

IRL GROUP LIMITED

COMPANY REGISTERED NUMBER: 2615625

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH APRIL 2002



INDEPENDENT AUDITORS' REPORT TO IRL GROUP LIMITED

UNDER 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6 together with the financial statements of IRL Group Limited for the year ended 30th April 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 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 does 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 246-247 and 249 of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

Cound & Co

Cound & Co
Chartered Accountants and Registered Auditor
27 Granby Street
Loughborough
Leics
LE11 3DU

8th November 2002

IRL GROUP LIMITED

ABBREVIATED BALANCE SHEET AS AT 30TH APRIL 2002

	<u>Notes</u>	<u>2002</u>	<u>2001</u>
FIXED ASSETS			
Tangible Assets	2	311926	197567
CURRENT ASSETS			
Investments	3	300440	300440
Stocks		17154	28345
Debtors		489361	442857
Cash at Bank and in Hand		1451	1260
		<u>808406</u>	<u>772902</u>
CREDITORS - Amounts falling due within one year	5	<u>963621</u>	<u>891820</u>
NET CURRENT LIABILITIES		(155215)	(118918)
TOTAL ASSETS LESS CURRENT LIABILITIES		156711	78649
CREDITORS - Amounts falling due after More than one year	5	89262	41761
PROVISIONS FOR LIABILITIES AND CHARGES		-	-
NET ASSETS		<u>£67449</u>	<u>£36888</u>
CAPITAL AND RESERVES			
Called-Up Share Capital	4	87600	102100
Profit and Loss Account		(167651)	(198212)
Capital Redemption Reserve		147500	133000
		<u>£67449</u>	<u>£36888</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Directors on 8 November 2002 and signed on their behalf by:

S K Jones

) Directors

H S J Cotton

IRL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - YEAR ENDED 30TH APRIL 2002

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same accounts.

a) Basis of Preparation of Financial Statements

The accounts have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The effect of events relating to the year ended 30th April 2002 before the date of approval of the financial statements by the directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30th April 2002 and of the results for the year ended on that date.

b) Going Concern

The financial statements have been prepared on the going concern basis. This basis is considered appropriate because the Company's bankers have indicated that they will provide a facility of £250000 until December 2002. The directors consider that financial support will, thereby, be forthcoming at levels sufficient to allow the Company to continue trading, although inherently there can be no certainty in relation to this. The financial statements do not contain any adjustments that might arise if the promised support is withdrawn.

c) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant & Equipment	-	20% of cost p.a.
Vans	-	25% of cost p.a.
Cars	-	25% of cost p.a.
Fixtures & Fittings	-	20% of cost p.a.
Improvements to Leasehold Property	-	20% of cost p.a.

The freehold buildings have not been depreciated because it is considered that the residual value at the end of their useful economic life will exceed the current book value.

d) Stocks

Stock and Work in Progress have been valued at the lower of cost and net realisable value. Work in Progress cost comprises the relevant materials, labour and site overheads.

e) Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net asset or liability may crystallise.

f) Leasing and Hire Purchase

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

IRL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - YEAR ENDED 30TH APRIL 2002

1 ACCOUNTING POLICIES (Continued)

g) Pensions

The Company has defined contribution "insured" and "self-administered" pension schemes. The cost of the contributions made by the Company to the Schemes are charged to profit and loss account as incurred.

h) Turnover

The Company's turnover represents the value, excluding value added tax, of customers' contracts completed during the year.

i) Goodwill

The purchased goodwill was written off in the year following that of acquisition.

2 FIXED ASSETS

<u>Group & Company</u> <u>Tangible Assets</u> <u>Cost</u>	<u>Freehold</u> <u>Property</u>	<u>Improvements</u> <u>to Leasehold</u> <u>Property</u>	<u>Fixtures &</u> <u>Fittings</u>	<u>Plant &</u> <u>Machinery</u>	<u>Motor</u> <u>Vehicles</u>	<u>Total</u>
At 1st May 2001	92763	1100	54058	106289	224509	478719
Additions	-	-	2548	18188	126680	147416
From SSP Ltd	-	-	2737	97097	92850	192684
Disposals	-	-	-	-	(175329)	(175329)
At 30th April 2002	92763	1100	59343	221574	268710	643490
<u>Depreciation</u>						
At 1st May 2001	-	1020	47096	88263	144773	281152
Charge	-	80	3847	15765	52162	71854
From SSP Ltd	-	-	1109	39624	61501	102234
Disposals	-	-	-	-	(123676)	(123676)
At 30th April 2002	-	1100	52052	143652	134760	331564
Net Book Value at 30th April 2002	92763	-	7291	77922	133950	311926
Net Book Value at 30th April 2001	92763	80	6962	18026	79736	£197567

