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JOHN PORTER (NEWCASTLE) LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED

28TH FEBRUARY 1997

STEPHENSON ARMSTRONG & CO.,
CHARTERED ACCOUNTANTS,
70 JESMOND ROAD WEST,
NEWCASTLE UPON TYNE,
NE2 4QD.



JOHN PORTER (NEWCASTLE) LIMITED

COMPANY INFORMATION

Directors:

J B Porter (Chairman)
F. Anderson
Mrs. V. Porter
M.B. Anderson

Secretary:

Mrs. V. Porter

Registered Office:

St. Lawrence Road,
Newcastle upon Tyne,
NE6 2HP.

Company Number:

261908

Auditors:

Stephenson Armstrong & Co.,
Chartered Accountants,
70 Jesmond Road West,
Newcastle upon Tyne,
NE2 4QD.

AUDITORS' REPORT
TO THE DIRECTORS OF JOHN PORTER (NEWCASTLE) LIMITED
PURSUANT TO SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 6 to 12, together with the full accounts of John Porter (Newcastle) Limited for the year ended 28th February 1997. The scope of our work for the purposes of this report was limited to confirming that the Company is entitled to the exemptions claimed in the Directors' statement on page 6 and that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion the Company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 28th February 1997, and the abbreviated accounts have been properly prepared from the full accounts.

On 30th October 1997 we reported as auditors of John Porter (Newcastle) Limited to the shareholders on the full financial statements required by Section 226 of the Companies Act 1985 for the year ended 28th February 1997, and our audit report was as follows:

"We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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

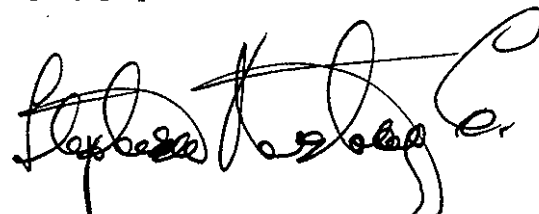
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 28th February 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

70 Jesmond Road West,
Newcastle upon Tyne,
NE2 4QD.



STEPHENSON ARMSTRONG & CO.

Chartered Accountants
and Registered Auditors

30th October 1997.

JOHN PORTER (NEWCASTLE) LIMITED

BALANCE SHEET

AT 28TH FEBRUARY 1997

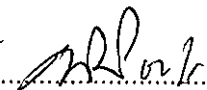

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
FIXED ASSETS			
Tangible Assets	8	<u>342,646</u>	<u>320,561</u>
CURRENT ASSETS			
Stocks	9	178,906	152,054
Debtors	10	414,828	464,338
Cash at Bank and in Hand		<u>2,696</u>	<u>1,300</u>
		596,430	617,692
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade Creditors		223,298	195,562
Other Creditors	11	<u>346,482</u>	<u>290,367</u>
		569,780	485,929
NET CURRENT ASSETS		<u>26,650</u>	<u>131,763</u>
DEFERRED ASSET			
Advance Corporation Tax		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		369,296	452,324
CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR			
	12	<u>18,655</u>	<u>11,550</u>
TOTAL NET ASSETS		£350,641	£440,774
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	13	<u>31,000</u>	<u>31,000</u>
RESERVES			
Capital Reserve		157,782	157,782
Profit and Loss Account	14	<u>161,859</u>	<u>251,992</u>
SHAREHOLDERS' FUNDS	15	£350,641	£440,774

Approved by the Board of Directors

J.B. PORTER × 

M.B. ANDERSON ×

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to Small Companies.

×  (J.B. PORTER) Director ×  (M.B. ANDERSON) Director

The Notes on pages 7 to 12 form part of these accounts.

JOHN PORTER (NEWCASTLE) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28TH FEBRUARY 1997

1. ACCOUNTING POLICIES

(a) Convention

The accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the Directors have adopted within that convention are set out below.

(b) Depreciation

Depreciation is provided in equal amounts each year in order to write off the cost of fixed assets over their anticipated useful lives.

Estimated useful lives are:

Plant and Machinery	10 Years
Motor Vehicles	8 Years
Furniture and Equipment	10 Years

No depreciation is provided in respect of freehold land and buildings. Depreciation is calculated on the net cost of fixed assets after the deduction of any regional development grants in the accounting year in which they are received.

(c) Stocks and Work in Progress

Stocks and Work in Progress are stated at the lower cost and net realisable value.

In establishing cost, stocks and work in progress at the end of the year are taken to represent latest purchases or production. On this basis, cost comprises:

Raw Materials	Purchase Price
Work in Progress and Finished Goods	Raw Materials, direct labour and attributable overheads.

Net realisable value is based on estimated selling price after taking into account all further costs expected to be incurred on completion and disposal.

