

T H K INSULATION LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1996

Registered number: 01743913

KIDSONS IMPEY
CHARTERED ACCOUNTANTS
Glasgow



T H K INSULATION LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 December 1996

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T H K INSULATION LIMITED
AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to
T H K Insulation Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

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

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 16 June 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 14 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

continued

T H K INSULATION LIMITED
AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
T H K Insulation Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

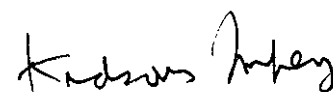
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'

16 June 1997

Glasgow



Kidsons Impey
Registered Auditors
Chartered Accountants

T H K INSULATION LIMITED
ABBREVIATED BALANCE SHEET
at 31 December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	2		82,621		96,831
Investments	2		15,000		15,000
			<u>97,621</u>		<u>111,831</u>
Current assets					
Stocks		10,292		4,997	
Debtors		518,429		493,771	
Cash at bank and in hand		60,350		27,817	
			<u>589,071</u>	<u>526,585</u>	
Creditors: amounts falling due within one year			<u>(535,240)</u>	<u>(525,850)</u>	
Net current assets			<u>53,831</u>	<u>735</u>	
Total assets less current liabilities			<u>151,452</u>	<u>112,566</u>	
Creditors: amounts falling due after more than one year			-	(5,903)	
Provision for liabilities and charges			<u>(837)</u>	<u>(3,729)</u>	
			<u>150,615</u>	<u>102,934</u>	
Capital and reserves					
Called up share capital	3		20,000		20,000
Profit and loss account			130,615		82,934
Total shareholders' funds			<u>150,615</u>	<u>102,934</u>	

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 24 April 1997.

J. Gillan
Director

T H K INSULATION LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

The company has taken advantage of the exemption from preparing group accounts on the grounds that it is entitled to the exemptions available in sections 248-249 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	15% Reducing balance
Motor vehicles	25% Reducing balance
Fixtures and fittings	15% Reducing balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due provision for obsolete and slow moving items and any foreseeable losses. No element of profit is included in the valuation of work in progress.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Pension costs

The company makes contributions to pension schemes for both directors and employees. The pension cost charge represents contributions payable in respect of the year.

T H K INSULATION LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

2 Fixed assets

Cost or valuation	Tangible fixed assets £	Fixed asset investments £	Total £
1 January 1996	196,096	15,000	211,096
Additions	31,215	-	31,215
Disposals	(39,060)	-	(39,060)
31 December 1996	<u>188,251</u>	<u>15,000</u>	<u>203,251</u>
Depreciation			
1 January 1996	99,265	-	99,265
Charge for year	23,799	-	23,799
Disposals	(17,434)	-	(17,434)
31 December 1996	<u>105,630</u>	<u>-</u>	<u>105,630</u>
Net book amount			
31 December 1996	<u>82,621</u>	<u>15,000</u>	<u>97,621</u>
1 January 1996	<u>96,831</u>	<u>15,000</u>	<u>111,831</u>

Fixed asset investments

Name	Country of Registration	Class of share	Proportion held	Nature of business
Remflex Covers Limited	England	Ordinary Preference	75% 75%	Flexible Removeable Insulation

The capital and reserves of Remflex Covers Limited at 31 December 1996 and profit for the year ended were:

	Capital and reserves £	Profit for the year £
Remflex Covers Limited	<u>23,035</u>	<u>3,035</u>

T H K INSULATION LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

3 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	20,000	20,000	20,000	20,000
Allotted called up and fully paid				
Ordinary shares of £1 each	20,000	20,000	20,000	20,000