

COMPANY NUMBER: 488564

AUDITORS' REPORT TO STANWAY SCREENS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of the company for the year ended 31 December 1997 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 Section 246 (5) and (6) of the Act to the Register of Companies and whether the accounts to be delivered have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered 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 to be delivered on pages 2 to 5 are properly prepared in accordance with those provisions.


HAZLEWOODS

Registered Auditors

Cheltenham

11 May 1998



STANWAY SCREENS LIMITED

BALANCE SHEET

31 December 1997

	Note	1997	1996 (as restated)
FIXED ASSETS			
Tangible assets	3	515,363	494,809
CURRENT ASSETS			
Stocks		156,356	157,512
Debtors		678,156	576,037
Investments		7,000	7,000
Cash at bank and in hand		416	736
		841,928	741,285
CREDITORS			
due within one year	4	654,815	587,308
NET CURRENT ASSETS		187,113	153,977
TOTAL ASSETS LESS CURRENT LIABILITIES		702,476	648,786
CREDITORS			
due after more than one year	4	103,832	107,361
PROVISIONS FOR LIABILITIES AND CHARGES		21,000	21,000
		£ 577,644	£ 520,425
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		577,544	520,325
SHAREHOLDERS' FUNDS		£ 577,644	£ 520,425

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

Approved by the board on 1st May 1998

M Priest Director

STANWAY SCREENS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1997

1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, adopting the following principal accounting policies.

Turnover

Turnover represents the amounts, excluding value added tax, receivable during the year for goods and services supplied.

Depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates per annum:

Freehold land	Nil
Freehold buildings	Nil
Fixtures, fittings and equipment	10-20% of written down value
Tools	10% of cost
Motor vehicles	25% of written down value

Freehold buildings are not depreciated, it being company policy to maintain buildings to such an extent that the estimated aggregate residual values exceed the net book value in the accounts. The maintenance costs are charged to the profit and loss account as incurred.

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs expected to be incurred to completion and disposal.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract date. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the asset. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

STANWAY SCREENS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1997

1 ACCOUNTING POLICIES (continued)

Deferred Taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the accounts, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

Operating Leases

The cost of operating leases is charged to the profit and loss account on a straight line basis over the lease term.

Hire Purchase

Assets acquired under hire purchase are recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability is included under creditors due within or after one year. The interest element is charged to the profit and loss account on a straight line basis.

Finance Costs

All finance costs in connection with borrowings are allocated to the profit and loss account at a constant rate on the carrying amount shown in the balance sheet.

Pension Costs

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

2 PRIOR YEAR ADJUSTMENT

An adjustment of £22,401 has been made to the accounts for years commencing 31 December 1988 to reflect an under provision of pension contributions. The under provision arises due to deductions being made at the incorrect rate. Accordingly the profit has been adjusted by £22,401.

STANWAY SCREENS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1997

3 FIXED ASSETS

Cost

At 1 January 1997	769,703
Additions	89,327
Disposals	(40,020)

At 31 December 1997	819,010
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Depreciation

At 1 January 1997	274,894
Charge for year	50,186
Disposals	(21,433)

At 31 December 1997	303,647
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Net Book Value

At 31 December 1997	£ 515,363
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At 31 December 1996	£ 494,809
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4 CREDITORS

1997

1996
(as restated)

Creditors include the following borrowings:-

Hire purchase obligations	29,107	21,793
Bank overdraft	199,638	127,586
Other loan	90,000	90,000
	£ 318,745	£ 149,379

The overdraft is secured by way of a fixed and floating charge over the assets of the company.

5 SHARE CAPITAL

Authorised, allotted and fully paid:

100 Ordinary shares of £1 each	£ 100	£ 100