JOHN PORTER (NEWCASTLE) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28TH FEBRUARY 1997

(Continued)

1. ACCOUNTING POLICIES (Continued)

(d) Taxation

The charge for taxation is based on the profit for the year at the Small Companies Corporation Tax Rate of 25%.

(e) Pensions

The Company operates a non-contributory pension scheme for the benefit of senior employees.

2. ANALYSIS OF TURNOVER

	<u>1997</u> £	<u>1996</u> £
Export Sales	15,638	28,369
Sales in the United Kingdom	<u>1,678,056</u>	<u>2,011,370</u>
	£1,693,694	£2,039,739
	_____	_____

3. OPERATING (LOSS)/PROFIT

Operating (Loss)/Profit is arrived at after charging:

Depreciation	21,441	18,368
Auditors' Remuneration	<u>2,877</u>	<u>2,793</u>
	£24,318	£21,161
	_____	_____

4. INTEREST PAYABLE

Bank Interest	17,693	10,734
Hire Purchase	<u>1,599</u>	<u>1,905</u>
	£19,292	£12,639
	_____	_____

JOHN PORTER (NEWCASTLE) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28TH FEBRUARY 1997

(Continued)

5. EMPLOYEES

Average number of people (including Executive Directors)
employed by the Company during the year:

	<u>Number of Employees</u>	
	<u>1997</u>	<u>1996</u>
Monthly	11	13
Weekly	53	52
	—	—
Costs in respect of these employees:	£	£
Wages and Salaries	717,799	737,416
Social Security Costs	61,178	64,591
Pension Costs	<u>14,547</u>	<u>30,959</u>
	£793,524	£832,966
	—————	—————

6. DIRECTORS

Directors' Emoluments:

Management Remuneration	£80,780	£79,572
	—————	—————

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Charge for taxation based on the profit for the year:

Corporation Tax	£(12,367)	£10,511
	—————	—————

JOHN PORTER (NEWCASTLE) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28TH FEBRUARY 1997

(Continued)

8. TANGIBLE ASSETS

	<u>Freehold Land and Buildings</u> £	<u>Plant and Machinery</u> £	<u>Motor Vehicles</u> £	<u>Furniture and Equipment</u> £	<u>Total</u> £
Cost/Valuation					
As at 1st March 1996	200,000	169,850	79,698	52,985	502,533
Additions	-	16,892	42,283	-	59,175
Disposals	-	(3,964)	(32,376)	(81)	(36,421)
At 28th February 1997	200,000	182,778	89,605	52,904	525,287
Depreciation					
At 1st March 1996	-	100,934	56,965	24,073	181,972
Charge for the Year	-	11,095	9,980	5,863	26,938
Disposals	-	(3,964)	(22,224)	(81)	(26,269)
At 28th February 1997	-	108,065	44,721	29,855	182,641
Net Book Values					
At 28th February 1997	200,000	74,713	44,884	23,049	342,646
At 29th February 1996	200,000	68,916	22,733	28,912	320,561

9. STOCKS

	<u>1997</u> £	<u>1996</u> £
Raw Materials	90,761	72,902
Work in Progress and Finished Goods	<u>88,145</u>	<u>79,152</u>
	£178,906	£152,054

10. DEBTORS

Trade Debtors	390,058	451,086
Other Debtors	16,786	7,878
Prepayments and Accrued Income	<u>7,984</u>	<u>5,374</u>
	£414,828	£464,338

JOHN PORTER (NEWCASTLE) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28TH FEBRUARY 1997

(Continued)

11. OTHER CREDITORS	<u>1997</u>	<u>1996</u>
	£	£
Corporation Tax	-	10,511
Other Taxes and Social Security	15,659	19,141
Accruals and Deferred Income	45,214	47,696
Bank Overdraft	230,275	177,680
Hire Purchase Company	14,361	7,608
Value Added Tax	<u>40,973</u>	<u>27,731</u>
	£346,482	£290,367

The Bank overdraft is secured by a fixed charge on the freehold property of the Company, and by a fixed and floating charge on the other assets of the Company.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Hire Purchase Company	£18,655	£11,550
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13. CALLED UP SHARE CAPITAL

Authorised Ordinary Shares of £1 each	40,000	40,000
Allotted, issued and fully paid Ordinary Shares of £1 each	31,000	31,000

JOHN PORTER (NEWCASTLE) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28TH FEBRUARY 1997

(Continued)

	<u>1997</u> £	<u>1996</u> £
14. PROFIT AND LOSS ACCOUNT		
At 1st March 1996	251,992	207,061
Retained (Loss)/Profit for the Year	(90,133)	44,931
	————	————
At 28th February 1997	£161,859	£251,992
	————	————
15. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS		
Opening Shareholders' Funds At 1st March 1996	440,774	395,843
(Loss)/Profit for the Financial Year after Taxation	(90,133)	44,931
	————	————
Closing Shareholders' Funds At 28th February 1997	£350,641	£440,774
	————	————