

STERLING PRESERVATION LIMITED
COMPANY NUMBER: 2192104
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

WHITES
Chartered Accountants and
Reporting Accountants
9 The Crescent
TAUNTON
Somerset
TAI 4EA



STERLING PRESERVATION LIMITED

DIRECTORS	Mr R C Wyatt
	Mrs S A Wyatt
SECRETARY	Mrs S A Wyatt
REGISTERED OFFICE	9 The Crescent TAUNTON Somerset TAI 4EA

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

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The following pages do not form part of the statutory accounts:

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STERLING PRESERVATION LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company is damp proofing and timber treatment.

RESULTS

A summary of the results of the year's trading is given in the profit and loss account on page 3.

DIRECTORS

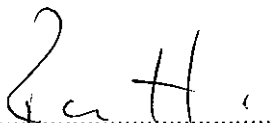
The directors who held office throughout the year and their beneficial interest in the issued ordinary share capital were as follows:

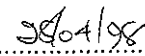
	Ordinary Shares of £1 Each 31.3.97	Ordinary Shares of £1 Each 1.4.96
Mr R C Wyatt	50	50
Mrs S A Wyatt	50	50

SPECIAL EXEMPTIONS

This report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


.....
Mr R C Wyatt
Director


.....
Date

**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF
STERLING PRESERVATION LIMITED**

We report on the accounts for the year ended 31 March 1997 set out on pages 3 to 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND REPORTING ACCOUNTANT

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

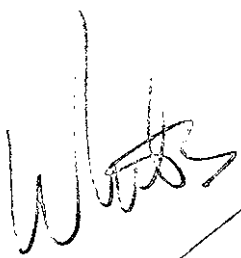
OPINION

In our opinion

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records;
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

WHITES

Chartered Accountants and
Reporting Accountants
9 The Crescent
TAUNTON
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TA1 4EA


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STERLING PRESERVATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Note	Year ended 31.3.97 £	1.10.94 - 31.3.96 £
TURNOVER	2	153,035	167,521
Cost of sales		87,541	87,815
GROSS PROFIT		65,494	79,706
Distribution costs		19,374	24,179
Administrative expenses		51,043	54,441
Other income		5,000	-
OPERATING PROFIT	3	77	1,086
Interest payable		1,901	956
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,824)	130
Taxation	5	1,040	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(2,864)	130
Dividends paid		-	-
RETAINED (LOSS)/PROFIT FOR THE YEAR		(2,864)	130
Retained loss as at 1 April 1996		(3,520)	(3,650)
ACCUMULATED LOSS AS AT 31 MARCH 1997		(6,384)	(3,520)

CONTINUING ACTIVITIES

The retained (loss) shown is due to the continuing activities of the company. None of the activities of the company were acquired or discontinued during the above two financial periods.

RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses during the two financial periods other than the loss or profit for each period.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

A reconciliation of movements in shareholders' funds is shown in note 11 to the accounts.

STERLING PRESERVATION LIMITED
BALANCE SHEET AS AT 31 MARCH 1997

	Note	31.3.97 £	£	31.3.96 £	£
FIXED ASSETS					
Tangible assets	6		20,225		19,480
CURRENT ASSETS					
Stock		12,650		11,350	
Debtors and prepayments	7	12,589		8,855	
		<u>25,239</u>		<u>20,205</u>	
CREDITORS: Amounts falling due within one year	8	47,739		36,565	
		<u></u>		<u></u>	
NET CURRENT LIABILITIES			(22,500)		(16,360)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,275</u>		<u>3,120</u>
CREDITORS: Amounts falling due after more than one year					
Hire purchase	9		4,009		6,540
			<u>(6,284)</u>		<u>(3,420)</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account			(6,384)		(3,520)
			<u>(6,284)</u>		<u>(3,420)</u>
	11				

STERLING PRESERVATION LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

(Continued)

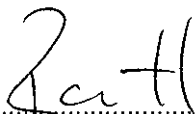
The financial statements were approved by the Board of Directors on

28/4/98

For the year in question, the company was entitled to exemption from an audit under Section 249A(2) of the Companies Act 1985. No notice has been deposited under Section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- b) preparing accounts which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies (Section 246(8)).



