

ABBREVIATED ACCOUNTS

Asbestech Limited

31 December 1999



Registered in England : Number 3478062

Hurst Morrison Thomson

Chartered Accountants

5 Fairmile
Henley-on-Thames
Oxfordshire
RG9 2JR

Tel: 01491 579866
Fax: 01491 573397
Email: hmt@hmtgroup.co.uk
Direct Line:

REPORT OF THE AUDITORS to Asbestech Limited under Section 247b of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of the company for the year ended 31 December 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and 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 to 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 Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



Chartered Accountants
Registered Auditor
Henley On Thames

21st July 2000

Asbestech Limited

BALANCE SHEET at 31 December 1999


	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
FIXED ASSETS			
Tangible assets	2	130,048	135,353
Intangible assets	3	838,374	882,996
		<hr/> 968,422	<hr/> 1,018,349
CURRENT ASSETS			
Stock and work in progress		234,377	251,105
Debtors		574,127	488,563
Cash at bank and in hand		1,199	1,773
		<hr/> 809,703	<hr/> 741,441
CREDITORS: amounts falling due within one year	4	(505,363)	(411,171)
		<hr/> 304,340	<hr/> 330,270
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 1,272,762	<hr/> 1,348,619
CREDITORS: amounts falling due After more than one year	5	(1,229,808)	(1,309,984)
		<hr/> £42,954	<hr/> £38,635
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account		42,952	38,633
SHAREHOLDERS' FUNDS		<hr/> £42,954	<hr/> £38,635

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

In the preparation of the company's annual accounts, the directors have taken advantage of special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Approved by the Board on 21st July 2000

Directors





NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 1999

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

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

Leasehold improvements	over term of the lease
Plant & machinery	20%-30% straight line
Fixtures & equipment	20%/30% straight line
Motor vehicles	33% straight line
Goodwill	5% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost of finished goods and work in progress comprises direct materials, direct labour and attributable overheads.

Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that taxation will be payable.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight-line basis. It is not considered that this method gives rise to a materially different charge to that based on a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 1999

1 ACCOUNTING POLICIES (continued)

Long term contracts

Long-term contract balances are stated at cost plus attributable profits or less provisions for foreseeable losses and after deducting payments on the account on a contract by contract basis.

If the outcome of a contract can be assessed with reasonable certainty, profit is taken by the percentage of completion.

When cumulative turnover exceeds total payments on account the balance is included in debtors as amounts recoverable on contracts. When total payments on account exceed cumulative turnover, the balance is offset firstly against long term contract balances, on any excess being disclosed separately in creditors.

2 TANGIBLE FIXED ASSETS

	<i>Total</i> £
Cost	
At 1 January 1999	172,712
Additions	27,052
At 31 December 1999	<u>£199,764</u>
Depreciation	
At 1 January 1999	37,359
Charge for year	32,357
At 31 December 1999	<u>£69,716</u>
Net book value	
At 31 December 1999	<u><u>£130,048</u></u>
At 31 December 1998	<u><u>£135,353</u></u>

The net book value above includes an amount of £29,596 (1998: £36,995) in respect of assets held under finance lease and hire purchase agreements, after charging depreciation of £7,399 (1998: £7,344).

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 1999

3 INTANGIBLE ASSETS

	<i>Goodwill</i> £
Cost	
At 1 January 1999	917,398
Additions	1,314
At 31 December 1999	<u>£918,712</u>
Amortisation	
At 1 January 1999	34,402
Charge for year	45,936
At 31 December 1999	<u>£80,338</u>
Net Book Value:	
At 31 December 1999	<u>£838,374</u>
At 31 December 1998	<u>£882,996</u>

4 CREDITORS: amounts falling due within one year

Included in creditors is a bank overdraft of £121,469 (1998: £34,755) which is secured by an All Monies Debenture dated 3 April 1998 in favour of the Bank of Scotland over the assets of the company, Cairnmuir Limited and Kitsons Environmental Europe Limited.

5 CREDITORS: amounts falling due outside one year

	<i>1999</i> £	<i>1998</i> £
Finance lease and hire purchase (see below)	8,756	23,480
Group companies	1,221,052	1,286,504
	<u>£1,229,808</u>	<u>£1,309,984</u>

The finance lease and hire purchase liabilities are secured on the assets financed.

NOTES TO THE ABBREVIATED ACCOUNTS
at 31 December 1999

6 SHARE CAPITAL

	<i>1999</i>	<i>Authorised</i>	<i>Allotted, called up</i>	<i>and fully paid</i>
	<i>No.</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Ordinary shares of £1 each	100	100	£2	£2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7 ULTIMATE PARENT COMPANY

The parent undertaking of the smallest and largest group of which the company is a member is Cairnmuir Limited, a company incorporated in England. Group accounts are available from 2 Transport Avenue, Brentford, Middlesex.