

SCIENTIFIC LUBRICANTS LIMITED

REPORT AND ACCOUNTS

for the year ended

31 JULY 2000



SCIENTIFIC LUBRICANTS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2000

CONTENTS

Page

Company information

1

Director's report

2

Accountant's report

3

Profit and loss account

4

Note of historical cost profits and losses

5

Balance sheet

6 - 7

Notes to the accounts

8 - 12

The following does not form part of the statutory accounts:-

Trading account

13

SCIENTIFIC LUBRICANTS LIMITED

COMPANY INFORMATION

Company number

985021

Director

J L Cowgill (Chairman)

Secretary

J Cowgill

Registered office

Glendene Works
New Hey Road
Outlane
Huddersfield
HD3 3YW

Accountant

John Turner
Chartered Accountant
Oakwood
104 Penistone Road
Kirkburton
Huddersfield
HD8 0TA

Bankers

HSBC
7 Commercial Street
Halifax
HX1 1HN

Solicitors

Baxter Caulfield
13 Station Street
Huddersfield
HD1 1LY

SCIENTIFIC LUBRICANTS LIMITED

DIRECTOR'S REPORT

The director submits his report and accounts for the year ended 31 July 2000.

Results and dividend

The trading loss after taxation and extraordinary item amounts to £20,836 (1999 loss £40,267) and this has been transferred from reserves. The directors do not recommend payment of a dividend.

Review of the business and future developments

The company's principal activity consists of the sale of lubricants and oils and there has been no change in these activities during the year.

Events since the end of the year

There have been no events since the end of the year of any material significance.

Future developments

No major alteration in the company's trading activities is envisaged.

Fixed assets

Details of the acquisition and disposal of fixed assets are shown in the notes to the accounts.

Directors and their interest

The director as at 31 July 2000 and his beneficial interest in the share capital of the company was as follows:-

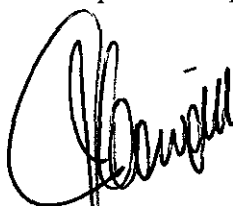
	2000 & 1999 Ordinary £1 shares
--	---

J L Cowgill	5,000
-------------	-------

Reporting accountant

The directors consider that for the year ended 31 July 2000, the company was entitled to exemption from a statutory audit under Section 249a of the Companies Act 1985. Under the provisions of the Act, the directors have appointed John Turner, Chartered Accountant as reporting accountant. His report is shown on page 4 of the financial statements.

This report was approved by the board on 13 December 2000.


Director

ACCOUNTANT'S REPORT

TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF SCIENTIFIC LUBRICANTS LIMITED

We report on the accounts for the year ended 31 July 2000 set out on pages 4 to 12.

Respective responsibilities of directors and reporting accountant

As described on page 7 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

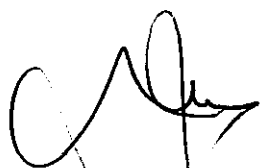
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:-

- a. the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985, as amended;
- b. having regard only to, and on the basis of, the information contained in those accounting records;
 - i. the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii. the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to exemption specified in Section 249B(1).



John Turner
Chartered Accountant
Oakwood
104 Penistone Road
Kirkburton
Huddersfield

15 December 2000

SCIENTIFIC LUBRICANTS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JULY 2000**

	Note	2000 £	1999 £
Turnover	2	643,670	656,015
Cost of sales		(363,512)	(375,907)
Gross profit		280,158	280,108
Administrative expenses		(267,204)	(299,080)
Operating profit/(loss)	3	12,954	(18,972)
Interest payable	4	(12,633)	(21,295)
Profit/(loss) on ordinary activities before taxation		321	(40,267)
Tax on profit on ordinary activities	5	(3,092)	-
Profit/(loss) for the year		(2,771)	(40,267)
Add: Extraordinary item	18	(18,065)	-
		(20,836)	(40,267)
Amortisation of revaluation surplus	12	2,299	2,299
Retained profit brought forward		45,981	83,949
Retained profit carried forward		27,444	45,981

The notes on pages 8 – 12 form part of these accounts.

