

CARLINGNOSE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MAY 1999



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COMPANIES HOUSE 07/01/00

CARLINGNOSE LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 May 1999

Company registration number: 122590

Registered office: New Law House
Saltire Centre
Glenrothes
Fife
KY6 2BB

Directors: Mr Philip G Dryburgh
Mrs Karen J E Dryburgh
Mr Fergus A Dryburgh
Mr Steven A Grossi

Secretaries: Messrs T D Young & Co.

Bankers: Bank of Scotland
PO Box 10
Kirkcaldy
Fife
KY1 3PA

Solicitors: T D Young & Co.
New Law House
Saltire Centre
Glenrothes
Fife
KY6 2DA

Auditors: Grant Thornton
Registered auditors
Chartered accountants

CARLINGNOSE LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 May 1999

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CARLINGNOSE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 May 1999.

Principal activities

The company is principally engaged in the manufacture of glassfibre products.

Business review

During the year to 31 May 1999 the business continued to grow and the management team was further strengthened. New product development continued and further growth opportunities are still being pursued.

There was a profit for the year after taxation amounting to £182,010. The directors recommend payment of dividends of £27,200.

Post balance sheet events

Details of post balance sheet events are disclosed in note 23.

Directors

The present membership of the Board is set out below. All directors served throughout the year apart from Mr S A Grossi who was appointed to the Board on 27 April 1999.

The interests of the directors and their families in the shares of the company as at 31 May 1999 and 1 June 1998, or the date of their appointment to the Board if later, were as follows:

	Ordinary shares	
	31 May 1999	1 June 1998
Mr Philip G Dryburgh	57,002	57,002
Mrs Karen J E Dryburgh	-	-
Mr Fergus A Dryburgh	-	-
Mr Steven A Grossi	-	-

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CARLINGNOSE LIMITED

REPORT OF THE DIRECTORS

Year 2000 Compliance

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The main system affected is the accounting and management information system. The board believes that the system has been made fully Year 2000 compliant.

The company has requested from major customers, suppliers, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

No further external costs to address the issue are expected.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



P G Dryburgh
Director

Date 16th December 1999

**REPORT OF THE AUDITORS TO CARLINGNOSE LIMITED UNDER
SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 4 to 16 together with the full financial statements of CARLINGNOSE LIMITED prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1999.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver to the registrar of companies abbreviated accounts prepared in accordance with section 246A(3) of the Act and whether the abbreviated accounts have been properly prepared in accordance with that provision.

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 deliver abbreviated accounts and that the abbreviated accounts 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 to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 have been properly prepared in accordance with that provision.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

EDINBURGH

Date *17 December 1999*

CARLINGNOSE LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a medium-sized group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Freehold buildings	2%
Plant and machinery	15-33%
Motor vehicles	20-25%

GOVERNMENT GRANTS

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

CARLINGNOSE LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT**

For the year ended 31 May 1999

	Note	1999 £	1998 £
Gross profit		1,076,068	1,027,180
Distribution costs		(66,944)	(47,854)
Administrative expenses		(706,613)	(699,369)
Operating profit		302,511	279,957
Amounts written off investments	7	-	(250,000)
Interest payable and similar charges	2	(99,232)	(101,183)
Profit on ordinary activities before taxation	1	203,279	(71,226)
Tax on profit on ordinary activities	4	(21,269)	(37,494)
Profit for the financial year	15	182,010	(108,720)
Dividends	5		
Equity		(27,200)	(65,000)
Profit transferred to reserves	14	154,810	(173,720)

