

QUALICOAT LIMITED
ABBREVIATED STATUTORY ACCOUNTS
EIGHTEEN MONTHS ENDED 31ST DECEMBER, 1999

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KUBINSKI
Chartered Accountants
and Registered Auditors



QUALICOAT LIMITED**AUDITORS' REPORT TO QUALICOAT LIMITED****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Qualicoat Limited prepared under Section 226 of the Companies Act 1985 for the eighteen months ended 31st December, 1999.

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 the Company's entitlement 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 have been properly prepared in accordance with those provisions 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 have been properly prepared.

OPINION

In our opinion the Company is entitled under Sections 246(5) and (6) of the Companies Act 1985 to deliver abbreviated accounts and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with those provisions.

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KUBINSKI
Chartered Accountants
and Registered Auditors

Eldon House
201 Penistone Road
Kirkburton
Huddersfield
HD8 0PE

21st September, 2000

QUALICOAT LIMITED**ABBREVIATED BALANCE SHEET AT 31ST DECEMBER, 1999**

	Notes	31.12.99	30.6.98
		£	£
FIXED ASSETS	2	1,237,299	1,007,679
CURRENT ASSETS			
Stocks		10,808	13,943
Debtors (due within one year)		590,546	599,778
Cash at bank and in hand		<u>114</u>	<u>-</u>
		601,468	613,721
CREDITORS: Amounts falling due within one year	4	<u>1,206,798</u>	<u>1,088,416</u>
NET CURRENT LIABILITIES		(605,330)	(474,695)
TOTAL ASSETS LESS CURRENT LIABILITIES		631,969	532,984
CREDITORS: Amounts falling due after more than one year	4	<u>498,166</u>	<u>415,410</u>
		133,803	117,574
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation		<u>39,400</u>	<u>69,201</u>
NET ASSETS		£ 94,403	£ 48,373
CAPITAL AND RESERVES			
Called up share capital	5	10,000	5,000
Share premium account	6	195,000	-
Profit and loss account		(110,597)	<u>43,373</u>
SHAREHOLDERS' FUNDS		£ 94,403	£ 48,373

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR – N. ANDERSON

APPROVED BY THE BOARD ON 21ST SEPTEMBER, 2000

QUALICOAT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS, 31ST DECEMBER, 1999****1. ACCOUNTING POLICIES****a) BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention.

b) TURNOVER

Turnover represents net invoiced sales of goods and services, excluding Value Added Tax.

c) TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset systematically over its expected useful life, as follows:—

Straight line method

Leasehold property	2%
Plant and machinery	7.8% – 15.0%
Fixtures and fittings	10%

Reducing balance method

Motor vehicles	20%
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d) LEASED ASSETS AND ASSETS HELD UNDER HIRE PURCHASE AGREEMENTS

The fair value of an asset acquired under a finance lease or hire purchase agreement is included in tangible fixed assets and depreciation is provided in accordance with the Company's accounting policy for the class of asset concerned.

The interest cost is charged over the term of the agreement using a constant periodic rate of charge or method approximating thereto.

Rentals paid on an operating lease are charged to the profit and loss account on a straight line basis over the term of the lease agreement.

e) STOCKS

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

f) DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

QUALICOAT LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS, 31ST DECEMBER, 1999 (CONT.)****2. FIXED ASSETS – TANGIBLE**

	Intangible assets	Tangible assets	1999 Total
COST	£	£	£
Brought forward	4,709	1,231,392	1,236,101
Additions	–	524,493	524,493
Disposals	–	(218,041)	(218,041)
Carried forward	£ 4,709	1,537,844	1,542,553
DEPRECIATION			
Brought forward	–	228,422	228,422
Charged in period	–	178,673	178,673
Disposals	–	(101,841)	(101,841)
Carried forward	£ –	305,254	305,254
NET BOOK VALUE			
31st December, 1999	£ 4,709	1,232,590	1,237,299

3. TRANSACTIONS WITH THE DIRECTOR

The Director had no material interest in any contract of significance to which the Company was a party during the financial period.

	31.12.99	30.6.98
	£	£
4. CREDITORS		
Creditors include secured liabilities totalling	£ 1,066,057	£ 733,121
5. CALLED UP SHARE CAPITAL		
AUTHORISED:–		
50,000 Ordinary shares of £1 each	£ 50,000	£ 50,000

6. SHARE PREMIUM ACCOUNT

5,000 Ordinary shares of £1 each were allotted in July, 1999 at a premium of £39 per share.