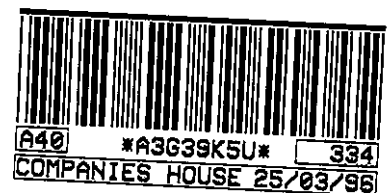


SKAR PRECISION MOULDINGS LIMITED

ABBREVIATED ACCOUNTS

31ST DECEMBER, 1995

Company Number: 949310



Edwards

CHARTERED ACCOUNTANTS

15 Station Road, St Ives, Cambridgeshire PE17 4BH. Tel (01480) 498161. Fax (01480) 468538

AUDITOR'S REPORT TO THE DIRECTOR OF SKAR PRECISION MOULDINGS LIMITED UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages two to five, together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the directors' statement on page two and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On *15th March, 1996*, we reported to the shareholders on the statutory accounts of the company for the year ended 31st December, 1995, prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8. Our report under section 235 of the Companies Act 1985 was as follows:-

"We have audited the financial statements on pages three to ten which have been prepared under the historic cost convention as modified by the revaluation of tangible fixed assets.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 1 the company's director is 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 director 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 preparation 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 31st December, 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies". *P*

15th March, 1996.

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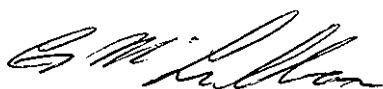
SKAR PRECISION MOULDINGS LIMITED

BALANCE SHEET
AT 31ST DECEMBER, 1995

	Notes	£	1995 £	£	1994 £
FIXED ASSETS					
Intangible assets	2		5,799		11,599
Tangible assets	3		<u>679,705</u>		<u>797,793</u>
			685,504		809,392
CURRENT ASSETS					
Stocks		198,526		185,595	
Debtors		486,464		490,348	
Cash at bank and in hand		<u>105,788</u>		<u>30</u>	
		790,778		675,973	
CREDITORS: Amounts falling due within one year			<u>(643,104)</u>	<u>(668,985)</u>	
NET CURRENT ASSETS			<u>147,674</u>	<u>6,988</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			833,178	816,380	
CREDITORS: Amounts falling due after more than one year	4		<u>(293,418)</u>	<u>(219,089)</u>	
			<u>£539,760</u>	<u>£597,291</u>	
CAPITAL AND RESERVES					
Called up share capital	5		1,000	1,000	
Profit and loss account			389,531	366,000	
Revaluation reserve			<u>149,229</u>	<u>230,291</u>	
SHAREHOLDERS' FUNDS			<u>£539,760</u>	<u>£597,291</u>	

The director has taken advantage in the preparation of the accounts of special exemptions applicable to small companies under Parts I and III of Schedule 8 to the Companies Act 1985. In the opinion of the director the company is entitled to those exemptions on the grounds that it qualifies as a small company.

Approved by the Board on 15/3/96



G. McLellan
Director

SKAR PRECISION MOULDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1995

1, ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b. Turnover

Turnover represents sales invoiced net of Value Added Tax,

c. Tangible Fixed Assets

Tangible fixed assets acquired by the company have been capitalised at cost.

d. Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value over the estimated useful life as follows:-

Office equipment and fixtures and fittings	- 25% per annum on the reducing balance basis
Motor vehicles	- 25% per annum on the reducing balance basis
Plant and machinery	- 20% per annum on the reducing balance basis

e. Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises the purchase cost plus the cost incurred in bringing each product to its present location or condition. Work in progress and finished goods are valued at cost of direct materials and labour plus attributable overheads based on normal levels of activity. Net realisable value is based on estimated selling price and further costs expected to be incurred to completion, sale and distribution.

f. Finance Leases and Hire Purchase Contracts

Assets held under finance leases and hire purchase contracts are capitalised as tangible fixed assets and depreciated in accordance with the policies outlined above. Lease obligations are included as creditors, with the interest being charged against profit over the period of the leases.

g. Operating Leases

Rentals under operating leases are charged against profit as they are incurred.

h. Deferred Taxation

No provision has been made for deferred taxation, as, in the opinion of the director, such provision is unlikely to be required in the foreseeable future.

i. Foreign Currency Translation

Transactions denominated in foreign currencies are translated at the rate of exchange on the day the transaction occurs. Assets and liabilities denominated in foreign currencies which are not to be settled at a contracted rate are translated at the balance sheet date at the rate prevailing on that day. Those assets and liabilities which are to be settled at a contracted rate are translated at the balance sheet date at the contracted rate. All currency adjustments are taken to the profit and loss account.

j. Cash Flow Statement

The company is a small company as defined by sections 246 and 247 of the Companies Act 1985. It has therefore taken advantage of the exemption conferred by Financial Reporting Standard Number 1 not to prepare a cash flow statement.

SKAR PRECISION MOULDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1995

2. INTANGIBLE FIXED ASSETS

	Total £
COST	
At 1st January, 1995 and 31st December, 1995	<u>£23,197</u>
AMORTISATION	
At 1st January, 1995	11,598
Charge for the year	<u>5,800</u>
At 31st December, 1995	<u>£17,398</u>
NET BOOK VALUE	
At 31st December, 1995	<u>£ 5,799</u>
At 31st December, 1994	<u>£11,599</u>

3. TANGIBLE FIXED ASSETS

	Total £
Cost or Valuation	
At 1st January, 1995	1,242,161
Revaluation	(81,062)
Additions	56,449
Disposals	<u>(23,610)</u>
At 31st December, 1995	<u>1,193,938</u>
Depreciation	
At 1st January, 1995	444,368
Charge for the year	82,710
Eliminated on disposals	<u>(12,845)</u>
At 31st December, 1995	<u>514,233</u>
Net Book Value	
At 31st December, 1995	<u>£679,705</u>
At 31st December, 1994	<u>£797,793</u>

SKAR PRECISION MOULDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1995

	1995 £	1994 £
4. CREDITORS: Amounts falling due after more than one year		
Included within creditors are the following:-		
Bank loans:		
- due in 2 to 5 years	65,893	88,206
- due in over 5 years	<u>197,679</u>	<u>62,280</u>
	<u>£263,572</u>	<u>£150,486</u>

Bank borrowings are secured by a charge over the company's freehold property and life policies of the director.

5. SHARE CAPITAL

Authorised, allotted, called up and fully paid

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