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

CARLINGNOSE LIMITED

ABBREVIATED BALANCE SHEET AT 31 MAY 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	6		1,509,345		1,549,950
Investments	7		-		-
			<u>1,509,345</u>		<u>1,549,950</u>
Current assets					
Stocks	8	149,930		135,940	
Debtors	9	604,037		653,200	
Cash at bank and in hand		48,503		152	
		<u>802,470</u>		<u>789,292</u>	
Creditors: amounts falling due within one year	10	(847,861)		(882,920)	
Net current liabilities			<u>(45,391)</u>		<u>(93,628)</u>
Total assets less current liabilities			<u>1,463,954</u>		<u>1,456,322</u>
Creditors: amounts falling due after more than one year	11		(720,304)		(875,335)
Provisions for liabilities and charges			<u>(28,853)</u>		<u>(21,000)</u>
			<u>714,797</u>		<u>559,987</u>
Capital and reserves					
Called up share capital	13		57,002		57,002
Revaluation reserve	14		144,407		147,417
Profit and loss account	14		513,388		355,568
Shareholders' funds	15		<u>714,797</u>		<u>559,987</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board of Directors on 16th December 1999.

Director

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

CARLINGNOSE LIMITED**CASH FLOW STATEMENT**

For the year ended 31 May 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	16	632,439	315,635
Returns on investments and servicing of finance			
Interest paid		(71,777)	(77,132)
Finance lease interest paid		(26,395)	(24,051)
Returns on investments and servicing of finance		(98,172)	(101,183)
Taxation		1,648	(114,468)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(41,630)	(288,279)
Sale of tangible fixed assets		30,000	40,356
Net cash outflow from capital expenditure and financial investment		(11,630)	(247,923)
Purchase of investments		-	(250,000)
Equity dividends paid		(27,200)	(65,000)
Financing			
Receipts from borrowings		-	290,000
Repayment of borrowings		(77,998)	(62,912)
Capital element of finance lease rentals		(106,695)	94,791
Net cash outflow from financing		184,693	(321,879)
Increase in cash	17	312,392	(141,060)

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	4,700	3,880
Depreciation and amortisation:		
Tangible fixed assets, owned	70,133	62,007
Tangible fixed assets, held under finance leases and hire purchase contracts	58,641	47,312
Write-downs of fixed asset investments	-	250,000
Hire of plant and machinery	9,090	12,567
Government grants	(30,260)	(11,222)

2 INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
Finance charges in respect of finance leases and hire purchase contracts	26,395	24,051
Other interest payable and similar charges	72,837	77,132
	<u>99,232</u>	<u>101,183</u>

3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	1,199,917	940,452
Social security costs	94,978	71,478
	<u>1,294,895</u>	<u>1,011,930</u>

The average number of employees of the company during the year was 97 (1998: 90).

Remuneration in respect of directors was as follows:

	1999 £	1998 £
Emoluments	143,230	125,516

During the year no directors (1998: nil) participated in defined benefit pension schemes and no directors participated in money purchase pension schemes.

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1999 £	1998 £
UK Corporation tax at 26% (1998: 22%)	106,738	94,163
Group relief	(94,795)	(70,608)
Deferred taxation	7,853	8,000
	<u>19,796</u>	<u>31,555</u>
Adjustments in respect of prior periods:		
Corporation tax	1,473	5,939
	<u>21,269</u>	<u>37,494</u>

5 DIVIDENDS

	1999 £	1998 £
Ordinary shares - interim dividends paid	<u>27,200</u>	<u>65,000</u>

6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 June 1998	1,076,216	279,171	417,938	1,773,325
Additions	29,764	10,866	81,030	121,660
Disposals	-	-	(84,288)	(84,288)
At 31 May 1999	<u>1,105,980</u>	<u>290,037</u>	<u>414,680</u>	<u>1,810,697</u>
Depreciation				
At 1 June 1998	41,359	90,758	91,258	223,375
Provided in the year	23,941	36,604	68,229	128,774
Eliminated on disposals	-	-	(50,797)	(50,797)
At 31 May 1999	<u>65,300</u>	<u>127,362</u>	<u>108,690</u>	<u>301,352</u>
Net book amount at 31 May 1999	<u>1,040,680</u>	<u>162,675</u>	<u>305,990</u>	<u>1,509,345</u>
Net book amount at 31 May 1998	<u>1,034,857</u>	<u>188,413</u>	<u>326,680</u>	<u>1,549,950</u>

