SCALES SPARES & SERVICES LIMITED

Company No 1461221 (England & Wales)

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COMPANIES HOUSE 27/06/98

SCALES SPARES & SERVICES LIMITED

Company Information

DIRECTORS

ANDREW PAUL SAVILLE

SANDRA SAVILLE

SECRETARY

SANDRA SAVILLE

COMPANY NUMBER

1461221 (ENGLAND & WALES)

REGISTERED OFFICE

91 HIGH STREET

THORNHILL EDGE

DEWSBURY

WEST YORKSHIRE

WF12 ORS

BANKERS

NAT WEST BANK PLC

1 WATERHOUSE STREET

HALIFAX

WEST YORKSHIRE

HX1 1JE

AUDITORS

Taylor Croft & Winder
Chartered Accountants
5 Station Road
OSSETT
West Yorkshire
WF5 8AB

SCALES SPARES & SERVICES LIMITED

AUDITORS' REPORT TO THE DIRECTORS OF SCALES SPARES & SERVICES LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985

We have examined the attached abbreviated accounts together with the financial statements of Scales Spares & Services Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st August 1997.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on the balance sheet and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

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 31st August 1997 and the attached abrreviated accounts have been properly prepared in accordance with that Schedule.

On 25th June 1998 we reported as auditors of Scales Spares & Services Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st August 1997 and our audit report was as follows:-

"We have audited the financial statements which have been prepared under the Historical Cost Convention and the accounting policies set out in Note 1 to the financial statements.

Respective Responsibilities of Directors and Auditors

As described in the directors' report 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 judgements 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 as at 31st August 1997 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".

Taylor Croft & Winder

TAYLOR CROFT & WINDER
5 Station Road
OSSETT WF5 8AB

Chartered Accountants
and Registered Auditors

25th June 1998

ABBREVIATED

SCALES SPARES & SERVICES LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1997

1996			Notes		
		FIXED ASSETS			
48,081		Tangible Assets	7		80,727
1		Intangible Assets			1
48,082					80,728
		CURRENT ASSETS			
	13,625	Stocks		8,190	
	69,064	Debtors	8	82,750	
	88,324	Cash at Bank & in Hand		93,682	
	171,013			184,622	
	(141,641)	CREDITORS - Amounts falling due within one Year	9	(176,686)	
29,372		NET CURRENT ASSETS			7,936
77,454		TOTAL ASSETS LESS (LIABILITIES)			88,664
	6,682	CREDITORS - Amounts falling due after more than one Year	10	(3,333)	
		PROVISIONS FOR LIABILITIES AND CHARGES			
8,808	2,126	Deferred Taxation	11	(2,965)	(6,298)
68,646		NET ASSETS			82,366
		CAPITAL & RESERVES			
2,002		Called Up Share Capital	12		2,002
66,644		Profit & Loss Account			80,364
68,646		SHAREHOLDERS' FUNDS	13		82,366
		(Attributable to Equity Interests)			

The directors have taken advantage of the exemptions conferred by Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Signed on behalf of the Board of Directors.

.....
Andrew P Saville (Director)

Approved by the Board on 25th June 1998.

The following notes form part of these abbreviated statements.

SCALES SPARES & SERVICES LIMITED

Notes to the Financial Statements

for the Year ended 31st August 1997

1 Accounting Policies

(a) Basis of preparation of Financial Statements

The financial statements are prepared under the Historical Cost Convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Plant & Machinery	-	10% reducing balance basis
Motor Vehicles	-	25% reducing balance basis

(d) Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

(e) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor and charged to profit and loss account as incurred.

(f) Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1 Continued

(g) Deferred Taxation

Provision is made in full for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method.

(h) Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the scheme.

2 Turnover

In the year to 31st August 1997 100% of the company's turnover was to markets in the United Kingdom (1996 - 100%).

3 Operating Profit

The operating profit is stated after charging:-

	1997	1996
Depreciation of Tangible Fixed Assets - owned by the Company	18,212	10,330
Auditors' Remuneration	1,500	1,350
Directors' Emoluments (including Pension Costs)	89,305	80,373

During the year retirement benefits were accruing to two directors (1996 - 2) in respect of money purchase schemes.

