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Plasma & Thermal Coatings Limited

Abbreviated Accounts

31 MAY 1999

 ERNST & YOUNG



Plasma & Thermal Coatings Limited

Registered No. 3047279

DIRECTORS

R J Prince
D Bailey
R McIntyre
A Truelove
B Brennan
S Morgan

SECRETARY

S Morgan

AUDITORS

Ernst & Young
Southgate House
Wood Street
Cardiff

BANKERS

Midland Bank plc
1 Bridge Street
Newport

SOLICITORS

Everett & Tomlin
Clarence Chambers
Clarence Street
Pontypool

REGISTERED OFFICE

Unit 20
Maesglas Industrial Estate
Newport
South Wales
NP20 2NN

SPECIAL REPORT OF THE AUDITORS**to Plasma & Thermal Coatings Limited under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 6, together with the annual accounts of the company for the year ended 31 May 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

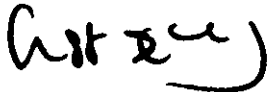
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and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

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those annual accounts. 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 full accounts.

Opinion

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



Ernst & Young
Registered Auditor
Cardiff

30/9/99

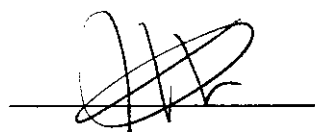
Plasma & Thermal Coatings Limited

ABBREVIATED BALANCE SHEET

at 31 May 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	2	410,989	435,631
CURRENT ASSETS			
Stock		31,384	73,481
Debtors: due within one year		313,109	347,004
Cash at bank and in hand		217,746	31,459
		562,239	451,944
CREDITORS: amounts falling due within one year	3	515,879	530,866
NET CURRENT ASSETS/ (LIABILITIES)		46,360	(78,922)
TOTAL ASSETS LESS CURRENT LIABILITIES		457,349	356,709
CREDITORS: amounts falling due after one year		17,707	73,457
		439,642	283,252
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation		34,000	36,000
NET ASSETS		405,642	247,252
CAPITAL AND RESERVES			
Called up share capital	4	130,000	130,000
Profit and loss account		275,642	117,252
EQUITY SHAREHOLDERS' FUNDS		405,642	247,252

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



Director

30.9.99

Date

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 May 1999

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under historical cost convention, in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by s248 of the Companies Act 1985.

Depreciation

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

Plant	5 to 10 years
Office equipment, fixtures and fittings	5 years
Computer	3 years
Motor vehicles	4 years

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value as follows:

Raw materials	-	purchase cost on a first-in, first-out basis
Work in progress	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposals.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Government grants

Grants of a revenue nature are credited to income in the period to which they relate.

Hire purchase and lease commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balances of capital repayments outstanding.

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

Plasma & Thermal Coatings Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 May 1999

1 ACCOUNTING POLICIES (continued)

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 TANGIBLE FIXED ASSETS

	<i>Total</i> £
Cost:	
At 1 June 1998	634,742
Additions	84,561
Disposals	(13,060)
At 31 May 1999	<u>706,243</u>
Depreciation:	
At 1 June 1998	199,111
Provided during the year	109,203
Released on disposal	(13,060)
At 31 May 1999	<u>295,254</u>
Net book value:	
At 31 May 1999	<u>410,989</u>
At 31 May 1998	<u>435,631</u>

Fixed assets includes plant and machinery with a net book value of £18,987 (1998: £21,289) and motor vehicles with a net book value of £25,024 (1997: £18,947) which are subject to hire purchase contracts.

3 CREDITORS: amounts falling due within one year

Included in creditors is a loan for £72,582 (1998: £79,339) which is secured on the company's trade debtors.

4 SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted called up and fully paid</i>
	<i>1999</i>	<i>1998</i>	<i>1999</i>
	£	£	£
Ordinary shares of £1 each	150,000	150,000	130,000
	<u>150,000</u>	<u>150,000</u>	<u>130,000</u>