CARLINGNOSE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 1999

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £	Motor vehicles £
Net book amount at 31 May 1999	16,368	261,915
Net book amount at 31 May 1998	21,389	311,321
Depreciation provided during year	5,021	53,620

During the year to 31 May 1997 the factory was revalued by Messrs. Graham and Sibbald, Chartered Surveyors at a valuation of £1,012,500. The basis of the valuation was open market value. The surplus was transferred to reserves and is being amortised over the useful life of the property.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation, because, in the opinion of the directors, this asset is unlikely to be disposed of in the foreseeable future.

7 FIXED ASSETS INVESTMENTS

	Shares in group undertakings £
Cost or valuation At 1 June 1998	250,000
Amounts written off At 1 June 1998	250,000
Net book amount at 31 May 1999	-
Net book amount at 31 May 1998	-

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

At 31 May 1999 the company held 100% of the equity share capital of the following undertaking:

	Country of incorporation /registration	Class of share capital held	Proportion held	Nature of business	Capital and reserves	Loss for the financial year
					£	£
Subsidiaries						
GLF Manufacturing Limited	UK	Ordinary	100%	Garage Equipment	(455,148)	(326,992)

8 STOCKS

	1999 £	1998 £
Raw materials	66,423	69,399
Finished goods and short term work in progress	83,507	66,541
	<u>149,930</u>	<u>135,940</u>

9 DEBTORS

	1999 £	1998 £
Trade debtors	477,232	618,026
Amounts owed by related undertakings	105,253	12,216
Other debtors	13,340	884
Loans to directors	3,281	-
Taxation recoverable	-	3,121
Prepayments and accrued income	4,931	18,953
	<u>604,037</u>	<u>653,200</u>

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank loans and overdrafts	132,857	346,898
Trade creditors	364,088	258,436
Amounts owed to group undertakings	546	-
Amounts owed to related undertakings	63,489	7,197
Corporation tax	11,943	-
Social security and other taxes	120,037	117,705
Other creditors	1,031	6,061
Accruals and deferred income	49,037	42,158
Amounts due under hire purchase and finance lease contracts	104,833	104,465
	<u>847,861</u>	<u>882,920</u>

The bank loans and overdraft are secured by a fixed and floating charge over all of the company's assets and by a standard security over the factory premises at Myregormie Place, Kirkcaldy and a cross guarantee between Carlingnose Limited and G.L.F. Manufacturing Limited.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Bank loans	518,245	646,243
Amounts due under hire purchase and finance lease contracts	202,059	229,092
	<u>720,304</u>	<u>875,335</u>

The bank loans are secured by a fixed and floating charge over the company's assets and by a standard security over the factory premises at Myregormie Place, Kirkcaldy.

Borrowings are repayable as follows:

	1999 £	1998 £
Within one year		
Bank and other borrowings	132,857	346,898
Finance leases	104,833	104,465
After one and within two years		
Bank and other borrowings	132,857	128,690
Finance leases	202,059	229,092
After two and within five years		
Bank and other borrowings	385,388	398,572
After five years		
Bank and other borrowings	-	118,981
	<u>957,994</u>	<u>1,326,698</u>

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

Bank and other borrowings repayable after five years comprise:	1999 £	1998 £
Bank loans	-	118,981

12 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 31%.