4 Taxation

	1997	1996
UK Current Year Taxation:-		
UK Corporation Tax at rates of 24% & 23% (1996 - 25% & 24%)	15,890	5,745
Transfer to Deferred Taxation	839	(357)
Prior Years:-		
Corporation Tax	47	-
	16,776	5,388

5 Interest Payable

Included in interest payable is interest on Hire Purchase Contracts of £2,395 (1996 £1,468).

SCALES SPARES & SERVICES LIMITED

Notes to the Financial Statements

for the Year ended 31st August 1997

6 Dividends on Equity Shares

	1997	1996
Dividend - £20 (1996 - £10) per Ordinary Share - paid	40,040	20,020

7 Tangible Fixed Assets

	Plant & Machinery etc	Motor Vehicles	Total
Cost			
At 1.9.96	40,894	38,616	79,510
Additions	8,296	62,027	70,323
Disposals	-	(38,616)	(38,616)
At 31.8.97	49,190	62,027	111,217
Depreciation			
At 1.9.96	20,882	10,547	31,429
On Disposals	-	(19,151)	(19,151)
Charge for Year	2,831	15,381	18,212
At 31.8.97	23,713	6,777	30,490
Net Book Values			
At 31.8.97	25,477	55,250	80,727
At 31.8.96	20,012	28,069	48,081

Included above are motor vehicles held under hire purchase contracts amounting to £30,000 (1996 £19,496).

8 Debtors

	1997	1996
Due within one Year:-		
Trade Debtors	77,436	58,453
Other Debtors	5,314	10,611
	82,750	69,064

9 Creditors - Amounts falling due within one Year

	1997	1996
Net obligations under Hire Purchase Contracts (Secured)	7,712	8,314
Trade Creditors	113,783	98,620
Other Creditors	25,286	3,256
Corporation Tax	10,884	5,746
Social Security & Other Taxes	19,021	25,705
	176,686	141,641

Obligations under Hire Purchase Contracts

The maturity of these amounts is as follows:-

	1997	1996
Amounts payable		
Within one Year	8,700	9,783
Between one and two Years	3,666	7,398
Between two and five Years	-	457
	12,366	17,638
Less Finance Charges allocated to future periods	1,321	2,642
	11,045	14,996

Hire Purchase Contracts are analysed as follows:-

	1997	1996
Current obligations	7,712	8,314
Non-current obligations	3,333	6,682
	11,045	14,996

10 Creditors - Amounts falling due after more than one Year

	1997	1996
Net obligation under Hire Purchase Contracts (Secured)	3,333	6,682

SCALES SPARES & SERVICES LIMITED

Notes to the Financial Statements

for the Year ended 31st August 1997

11 Deferred Taxation

	1997	1996
Balance at 1st September 1996	2,126	2,483
Credit for the Year	839	(357)
Balance at 31st August 1997	2,965	2,126

The provision for deferred taxation is made up of accelerated capital allowances and is provided in full.

12 Called Up Share Capital

	1997	1996
Authorised		
Ordinary Shares of £1 each	5,000	5,000
Allotted, Called Up and Fully Paid		
Ordinary Shares of £1 each	2,002	2,002

13 Movement on Shareholders' Funds

	1997	1996
Profit for the Year	53,760	21,763
Dividends on Equity Shares	40,040	20,020
Net Addition to Shareholders' Funds	13,720	1,743
Opening Shareholders' Funds	68,646	66,903
Closing Shareholders' Funds	82,366	68,646

14 Capital Commitments

At 31st August 1997 the company had commitments as follows:-

	1997	1996
Contracted for but not provided in these accounts	Nil	Nil
Authorised by the Directors but not contracted for	Nil	Nil

15 Contingent Liabilities

There were no contingent liabilities at the balance sheet date.

16 Other Commitments

At 31st August 1997 the company had annual commitments under non-cancellable operating leases as follows:-

	Land & Buildings		Other	
	1997	1996	1997	1996
Expiry Date:-				
Within one Year	Nil	Nil	Nil	Nil
Between one and two Years	Nil	Nil	Nil	Nil
Between two and five Years	6,900	6,610	Nil	Nil