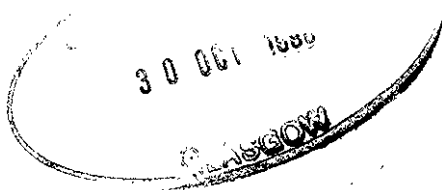


NORMAC SPARES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1997

Registered number: 80765



KIDSONS IMPEY
CHARTERED ACCOUNTANTS
Glasgow

NORMAC SPARES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 December 1997

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NORMAC SPARES LIMITED**Auditors' report to
Normac Spares Limited
under section 247B to the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are 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 financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Glasgow

Kidson Impey

Kidsons Impey
Registered Auditors
Chartered Accountants

29TH OCTOBER 1998

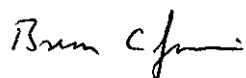
NORMAC SPARES LIMITED
ABBREVIATED BALANCE SHEET

at 31 December 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	2		75,069		52,497
Current assets					
Stocks		53,894		57,658	
Debtors		116,809		134,310	
Cash at bank and in hand		194		251	
			<u>170,897</u>	<u>192,219</u>	
Creditors: amounts falling due within one year			<u>(200,916)</u>	<u>(224,177)</u>	
Net current liabilities			(30,019)		(31,958)
Total assets less current liabilities			<u>45,050</u>		<u>20,539</u>
Creditors: amounts falling due after more than one year	3		<u>(7,338)</u>		<u>(11,142)</u>
			<u>37,712</u>		<u>9,397</u>
Capital and reserves					
Called up share capital	4		100		100
Revaluation reserve			21,053		-
Profit and loss account			16,559		9,297
Total shareholders' funds			<u>37,712</u>		<u>9,397</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 5 were approved by the director on 19 October 1998 and signed by:



Brian Jamieson
Director

NORMAC SPARES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

I Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules except for freehold property which is stated at valuation. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

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 qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

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	Not provided
Freehold buildings	2.5% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

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.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NORMAC SPARES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

2 Fixed assets

	Tangible fixed assets
	£
Cost or valuation	
1 January 1997	120,303
Additions	11,368
Disposals	(5,737)
Surplus on revaluation	17,190
31 December 1997	<u>143,124</u>
Depreciation	
1 January 1997	67,806
Charge for year	9,104
Disposals	(4,992)
Elimination of depreciation on revaluation	(3,863)
31 December 1997	<u>68,055</u>
Net book amount	
31 December 1997	<u>75,069</u>
1 January 1997	<u>52,497</u>

The revaluation of the land and buildings was carried out by Sharp & Fairlie Chartered Surveyors on an open market existing use basis on 5 December 1997.

NORMAC SPARES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

- 3 **Creditors:** amounts falling due
after more than one year

1997	1996
£	£

Creditors include the following amounts:

**Obligations under finance leases
and hire purchase contracts:**

In the next year	7,657	5,172
In the second to fifth year	3,659	4,725
	<u>11,316</u>	<u>9,897</u>

Secured creditors

Bank loans and overdrafts	<u>49,438</u>	<u>77,555</u>
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- 4 **Called up share capital**

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>