.....
Mr R C Wyatt
Director

STERLING PRESERVATION LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

I ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared in accordance with the historical cost convention.

b) Turnover

Turnover represents net invoiced sales excluding value added tax.

c) Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment	- 15% on reducing balance basis
Plant and equipment	- 25% on reducing balance basis
Leased motor vehicles	- Over period of each respective lease
Motor vehicles	- 25% on reducing balance basis

d) Stock

Stock and work in progress are valued at the lower of cost and net realisable value.

e) 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.

f) Leased Assets

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over the shorter of the lease period or their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding.

2 TURNOVER

The turnover and (loss)/profit before taxation are attributable to the one principal activity of the company which arose entirely within the United Kingdom.

STERLING PRESERVATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

(Continued)

	Year ended 31.3.97 £	1.10.94 - 31.3.96 £
3 OPERATING (LOSS)/PROFIT		
The operating (loss)/profit is stated after charging:		
Depreciation	5,898	5,163
Hire of plant and equipment	163	3,078
Directors' salaries	34,825	35,653
	<hr/>	<hr/>
4 STAFF COSTS		
Directors' remuneration	34,825	35,653
Wages	40,501	45,228
Social security costs	6,316	5,759
	<hr/>	<hr/>
	81,642	86,640
	<hr/>	<hr/>
5 TAXATION		
Corporation tax debtor written off	1,040	-
	<hr/>	<hr/>

STERLING PRESERVATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

(Continued)

6 TANGIBLE FIXED ASSETS

	Office Equipment £	Plant and Machinery £	Leased Motor Vehicles £	Motor Vehicles held under Hire Purchase Contract £	Total £
Cost					
At 1 April 1996	8,104	9,763	22,286	13,650	53,803
Additions	2,887	3,756	-	-	6,643
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	10,991	13,519	22,286	13,650	60,446
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 1996	4,660	5,670	22,286	1,707	34,323
Charge for year	950	1,962	-	2,986	5,898
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1997	5,610	7,632	22,286	4,693	40,221
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Values					
At 31 March 1997	5,381	5,887	-	8,957	20,225
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	3,444	4,093	-	11,943	19,480
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
				Year ended 31.3.97 £	1.10.94 - 31.3.96 £

7 DEBTORS

Trade debtors	9,327	6,815
Other debtors	1,380	1,041
Prepayments	1,882	999
	<hr/>	<hr/>
	12,589	8,855
	<hr/>	<hr/>

STERLING PRESERVATION LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

(Continued)

	Year ended 31.3.97 £	1.10.94 - 31.3.96 £
8 CREDITORS: Amounts falling due within one year		
Bank overdraft	14,876	14,428
Trade creditors	10,383	8,735
Social security and other taxes	10,332	7,572
Directors' current account	5,552	1,548
Hire purchase	2,532	2,532
Other creditors and accruals	4,064	1,750
	<hr/> 47,739 <hr/>	<hr/> 36,565 <hr/>
9 HIRE PURCHASE LIABILITIES		
Repayable within one year	2,532	2,532
Repayable within two to five years	4,009	6,540
	<hr/> 6,541 <hr/>	<hr/> 9,072 <hr/>
10 CALLED UP SHARE CAPITAL		
Authorised		
1,000 ordinary shares of £1 each	<hr/> 1,000 <hr/>	<hr/> 1,000 <hr/>
Allotted, Issued and Fully Paid		
100 ordinary shares of £1 each	<hr/> 100 <hr/>	<hr/> 100 <hr/>

STERLING PRESERVATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1997

(Continued)

	Year ended 31.3.97 £	1.10.94 - 31.3.96 £
11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
(Loss)/profit for the financial year	(2,864)	130
Opening shareholders' funds	(3,420)	(3,550)
	<hr/>	<hr/>
Closing shareholders' funds	(6,284)	(3,420)
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