

PLASMA & THERMAL COATINGS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 MAY 2002



OWENS THOMAS LIMITED
Accountants & Business Advisers & Registered Auditors
25 Cathedral Road
Cardiff
CF11 9TZ

PLASMA & THERMAL COATINGS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2002

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PLASMA & THERMAL COATINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of the company for the year ended 31 May 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 report our opinion to you.

BASIS OF OPINION

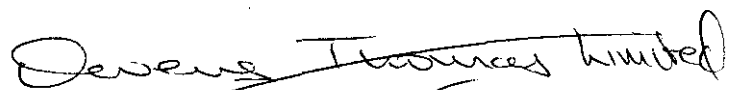
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

25 Cathedral Road
Cardiff
CF11 9TZ

26.2.2003
.....


OWENS THOMAS LIMITED
Accountants & Business Advisers
& Registered Auditors

PLASMA & THERMAL COATINGS LIMITED

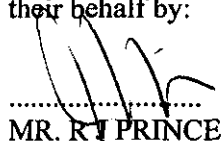
ABBREVIATED BALANCE SHEET

YEAR ENDED 31 MAY 2002

	Note	2002 £	2001 £
FIXED ASSETS	2		
Tangible assets		<u>446,523</u>	<u>332,002</u>
CURRENT ASSETS			
Stocks		46,959	56,923
Debtors		683,170	419,698
Cash at bank and in hand		<u>147,312</u>	<u>55,712</u>
		877,441	532,333
CREDITORS: Amounts falling due within one year		<u>(725,362)</u>	<u>(448,671)</u>
NET CURRENT ASSETS		<u>152,079</u>	<u>83,662</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>598,602</u>	<u>415,664</u>
CREDITORS: Amounts falling due after more than one year		(25,027)	(4,776)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(36,000)</u>	<u>(30,000)</u>
		<u>537,575</u>	<u>380,888</u>
CAPITAL AND RESERVES			
Called-up equity share capital	3	117,000	130,000
Other reserves		13,000	-
Profit and Loss Account		<u>407,575</u>	<u>250,888</u>
SHAREHOLDERS' FUNDS		<u>537,575</u>	<u>380,888</u>

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

These financial statements were approved by the directors on the 26.2.2003 and are signed on their behalf by:


.....
MR. R. PRINCE

The notes on pages 3 to 5 form part of these financial statements.

PLASMA & THERMAL COATINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31 MAY 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention,, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 5 to 10 years
Office equipment, fixtures & fittings	- 5 years
Motor vehicles	- 4 years
Computer equipment	- 3 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progrss is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progrss.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

PLASMA & THERMAL COATINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31 MAY 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- * provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- * provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- * deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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 project.

Government grants

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

PLASMA & THERMAL COATINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31 MAY 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1 June 2001	832,429
Additions	207,315
Disposals	<u>(115,688)</u>
At 31 May 2002	<u>924,056</u>
DEPRECIATION	
At 1 June 2001	500,427
Charge for year	76,673
On disposals	<u>(99,567)</u>
At 31 May 2002	<u>477,533</u>
NET BOOK VALUE	
At 31 May 2002	<u>446,523</u>
At 31 May 2001	<u>332,002</u>

3. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>
	2002 £	2001 £
Ordinary share capital brought forward	130,000	130,000
Purchase of own equity shares	<u>(13,000)</u>	<u>—</u>
	<u>117,000</u>	<u>130,000</u>