STEERING RACK SERVICES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER, 1996

GILCHRIST & COMPANY

GILCHRIST & COMPANY
CHARTERED ACCOUNTANTS
GLASGOW

COMPANY NUMBER: 080731



Gilchrist & Company
CHARTERED ACCOUNTANTS

A. Lindsay Gillespie
Richard G. Cuthbert
Colin R. J. Foley

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Richard M. Taylor

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REPORT OF THE AUDITORS

TO THE DIRECTORS OF STEERING RACK SERVICES LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 3 to 5 together with the full financial statements of the company. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors statement on page 3 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

On 23 September, 1997 we reported to the shareholders on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 November, 1996, and our Audit Report under section 235 of the Companies Act was as follows:-

"We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of Directors and Auditors

As described on page 3, 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.

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Basis of Opinion (Cont'd)

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 mis-statement, 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 30 November, 1996, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Gilchrist & Company
Registered Auditor

23 September, 1997

GILCHRIST & COMPANY

STEERING RACK SERVICES LIMITED

ABBREVIATED BALANCE SHEET

AT 30 NOVEMBER, 1996

	Notes	£	1996 £	1995 £
Fixed Assets				
Tangible assets	2		61,445	38,421
Current Assets				
Stocks		148,344		102,300
Debtors		212,319		159,398
Cash at bank		2,000		1,501
		362,663		263,199
Creditors: amounts falling due within one year		366,360		252,383
Net current assets			(3,697)	10,816
Total assets less current liabilities			57,748	49,237
Creditors: amounts falling due after more than one year	4		18,271	11,583
			39,477	37,654
Capital and reserves				
Called up share capital	5		100	100
Profit and loss account			39,377	37,554
			39,477	37,654

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

..... P McKenna, Director

23 September, 1997

The notes on pages 4 to 5 form part of these abbreviated financial statements.

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NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

AT 30 NOVEMBER, 1996

1. Accounting Policies

Accounting convention
The financial statements are prepared under the historical cost convention.

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.

Depreciation
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Plant and machinery	15% pa on straight line
Motor vehicles	25% on reducing balance

Stocks
Stocks are stated at the lower of cost and net realisable value as follows:-

Cost incurred in bringing each product to its present location and condition.

Net realisable value is based on estimated selling price less estimated costs expected to be incurred to completion and disposal.

Deferred Taxation
Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences, except for those which are not expected to reverse in the future.

2. Tangible Fixed Assets

	Total £
Cost:	
At 1 December, 1995	108,894
Additions	42,864
Disposals	(25,633)
At 30 November, 1996	126,125
Depreciation:	
At 1 December, 1995	70,473
Removed on disposal	(21,416)
Provided during the year	15,623
At 30 November, 1996	64,680
Net book amounts:	
At 30 November, 1996	61,445
At 1 December, 1995	38,421

GILCHRIST & COMPANY

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

AT 30 NOVEMBER, 1996 (Cont'd)

3. Secured Creditors

The amount of secured creditors at the balance sheet date is £165,037 (1995: £128,964).

4. Creditors: amounts falling due after more than one year

	1996	1995
	£	£
Hire purchase	18,271	11,583

5. Share capital

	Authorised		Allotted, issued and fully paid	
	1996	1995	1996	1995
	No	No	£	£
Ordinary shares of £1 each	100	100	100	100

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