

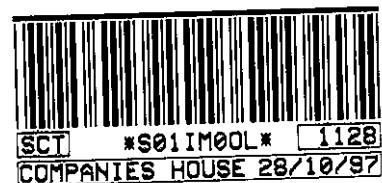


N U B ENGINEERING LIMITED

Abbreviated accounts

31 March 1997

**Deloitte & Touche
39 St Vincent Place
Glasgow G1 2QQ**





Chartered Accountants

Deloitte & Touche
39 St. Vincent Place
Glasgow G1 2QQ

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AUDITORS' REPORT TO THE DIRECTORS OF N U B ENGINEERING LIMITED PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of N U B Engineering Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with sections 246(5) and (6) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with those sections and whether the abbreviated accounts 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 audited financial statements, that the company is entitled to deliver abbreviated accounts 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 247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, in respect of the year ended 31 March 1997, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

Chartered Accountants and
Registered Auditors

27 Feb 1997


BALANCE SHEET
31 March 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	2	167,696	117,779
CURRENT ASSETS			
Stocks		105,255	106,362
Debtors		323,280	460,619
Cash at bank and in hand		31,859	78,407
		460,394	645,388
CREDITORS: amounts falling due within one year		271,646	417,604
NET CURRENT ASSETS		188,748	227,784
TOTAL ASSETS LESS CURRENT LIABILITIES		356,444	345,563
CREDITORS: amounts falling due after more than one year		(43,192)	(9,719)
PROVISIONS FOR LIABILITIES AND CHARGES		(6,958)	(7,781)
		306,294	328,063
CAPITAL AND RESERVES			
Called up share capital	4	5,000	5,000
Profit and loss account		301,294	323,063
TOTAL EQUITY SHAREHOLDERS' FUNDS		306,294	328,063

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985 with respect to the delivery of individual accounts.

Signed on behalf of the Board of Directors

W M Usher

Director

W Nicholson

Director

NOTES TO THE BALANCE SHEET
31 March 1997

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Heritable Property	2% per annum
Plant and machinery	20% per annum
Motor Vehicles	25% per annum
Fixtures, fittings and tenants improvements	14% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease rentals in proportion to the capital element outstanding.

Operating lease rentals are charged to income in equal amounts over the lease term.

Pension costs

The company pays contributions to personal pension plans to secure retirement benefits for directors and employees. These contributions are held in funds outwith the company.

NOTES TO THE BALANCE SHEET
31 March 1997

2 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 April 1996	260,088
Additions in year	106,858
Disposals in year	(54,351)
At 31 March 1997	<u>312,595</u>
Accumulated depreciation	
At 1 April 1996	142,309
Charge in year	27,811
Disposals in year	(25,221)
At 31 March 1997	<u>144,899</u>
Net book value	
At 31 March 1997	<u><u>167,696</u></u>

3 BORROWINGS

	1997	1996
	£	£
Analysis of loan repayments:		
Bank loans and overdrafts		
Within one year or on demand	4,336	4,333
Between one and two years	4,336	4,336
Between two and five years	1,044	5,383
	<u>9,716</u>	<u>14,052</u>
Other loans including finance leases and hire purchase contracts net of future finance charges		
Within one year or on demand	28,611	2,643
Between one and two years	27,467	-
Between two and five years	10,345	-
	<u><u>66,423</u></u>	<u><u>2,643</u></u>

NOTES TO THE BALANCE SHEET
31 March 1997

3 BORROWINGS (continued)

The bank loan and overdraft are secured by a standard security over the heritable property, a bond and floating charge over the assets of the company, and a guarantee from Scottish Enterprise to cover the bank loan.

The bank loan is repayable in quarterly instalments and bears interest at 1% over base rate, the last payment being due in June 1999.

4 CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
10,000 ordinary shares of £1.00 each	10,000	10,000
Called up, allotted and fully paid		
5,000 ordinary shares of £1.00 each	5,000	5,000