Company Registration Number 96913

FYVIE STEELS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 1997

RITSON SMITH
Chartered Accountants
16 Carden Place
Aberdeen





FYVIE STEELS LIMITED

AUDITORS' REPORT TO THE COMPANY

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

We have examined the abbreviated accounts on pages 4 to 6, together with the accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1997.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with section 246 to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered 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 full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 6 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 12 January 1998 we reported, as auditors of the company, to the shareholders on the accounts prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1997, and the full text of our audit report is reproduced on pages 2 to 3 of these accounts.

Ritson Smith

RITSON SMITH
Chartered Accountants
& Registered Auditors
16 Carden Place
Aberdeen

12 January 1998

We have audited the accounts 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 THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

However, the evidence available to us was limited because the balance sheet includes an amount of £31,016 for stock. The company has no system of recording stock on which we could rely for the purpose of our audit and there were no other satisfactory audit procedures that we could adopt to confirm that stocks were fairly stated in the accounts.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock, in our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work relating to stock:

* we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
* we were unable to determine whether proper accounting records had been maintained.

Ritson Smith

RITSON SMITH
Chartered Accountants
& Registered Auditors
16 Carden Place
Aberdeen

12 January 1998

FYVIE STEELS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 MARCH 1997

	Note	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS	2				
Tangible assets			3,150		3,706
CURRENT ASSETS					
Stocks		31,016		29,840	
Debtors		361,210		221,471	
Cash at bank and in hand		30,809		42,074	
		423,035		293,385	
CREDITORS: Amounts falling due within one year	3	248,101		171,771	
NET CURRENT ASSETS			174,934		121,614
TOTAL ASSETS LESS CURRENT LIABILITIES			178,084		125,320
PROVISIONS FOR LIABILITIES AND CHARGES			273		306
NET ASSETS			177,811		125,014
CAPITAL AND RESERVES					
Equity share capital	4		100		100
Profit and loss account			177,711		124,914
SHAREHOLDERS' FUNDS			177,811		125,014

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

Approved by the directors on 12 January 1998

Ian Paterson

IAN PATERSON
Director

The notes on pages 5 to 6 form part of these accounts.

1. ACCOUNTING POLICIES

Basis of accounting
The accounts 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 accounts 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:

Fixtures and fittings - 15% reducing balance

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

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.

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1 April 1996 and 31 March 1997	6,684
DEPRECIATION	
At 1 April 1996	2,978
Charge for year	556
At 31 March 1997	3,534
NET BOOK VALUE	
At 31 March 1997	3,150
At 31 March 1996	3,706

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	8,916	-

4. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	100	100