFFICE	Unit 2 Crown Works Oldmixon Crescent Weston-super-Mare North Somerset BS24 9AX
BANKERS	Barclays Bank 26/30 Regent Street Weston-super-Mare North Somerset BS23 ISH
ACCOUNTANTS	Michael Cook & Co Chartered Accountants 35 Boulevard Weston-super-Mare Somerset BS23 1PE

DIRECTORS' REPORT

31st July 1998

The directors present their report and the financial statements for the year ended 31st July 1998.

Principal activity

The principal activity of the company is the business of Metal Finishing and Plating.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st July 1998	1st August 1997
	Ordinary shares	Ordinary shares
Mr. G.C. Bateman	40	40
Mrs S.M. Dunn	60	60

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

S. M. Dunn

Mrs. S.M. Dunn
Secretary

Unit 2 Crown Works
Oldmixon Crescent
Weston-super-Mare
North Somerset BS24 9AX

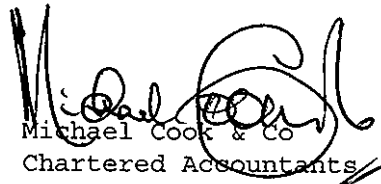
AVON ELECTRO-PLATING SERVICES LIMITED

ACCOUNTANTS' REPORT

Accountants' report on the unaudited financial statements to the directors of
Avon Electro-Plating Services Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31st July 1998, set out on pages 4 to 9, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Weston-super-Mare


Michael Cook & Co
Chartered Accountants

PROFIT AND LOSS ACCOUNT

for the year ended 31st July 1998

	Note	1998 £	1997 £
Turnover	2	98,908	116,665
Cost of sales		(44,894)	(48,225)
Gross profit		54,014	68,440
Net operating expenses			
Distribution costs		(30,734)	(37,628)
Administrative expenses		(21,623)	(26,938)
Other operating income		5	74
Operating profit	3	1,662	3,948
Interest payable	5	(2,454)	(3,341)
(Loss)/profit on ordinary activities before taxation		(792)	607
Taxation	6	309	4
(Loss)/profit on ordinary activities after taxation		(483)	611
retained for the year	15		

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the (loss)/profit for the year.

AVON ELECTRO-PLATING SERVICES LIMITED

BALANCE SHEET

at 31st July 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Tangible assets	7		15,419		18,245
Current assets					
Stocks	8	1,134		1,859	
Debtors	9	20,589		21,879	
Cash at bank and in hand		698		1,098	
		<u>22,421</u>		<u>24,836</u>	
Creditors: amounts falling due within one year	10	(26,426)		(29,264)	
Net current liabilities			(4,005)		(4,428)
Total assets less current liabilities			<u>11,414</u>		<u>13,817</u>
Creditors: amounts falling due after more than one year	11		(10,020)		(11,631)
Provision for liabilities and charges			(1,681)		(1,990)
			<u>(287)</u>		<u>196</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		(387)		96
Total shareholders' funds	13		<u>(287)</u>		<u>196</u>

continued

AVON ELECTRO-PLATING SERVICES LIMITED

BALANCE SHEET
(continued)

at 31st July 1998

The directors consider that for the year ended 31st July 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 9 were approved by the board of directors on ...11/5/99.... and signed on its behalf by:



Mr. G.C. Bateman
Director

AVON ELECTRO-PLATING SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st July 1998

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Improvements to leasehold premises	10% - reducing balance
Plant and equipment	15% - reducing balance
Motor vehicles	25% - reducing balance
Computer	25% - reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1997 nil)

NOTES ON FINANCIAL STATEMENTS

31st July 1998

3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting		
Interest receivable	5	74
and after charging		
Operating leases		
Rent and service charges	7,630	7,604
Loss on sale of assets	-	3,833
Depreciation of tangible fixed assets (note 7)		
owned assets	2,826	3,349

4 Directors

	1998 £	1997 £
Directors' emoluments	11,474	12,677

5 Interest payable

	1998 £	1997 £
Bank interest	-	3
Bank loan interest	1,551	1,687
Interest on Directors' current account	903	1,471
Finance lease interest	-	180
	2,454	3,341

6 Taxation

	1998 £	1997 £
Corporation tax on loss on ordinary activities at 21% (1997 24%)	-	288
Deferred taxation	(309)	(292)
	(309)	(4)

AVON ELECTRO-PLATING SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st July 1998

7 Tangible fixed assets

Cost	Motor Vehicle £	Plant and Equipment £	Computer £	Improvements to Leasehold Premises £	Total £
1st August 1997 and 31st July 1998	3,000	49,216	1,277	3,658	57,151
Depreciation					
1st August 1997	1,735	34,047	919	2,205	38,906
Charge for year	316	2,276	89	145	2,826
31st July 1998	2,051	36,323	1,008	2,350	41,732
Net book amount					
31st July 1998	949	12,893	269	1,308	15,419
1st August 1997	1,265	15,169	358	1,453	18,245

