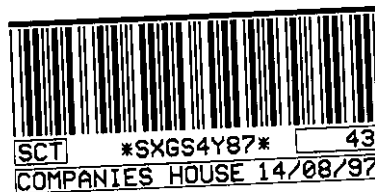


NORMAC SPARES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1996

Registered number: 80765



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KIDSONS IMPEY
CHARTERED ACCOUNTANTS
Glasgow

NORMAC SPARES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 December 1996

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NORMAC SPARES LIMITED**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**

**Auditors' report to
Normac Spares Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to 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 page 2 and whether the abbreviated financial statements 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 financial statements 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 exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 4th August 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 11 which have been prepared under 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.

continued

NORMAC SPARES LIMITED**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**
(continued)

**Auditors' report to
Normac Spares Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

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 error or other irregularity. 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 31 December 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'

Glasgow
4th August 1997



Kidsons Impey
Registered Auditors
Chartered Accountants

NORMAC SPARES LIMITED
ABBREVIATED BALANCE SHEET
at 31 December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	2		52,497		59,753
Current assets					
Stocks		57,658		57,848	
Debtors	3	134,310		128,017	
Cash at bank and in hand		251		138	
			192,219		186,003
Creditors: amounts falling due within one year			(224,177)		(210,084)
Net current liabilities			(31,958)		(24,081)
Total assets less current liabilities			20,539		35,672
Creditors: amounts falling due after more than one year	4		(11,142)		(24,556)
			9,397		11,116
Capital and reserves					
Called up share capital	5		100		100
Profit and loss account			9,297		11,016
Total shareholders' funds			9,397		11,116

The director has taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the director has taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in his opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 7 July 1997.



Brian Jamieson
Director

NORMAC SPARES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	2.5% reducing balance
Freehold buildings	25% reducing balance
Motor vehicles	15% reducing balance
Fixtures and fittings	

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pension costs

The company makes contributions to a personal pension for the director. The pension charge represents the contributions made by the company to the fund in respect of the year

NORMAC SPARES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

2 Fixed assets

	Tangible fixed assets £
Cost or valuation	
1 January 1996	124,898
Additions	3,100
Disposals	(7,695)
	<u>120,303</u>
31 December 1996	
Depreciation	
1 January 1996	65,145
Charge for year	9,025
Disposals	(6,364)
	<u>67,806</u>
31 December 1996	
Net book amount	
31 December 1996	<u>52,497</u>
1 January 1996	<u>59,753</u>

3 Debtors

	1996 £	1995 £
Amounts falling due within one year	<u>134,310</u>	<u>128,017</u>

NORMAC SPARES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

4 Creditors: amounts falling due
after more than one year

1996	1995
£	£

Creditors include the following amounts:

**Amounts falling due
after more than five years:**

Bank loans	-	18,959
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**Obligations under finance leases
and hire purchase contracts:**

In the next year	5,172	5,172
In the second to fifth year	4,725	9,897
	9,897	15,069

5 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
Allotted called up and fully paid				
Ordinary shares of £1 each	100	100	100	100