

**PLASMA & THERMAL COATINGS
LIMITED**

**ABBREVIATED FINANCIAL
STATEMENTS**

YEAR ENDED 31 MAY 2000

OWENS THOMAS

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



PLASMA & THERMAL COATINGS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2000

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PLASMA & THERMAL COATINGS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 May 2000 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

22.11.00


OWENS THOMAS
Accountants & Business Advisers
& Registered Auditors

PLASMA & THERMAL COATINGS LIMITED

ABBREVIATED BALANCE SHEET

31 MAY 2000

	Note	2000 £	1999 £
FIXED ASSETS	2		
Tangible assets		<u>351,460</u>	<u>410,989</u>
CURRENT ASSETS			
Stocks		33,762	31,384
Debtors		234,313	313,109
Cash at bank and in hand		<u>14,183</u>	<u>217,746</u>
		282,258	562,239
CREDITORS: Amounts falling due within one year		<u>(232,680)</u>	<u>(515,879)</u>
NET CURRENT ASSETS		49,578	46,360
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>401,038</u>	<u>457,349</u>
CREDITORS: Amounts falling due after more than one year		<u>(14,481)</u>	<u>(17,707)</u>
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(30,000)</u>	<u>(34,000)</u>
		<u>356,557</u>	<u>405,642</u>
CAPITAL AND RESERVES			
Called-up equity share capital	3	130,000	130,000
Profit and loss account		<u>226,557</u>	<u>275,642</u>
SHAREHOLDERS' FUNDS		<u>356,557</u>	<u>405,642</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 22.11.00, and are signed on their behalf by:


MR. R J PRINCE

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

PLASMA & THERMAL COATINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000

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 progress 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 progress.

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.

PLASMA & THERMAL COATINGS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2000

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

Deferred taxation

Provision is made, under 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 liability may arise.

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

YEAR ENDED 31 MAY 2000

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 Fixed Assets £
COST	
At 1 June 1999	706,243
Additions	<u>61,334</u>
At 31 May 2000	<u>767,577</u>
DEPRECIATION	
At 1 June 1999	295,254
Charge for year	<u>120,863</u>
At 31 May 2000	<u>416,117</u>
NET BOOK VALUE	
At 31 May 2000	<u>351,460</u>
At 31 May 1999	<u>410,989</u>

3. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	<u>130,000</u>	<u>130,000</u>