8 Stocks

	1998 £	1997 £
Stocks	1,134	1,859

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	20,589	19,911
Prepayments and accrued income	-	1,968
	20,589	21,879

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	1,557	2,124
Trade creditors	2,008	3,964
Corporation tax	-	288
Other taxation and social security	8,942	7,719
Other creditors	11,333	11,018
Accruals and deferred income	2,586	4,151
	26,426	29,264

NOTES ON FINANCIAL STATEMENTS

31st July 1998

11 Creditors: amounts falling due
after more than one year

	1998 £	1997 £
Bank loans	10,020	11,631
	<u>10,020</u>	<u>11,631</u>

Maturity of debt

In one year or less, or on demand

- see note 10

Between one and two years	1,557	1,332
Between two and five years	1,557	1,332
In five years or more	4,595	4,196
	3,868	6,103

	<u>11,577</u>	<u>12,963</u>
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Amounts falling due
after more than five years:

Bank loans	<u>3,868</u>	<u>6,103</u>
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12 Deferred taxation

	1998		1997	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by				
Capital allowances in excess	-	1,681	-	1,990
	<u>-</u>	<u>1,681</u>	<u>-</u>	<u>1,990</u>

The potential liability and provision are based on a corporation tax rate
of 21% (1997 24%).

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
(Loss)/profit for the financial year representing a Net (subtraction from)/addition to shareholders' funds	(483)	611
Opening shareholders' funds	<u>196</u>	<u>(415)</u>
Closing shareholders' funds	<u>(287)</u>	<u>196</u>

AVON ELECTRO-PLATING SERVICES LIMITED

NOTES ON FINANCIAL STATEMENTS

31st July 1998

14 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	100	100	100	100
Allotted called up and fully paid				
Ordinary shares of £1 each	100	100	100	100

15 Profit and loss account

	1998 £
1st August 1997	96
Retained loss for the year	(483)
31st July 1998	(387)

16 Related parties

Mr G.C. Bateman and Mrs S.M. Dunn are also partners in a business known as Weston Precious Metal Coatings, which carries out work for Avon Electro-Plating Services Limited, and invoices at full market value.

AVON ELECTRO-PLATING SERVICES LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31st July 1998

	1998		1997	
	£	£	£	£
Turnover				
Sales		98,908		116,665
Cost of sales				
Opening stock	1,859		1,708	
Purchases and consumables	7,420		8,798	
Director's remuneration	9,986		10,503	
Direct wages	26,763		29,075	
Closing stock	(1,134)		(1,859)	
		<u>44,894</u>		<u>48,225</u>
Gross profit	54.61%	54,014	58.66%	68,440
Other operating income				
Bank deposit interest	5		37	
Interest receivable	-		37	
		<u>5</u>		<u>74</u>
		54,019		68,514
Distribution costs	30,734		37,628	
Administrative expenses	21,623		26,938	
Interest payable	2,454		3,341	
		<u>54,811</u>		<u>67,907</u>
Net (loss)/profit for the year		<u>(792)</u>		<u>607</u>

AVON ELECTRO-PLATING SERVICES LIMITED

SCHEDULE TO THE TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31st July 1998

	1998 £	1997 £
Distribution costs		
Wages	5,779	6,405
Benefits-in-kind	295	249
Social security costs	3,473	4,834
Motor expenses	2,315	3,528
Telephone charges	559	488
Insurance	1,821	1,907
Repairs, renewals and tools	865	3,212
Printing postage and stationery	321	767
Laundry, cleaning and waste disposal	87	62
Sundry expenses	92	229
Directors' remuneration	11,474	12,677
Directors' pension scheme	3,653	3,270
	<u>30,734</u>	<u>37,628</u>
Administrative expenses		
Heating and lighting	3,659	4,078
Rent and service charges	7,630	7,604
Rates and water	3,539	3,739
Bank charges	519	552
Credit card charges	-	53
Bad debts	-	230
Book-keeping services	2,000	2,000
Accountants' fees	1,450	1,500
Depreciation improvements to leasehold	145	161
Depreciation motor vehicles	316	422
Depreciation plant and equipment	2,276	2,678
Depreciation computer	89	88
(Profit)/loss on sale of motor vehicle	-	3,833
	<u>21,623</u>	<u>26,938</u>
Interest payable		
Bank interest	-	3
Bank loan interest	1,551	1,687
Interest on Directors' current account	903	1,471
Finance lease interest	-	180
	<u>2,454</u>	<u>3,341</u>