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ABBAY THERMAL INSULATION LIMITEDFINANCIAL STATEMENTS FOR THEYEAR ENDED 30 JUNE 1997

REPORT OF THE AUDITORS TO THE DIRECTORS OF
ABBAY THERMAL INSULATION LIMITED
FOR THE YEAR ENDED 30 JUNE 1997

We have examined the abbreviated financial statements on pages 3 and 4 together with the full financial statements of Abbey Thermal Insulation Limited for the year ended 30 June 1997. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the balance sheet on page 3 and that the abbreviated financial statements have been prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 to the exemptions conferred by Part 1 of Schedule 8 to that Act in respect of the year ended 30 June 1997 and the abbreviated financial statements on pages 3 and 4 have been properly prepared in accordance with that Schedule.

On 27 April 1998 we reported, as auditors of Abbey Thermal Insulation Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1997 and our audit report was as follows:

'We have audited the financial statements on pages 6 to 12.

Respective responsibilities of directors and auditors

As described on page 4 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.

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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE AUDITORS TO THE DIRECTORS OF
ABBAY THERMAL INSULATION LIMITED
FOR THE YEAR ENDED 30 JUNE 1997

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

C. J. White & Co.

C.J. WHITE & CO.
Chartered Accountants
Registered Auditor

London Docklands

27th April 1998

ABBAY THERMAL INSULATION LIMITED

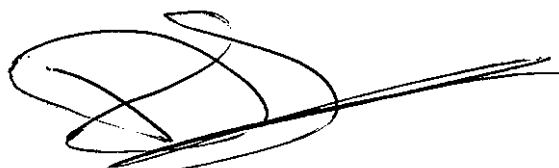

BALANCE SHEET

AS AT 30 JUNE 1997

	<u>1997</u>	<u>1996</u>
	£	£
Fixed assets		
Tangible assets	<u>6,569</u>	<u>8,406</u>
Current assets		
Work in progress	13,100	1,941
Debtors	465,505	462,842
Cash at bank and in hand	<u>87,795</u>	<u>14,044</u>
	566,400	478,827
Current liabilities		
Creditors due within one year	<u>421,569</u>	<u>380,168</u>
Net current assets	<u>144,831</u>	<u>98,659</u>
Total assets less current liabilities	151,400	107,065
Liabilities		
Creditors due after one year	-	-
Net assets	<u>151,400</u>	<u>107,065</u>
Capital and reserves		
Called up share capital	60,000	60,000
Profit and loss account	<u>91,400</u>	<u>47,065</u>
	<u>151,400</u>	<u>107,065</u>

The directors have relied on the exemptions for individual financial statements contained in Sections 246 and 247 and Part 1 of Schedule 8 of the Companies Act 1985 as, under that Act, the company is entitled to benefit from those exemptions as a small company.

D.J. OVENS
Director

R.C. TURNER
Director

27th April 1998

The accounting policies on page 4 form part of these financial statements.

ABBEY THERMAL INSULATION LIMITED
ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 APRIL 1997

Basis of accounting

The financial statements are prepared under the historical cost convention and under the going concern convention which assumes the continuing support of the company's bankers, directors and other creditors.

Turnover

Turnover represents the value of contract work and goods supplied which have been invoiced during the year, adjusted for changes in work in progress at the beginning and end of the year and excludes value added tax and trade discount.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Office equipment	- 25% per annum on cost
Motor vehicles	- 25% per annum on cost

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs; in the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Leasing and hire purchase commitments

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the instalments is charged to profit and loss account over the period of the contract. Rentals paid under operating leases are charged to profit and loss account as incurred.

Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that in which they are recognised in the financial statements.