

Company Registration Number 80609

MAXIM POWER TOOLS (SCOTLAND) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1997

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FRENCH  DUNCAN
CHARTERED ACCOUNTANTS

MAXIM POWER TOOLS (SCOTLAND) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1997

FRENCH DUNCAN
Chartered Accountants & Registered Auditor
375 West George Street
Glasgow
G2 4LH

MAXIM POWER TOOLS (SCOTLAND) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1997

CONTENTS

PAGE

Auditors' report to the company

1

Auditors' report to the shareholders

2

Abbreviated balance sheet

3

Notes to the abbreviated financial statements

4

MAXIM POWER TOOLS (SCOTLAND) LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6, together with the financial statements of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1997.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare accounts under the special provisions of section 246 of the Act referred to in the directors' statement on page 3 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 prepare accounts under the provisions referred to above 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.

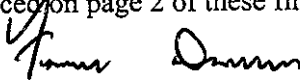
OPINION

In our opinion the company is entitled under the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246 and 247 of the Act, in respect of the year ended 31 December 1997, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with Schedule 8A of the Act.

OTHER INFORMATION

On 30 April, 1998 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1997, and the full text of our audit report is reproduced on page 2 of these financial statements.

375 West George Street
Glasgow
G2 4LH


FRENCH DUNCAN
Chartered Accountants
& Registered Auditor

30 April, 1998

MAXIM POWER TOOLS (SCOTLAND) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 1997

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the 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 company's state of affairs as at 31 December 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

375 West George Street
Glasgow
G2 4LH


FRENCH DUNCAN
Chartered Accountants
& Registered Auditor

30 April, 1998

MAXIM POWER TOOLS (SCOTLAND) LIMITED**ABBREVIATED BALANCE SHEET****31 DECEMBER 1997**

	Note	1997 £	1996 £
FIXED ASSETS	2		
Tangible assets		25,737	49,664
CURRENT ASSETS			
Stocks		309,307	316,252
Debtors		554,707	419,339
Cash at bank and in hand		599	2,990
		<u>864,613</u>	<u>738,581</u>
CREDITORS: Amounts falling due within one year	3	<u>(522,794)</u>	<u>(472,350)</u>
NET CURRENT ASSETS		341,819	266,231
TOTAL ASSETS LESS CURRENT LIABILITIES		367,556	315,895
CREDITORS: Amounts falling due after more than one year	4	<u>(42,000)</u>	<u>(57,134)</u>
NET ASSETS		<u>325,556</u>	<u>258,761</u>
CAPITAL AND RESERVES			
Called-up share capital	6	75,000	75,000
Profit and loss account		250,556	183,761
SHAREHOLDERS' FUNDS		<u>325,556</u>	<u>258,761</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on 30 April, 1998, and are signed on their behalf by:


A KILPATRICK

MAXIM POWER TOOLS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

Basis of accounting

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & machinery	25% Straight line
Fixture & fittings	15% Straight line
Motor vehicles	25% Straight line
Equipment	15% Straight line
Computer equipment	50% Straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

MAXIM POWER TOOLS (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1 January 1997	148,055
Additions	11,387
Disposals	(15,439)
At 31 December 1997	<u>144,003</u>
DEPRECIATION	
At 1 January 1997	98,391
Charge for year	31,705
On disposals	(11,830)
At 31 December 1997	<u>118,266</u>
NET BOOK VALUE	
At 31 December 1997	<u>25,737</u>
At 31 December 1996	<u>49,664</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1997 £	1996 £
Bank loans and overdrafts	<u>106,491</u>	<u>196,580</u>

5. TRANSACTIONS WITH THE DIRECTORS

The director's loan refers to the balance with A Kilpatrick. The maximum outstanding during the year was £15,246 and was for monies taken out of the company.

The year end balance was £2,996 and there was no such loan in 1996. The loan was repaid subsequent to the year end.

MAXIM POWER TOOLS (SCOTLAND) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 31 DECEMBER 1997****6. SHARE CAPITAL****Authorised share capital:**

	1997 £	1996 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>75,000</u>	<u>75,000</u>

7. ULTIMATE PARENT COMPANY

The ultimate parent company is Kilpatrick Fraser Limited, a company registered in Scotland.