- a) Included in the total net book value of tangible fixed assets is £172035 (2001: £72591) in respect of assets held under finance leases and hire purchase contracts.
- b) On 15th August 1994, the company purchased the freehold of Unit C1 Swingbridge Road, Loughborough and this property was valued on 8th January 2002 by Mather Jamie (Chartered Surveyors) at £122500.
- c) The improvements to Leasehold Property relate to Unit C2 Swingbridge Road, Loughborough, which was purchased by the IRL Group Ltd Self-Administered Pension Scheme on 9th June 1995 and then let to IRL Group Ltd (see note 13).

IRL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - YEAR ENDED 30TH APRIL 2002

3 INVESTMENTS

Investment in IRL Ltd

At cost at 1st May 2001 and 30th April 2002

£300440

In July 1991 the company acquired the whole of the issued share capital of IRL Ltd. IRL Ltd was a management company and owns all the issued share capital of the following companies:

	<u>Name of Company</u>	<u>Country of Incorporation</u>	<u>Issued Share Capital</u>
1)	Rapp Resin Services Ltd	England	5000
2)	Industrial Resins Ltd	England	900
3)	Industri-Flors Ltd	England	1000
4)	Castle Sealants Ltd	England	20
5)	Rapp Resin Services (GRC) Ltd	England	6420

On 1st May 1992 IRL Group Ltd acquired the business and assets of IRL Ltd and Rapp Resin Services Ltd. Rapp Resin Services Ltd's principal activity had been industrial flooring and concrete repairs until it ceased to trade on 30th April 1992. The other companies have been dormant since incorporation.

4 CALLED-UP SHARE CAPITAL

2002

2001

Authorised Issued and Fully Paid

"A" Ordinary Shares of £1

60000

60000

"B" Redeemable Preference Shares of £1

27500

42000

"B" Ordinary Shares of £1

100

100

£87600

£102100

On 19th April 1999 the existing Ordinary Shares of £1 were re-designated as "A" Ordinary Shares of £1.

Shareholders

2002

2001

H S J Cotton

36000

36000

S K Jones

24000

24000

£60000

£60000

IRL GROUP LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS - YEAR ENDED 30TH APRIL 2002

(ii) The "B" Redeemable Preference Shares

<u>Shareholders</u>	<u>2002</u>	<u>2001</u>
H S J Cotton	13750	21000
Mrs C H Cotton (wife of H S J Cotton)	13750	21000
	<hr/>	<hr/>
	£27500	£42000
	<hr/>	<hr/>

b) These shares are redeemable, at the option of the company, at par on or before 31st December 2005.

b) The dividend on these shares is 5% per annum and the dividends paid comprised:

	<u>2002</u>	<u>2001</u>
Previous Year's Dividend	2310	2932
Current Year's Dividend	-	-
	<hr/>	<hr/>
	£2310	£2932
	<hr/>	<hr/>

c) The dividend of £1556 in respect of the year ended 30th April 2002 was paid on 2nd July 2002.

(iii) The "B" Ordinary Shares of £1

By a special resolution dated 19th April 1999 the authorised share capital of the Company was increased by the creation of 100 "B" Ordinary Shares of £1. These shares have voting rights, but do not carry the right to participate in any surplus arising from a winding up of the company.

<u>Shareholders</u>	<u>2002</u>	<u>2001</u>
Mrs C H Cotton	60	60
Mrs M A Jones (wife of S K Jones)	40	40
	<hr/>	<hr/>
	£100	£100
	<hr/>	<hr/>

	<u>2002</u>	<u>2001</u>
Dividends Paid on "B" Ordinary Shares of £1	£22000	£28000

5 SECURED CREDITORS

Security has been given by the company to secure £396020 (2001:£200323) of the amount shown under creditors.

	<u>2002</u>	<u>2001</u>
Hire purchase creditors	134604	55775
Bank overdraft	237378	111871
Bank loan	24038	32677
	<hr/>	<hr/>
	£396020	£200323
	<hr/>	<hr/>