

COMPANY REGISTRATION NUMBER 00261908

**JOHN PORTER (NEWCASTLE) LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**28TH FEBRUARY 2002**



**JOHN PORTER (NEWCASTLE) LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 28TH FEBRUARY 2002**

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# JOHN PORTER (NEWCASTLE) LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE COMPANY

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 28th February 2002 prepared under Section 226 of the Companies Act 1985.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 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 Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

#### OTHER INFORMATION


On 9.12.02..... we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

#### FUNDAMENTAL UNCERTAINTY: GOING CONCERN

In forming our opinion we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's dependency upon the support by the company's bankers and factoring company. In view of the significance of this matter, we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

9.12.02.....

  
TAIT WALKER  
Chartered Accountants  
& Registered Auditors

# JOHN PORTER (NEWCASTLE) LIMITED

## ABBREVIATED BALANCE SHEET

28TH FEBRUARY 2002

	Note	2002		2001	
		£	£	£	£
<b>FIXED ASSETS</b>	<b>3</b>				
Tangible assets			567,283		425,312
<b>CURRENT ASSETS</b>					
Stocks		241,217		199,252	
Debtors		644,193		505,280	
Cash at bank and in hand		1,342		819	
		<u>886,752</u>		<u>705,351</u>	
<b>CREDITORS: Amounts falling due within one year</b>	<b>4</b>	<u>867,643</u>		<u>629,868</u>	
<b>NET CURRENT ASSETS</b>			19,109		75,483
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>586,392</u>		<u>500,795</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	<b>5</b>		58,116		28,908
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			11,905		-
<b>GOVERNMENT GRANTS</b>	<b>6</b>		16,001		17,334
			<u>500,370</u>		<u>454,553</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	8		31,000		31,000
Revaluation reserve			157,782		157,782
Profit and Loss Account			311,588		265,771
<b>SHAREHOLDERS' FUNDS</b>			<u>500,370</u>		<u>454,553</u>


These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 9.12.02 and are signed on their behalf by:

J.B. Porter  
Director



~~M.D. Anderson~~  
Director



The notes on pages 3 to 6 form part of these financial statements.

# JOHN PORTER (NEWCASTLE) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28TH FEBRUARY 2002

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### 1. GOING CONCERN

The financial statements have been prepared on a going concern basis, the validity of which depends upon the continued financial support of the company's bankers. Subsequent to the year end the company has experienced cash flow problems and its bank overdraft has risen to £300,000, which is the limit of its facility. The directors are confident that with improved cash management and sustained future profitability, the reliance upon the bank overdraft will diminish over the next year.

If this going concern basis proved to be invalid, the financial statements would have to be prepared on a break up basis in which the Balance Sheet would be restated to include all assets at estimated realisable values and all liabilities would become current and would have to be increased to include those liabilities contingent on the company ceasing to trade.

### 2. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	-	5%/20% straight line
Furniture & equipment	-	20% straight line
Motor vehicles	-	25% reducing balance

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

# JOHN PORTER (NEWCASTLE) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28TH FEBRUARY 2002

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### 2. ACCOUNTING POLICIES *(continued)*

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

#### **Deferred taxation**

Deferred tax is provided in full in respect of timing differences that have originated but not reversed at the balance sheet date. No provision has been made for timing differences arising on revaluation of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset can be recovered in future periods.

#### **Deferred government grants**

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

**JOHN PORTER (NEWCASTLE) LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 28TH FEBRUARY 2002**

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**3. FIXED ASSETS**

	<b>Tangible Assets £</b>
<b>COST OR VALUATION</b>	
At 1st March 2001	679,465
Additions	206,027
Disposals	<u>(53,560)</u>
<b>At 28th February 2002</b>	<b><u>831,932</u></b>
<b>DEPRECIATION</b>	
At 1st March 2001	254,153
Charge for year	58,494
On disposals	<u>(47,998)</u>
<b>At 28th February 2002</b>	<b><u>264,649</u></b>
<b>NET BOOK VALUE</b>	
<b>At 28th February 2002</b>	<b><u>567,283</u></b>
At 28th February 2001	<u>425,312</u>

**4. CREDITORS: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2002 £</b>	<b>2001 £</b>
Bank loans and overdrafts	152,886	56,434
Hire purchase agreements	50,624	37,603
Accruals and deferred income	<u>147,252</u>	<u>141,502</u>
	<b><u>350,762</u></b>	<b><u>235,539</u></b>

**5. CREDITORS: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>2002 £</b>	<b>2001 £</b>
Hire purchase agreements	<u>58,116</u>	<u>28,908</u>

# JOHN PORTER (NEWCASTLE) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28TH FEBRUARY 2002

### 6. GOVERNMENT GRANTS

	2002	2001
	£	£
Received and receivable	20,000	20,000
Amortisation	(3,999)	(2,666)
	<u>16,001</u>	<u>17,334</u>

### 7. TRANSACTIONS WITH THE DIRECTORS

Included in debtors are amounts owed by the following directors:

	2002	2001
	£	£
J.B. Porter:		
Amounts outstanding at the start of the year	<u>1,841</u>	<u>-</u>
Maximum outstanding during the year	<u>1,841</u>	<u>1,841</u>
Amounts outstanding at the end of the year	<u>-</u>	<u>1,841</u>
T.J. Porter:		
Maximum outstanding during the year	<u>73</u>	<u>-</u>
Amounts outstanding at the end of the year	<u>73</u>	<u>-</u>

### 8. SHARE CAPITAL

#### Authorised share capital:

	2002	2001
	£	£
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

#### Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>31,000</u>	<u>31,000</u>

### 9. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is J.B.Porter the managing director and majority shareholder.