SCIENTIFIC LUBRICANTS LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

FOR THE YEAR ENDED 31 JULY 2000

	2000	1999
	£	£
Reported (loss) on ordinary activities before taxation	(20,836)	(40,267)
Difference between a historical cost depreciation charge on property and the actual depreciation charge of the year calculated on the re-valued amount	2,299	2,299
Historical cost (loss) on ordinary activities before taxation	(18,537)	(37,968)
Historical cost (loss) for the year retained after taxation and dividends	(18,537)	(37,968)

The notes on pages 8 – 12 form part of these accounts.

SCIENTIFIC LUBRICANTS LIMITED

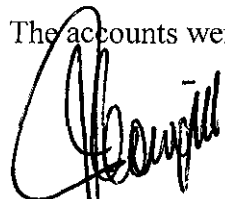
BALANCE SHEET

AS AT 31 JULY 2000

	Notes	2000 £	1999 £
Tangible fixed assets	6	228,505	244,660
Current assets			
Stocks	7	153,594	170,101
Debtors	8	111,940	102,848
Cash in hand		249	466
		265,783	273,415
Creditors: amounts due within one year	9	375,161	374,612
Net current liabilities		(109,378)	(101,197)
		119,127	143,463
Creditors: amounts due after one year	10	-	(3,500)
Deferred taxation	17	(3,900)	(3,900)
		115,227	136,063
Capital and reserves			
Called up share capital	11	5,000	5,000
Revaluation reserve	12	82,783	85,082
Profit and loss account		27,444	45,981
		115,227	136,063

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The accounts were approved by the Board of Directors on 13 December 2000.



J L Cowgill
Director

The notes on pages 8 – 12 form part of these accounts.

SCIENTIFIC LUBRICANTS LIMITED

BALANCE SHEET (CONT)

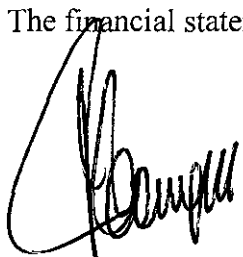
AS AT 31 JULY 2000

The directors consider that for the year ended 31 July 2000 the company was entitled to exemption under Section 249A(2) of the Companies Act 1985. No members or members have deposited a notice requesting an audit for the current financial year under subsection 2 of Section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part 1 of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.²

The financial statements on pages 4 and 6 were approved by the board of directors on 13 December 2000.

A handwritten signature in black ink, appearing to be 'J. B. B. B.', written over a horizontal line.

Director

SCIENTIFIC LUBRICANTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2000

1. Accounting policies

Accounting convention

These accounts have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings.

Depreciation

Depreciation of tangible fixed assets is based on cost, or in certain cases on valuation, and is applied using the following annual rates:-

Freehold buildings	2.5% per annum straight line
Plant and equipment	15% per annum reducing balance
Motor vehicles	20% per annum reducing balance

In the year of acquisition tangible fixed assets are depreciated from the start of the year.

Stock

Stocks are stated at direct cost plus attributable overheads or net realisable value if lower.

Turnover

Turnover represents the value of goods sold and services provided net of value added tax.

Deferred taxation

Deferred taxation is provided on the liability method at anticipated future rates of taxation on differences arising from the inclusion of income and expenditure in periods different for accounts and taxation purposes.

Leasing and hire purchase commitments

Tangible fixed assets acquired under hire purchase contracts are capitalised and depreciated over their effective lives. The outstanding obligations in respect of hire purchase contracts, net of finance charges relating to future periods, are included under creditors due within one year as appropriate. The finance element of the total obligations is allocated to accounting periods so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pension costs

Contributions to the defined contribution pension schemes are charged to the profit and loss account as they become payable.

2. Turnover

The company's turnover is derived entirely within the United Kingdom.