	Amount provided	
	1999 £	1998 £
Accelerated capital allowances	28,853	21,000

13 SHARE CAPITAL

	1999 £	1998 £
Authorised Ordinary shares of £1 each	60,000	60,000
Allotted, called up and fully paid Ordinary shares of £1 each	57,002	57,002

14 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 June 1998	147,417	355,568
Retained profit for the year	-	154,810
Transfer from revaluation reserve to profit and loss account	(3,010)	3,010
At 31 May 1999	144,407	513,388

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial year	182,010	(108,720)
Dividends	(27,200)	(65,000)
Net increase in shareholders' funds	154,810	(173,720)
Shareholders' funds at 1 June 1998	559,987	733,707
Shareholders' funds at 31 May 1999	714,797	559,987

16 NET CASH INFLOW FROM OPERATING ACTIVITIES

	1999 £	1998 £
Operating profit	302,511	279,957
Depreciation	128,774	109,319
Profit on sale of tangible fixed assets	(8,909)	-
(Increase) in stocks	(13,990)	(19,387)
Decrease/(increase) in debtors	58,442	(50,318)
Increase/(decrease) in creditors	165,611	(3,936)
Net cash inflow from continuing operating activities	632,439	315,635

17 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1999 £	1998 £
Increase/(decrease) in net cash in the year	312,392	(141,060)
Cash outflow/(inflow) from financing in the year	77,998	(227,088)
Cash outflow/(inflow) from finance leases in the year	106,695	(94,791)
Change in net debt resulting from cashflows	497,085	(462,939)
Inception of finance leases	(80,030)	-
Movement in net debt in the year	417,055	(462,939)
Net debt at 1 June 1998	(1,326,546)	(863,607)
Net debt at 31 May 1999	(909,491)	(1,326,546)

CARLINGNOSE LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS**

For the year ended 31 May 1999

18 ANALYSIS OF CHANGES IN NET DEBT

	At 1 June 1998 £	Cash flow £	Non - cash items £	At 31 May 1999 £
Cash in hand and at bank	152	48,351	-	48,503
Overdrafts	(264,041)	264,041	-	-
Debt	(729,100)	77,998	-	(651,102)
Finance leases	(333,557)	106,695	(80,030)	(306,892)
	<u>(1,326,546)</u>	<u>497,085</u>	<u>(80,030)</u>	<u>(909,491)</u>

19 CAPITAL COMMITMENTS

The company had no capital commitments at 31 May 1999 or 31 May 1998.

20 CONTINGENT LIABILITIES

The company has issued a guarantee of up to £100,000 (1998 : £100,000) to the Bank of Ulster in respect of the borrowings of Carlingnose (NI) Limited, a company which is wholly owned by P. Dryburgh.

21 TRANSACTIONS WITH DIRECTORS

Amounts due in respect of loans, quasi-loans and credit transactions by directors were as follows:

Name of director and connected person	Amount outstanding		Maximum liability during year	Interest due not paid
	1999 £	1998 £	£	£
Philip G Dryburgh	231	231	231	-
Fergus A Dryburgh	3050	3050	3050	-

CARLINGNOSE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 May 1999

22 RELATED PARTY TRANSACTIONS

During the year sales of £121,509 (1998 : £166,576) and purchases of £221,209 (1998 : £34,211) were made from Carlingnose (NI) Limited, a company controlled by Mr P G Dryburgh.

Included in debtors and creditors were balances of £105,253 (1998 : £12,216) and £63,489 (1998 : £7,197) respectively relating to Carlingnose (NI) Limited.

During the year loans of £147,296 (1998 : £171,146) were advanced to G.L.F. Manufacturing Limited, a wholly owned subsidiary of Carlingnose Limited. Provision for non-recoverability of these amounts has been made in the accounts.

During the year group tax relief of £94,795 (1998 : £70,608) was utilised from losses made by G.L.F Manufacturing Limited.

23 POST BALANCE SHEET EVENTS

On 18 October 1999, GLF Manufacturing Limited went in liquidation. The assets of GLF Manufacturing Limited have been written down to realisable value.

Since the year end Carlingnose Limited made sales of £44,483 to GLF Manufacturing Limited and purchases of £5,702 . At 18 October 1999 a further debtors balance of £36,000 has been incurred.