SCIENTIFIC LUBRICANTS LIMITED

NOTES TO THE ACCOUNTS (CONT)

FOR THE YEAR ENDED 31 JULY 2000

3. Operating loss

2000
£

1999
£

Loss is stated after charging:-

Director's emoluments

39,072

40,550

Accountant's/Auditor's remuneration

2,500

2,500

Depreciation

16,154

20,397

Loss on disposal of fixed assets

-

3,300

4. Interest payable

Bank overdraft

11,839

18,657

Hire purchase

794

2,638

12,633

21,295

5. Taxation

UK Corporation Tax prior year

3,092

Nil

6. Tangible fixed assets

Freehold land
and buildings
£

Plant and
equipment
£

Motor
vehicles
£

Total
£

Cost or valuation

At 31 July 1999

200,000

111,260

96,378

407,638

Additions

-

-

-

-

Disposals

-

-

-

-

At 31 July 2000

200,000

111,260

96,378

407,638

Depreciation

At 31 July 1999

15,000

95,716

52,262

162,978

Charge for year

5,000

2,332

8,823

16,155

Disposals

-

-

-

-

At 31 July 2000

20,000

98,048

61,085

179,133

Net book value

At 31 July 2000

180,000

13,212

35,293

228,505

At 31 July 1999

185,000

15,544

44,116

244,660

SCIENTIFIC LUBRICANTS LIMITED

NOTES TO THE ACCOUNTS (CONT)

FOR THE YEAR ENDED 31 JULY 2000

6. Tangible fixed assets (cont)

The land and buildings were valued in April 1991 at £200,000. The amount of re-valued land and buildings as determined in accordance with the historical cost convention are:-

	£
Historical cost	
At 31 July 1999 and 31 July 2000	108,021
Depreciation based on historical cost	
At 31 July 1999	8,103
Charge for year	2,701
At 31 July 2000	10,804
Net historical cost book value	
At 31 July 2000	97,217
At 31 July 1999	99,918

7. Stocks

	2000 £	1999 £
Lubricants and oils	45,329	34,204
Tanks and pumps	58,211	60,843
Vehicles for re-sale	50,054	75,054
	153,594	170,101

8. Debtors

Trade debtors	106,316	96,769
Prepayments	5,624	6,079
	111,940	102,848

SCIENTIFIC LUBRICANTS LIMITED

NOTES TO THE ACCOUNTS (CONT)

FOR THE YEAR ENDED 31 JULY 2000

9. Creditors: amounts due within one year

	2000 £	1999 £
Trade creditors	103,951	120,929
Corporation tax	14,250	14,250
Hire purchase creditors	3,500	3,964
Other taxes and social security	25,122	25,688
Accruals	9,584	21,635
Director's loan account	90,645	24,382
Bank overdraft	128,109	163,764
	375,161	374,612

10. Creditors: amounts due after one year

Hire purchase creditors	-	3,500

11. Called up share capital

Authorised

5,000 ordinary shares of £1 each	5,000	5,000

Allotted, called up and fully paid

5,000 ordinary shares of £1 each	5,000	5,000

12. Re-valuation reserve

As at 1 August 1999	85,082	87,381
Amortisation for the year	(2,299)	(2,299)
	82,783	85,082

13. Borrowing and secured indebtedness

Analysis of maturity of debt:-

Within one year or on demand	131,609	167,728
Between one and two years	-	3,500
Between two and five years	-	-

Aggregate amount of secured liabilities	131,609	171,228

SCIENTIFIC LUBRICANTS LIMITED**NOTES TO THE ACCOUNTS (CONT)****FOR THE YEAR ENDED 31 JULY 2000****14. Capital commitments**

	2000	1999
	£	£
Capital expenditure contracted for but not provided in the accounts	Nil	Nil
	<u> </u>	<u> </u>

15. Related party disclosures

Included in creditors is a loan from the director (note 9)

Amount outstanding at end of year	90,645	24,382
Amount outstanding at beginning of year	24,382	(30,515)
Maximum debtor balance outstanding during the year	-	(33,882)

The company is controlled by the director.

16. Pension commitments

The company operates and makes contributions to deferred contribution pension schemes. The assets of the schemes are held separately from those of the company in trustee administered funds.

17. Provision for liabilities and charges

	2000	1999
	£	£
Deferred taxation	3,900	3,900
	<u> </u>	<u> </u>

18. Extraordinary item

Loss on disposal of motor car	18,065	-
	<u> </u>	<u> </u>