

$A^2 + B$

SHIRLAWS LIMITED
(Company number: 134694)

ABBREVIATED ACCOUNTS

31 DECEMBER 1997

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Anderson Anderson & Brown
Chartered Accountants

SHIRLAWS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the director is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enables him to ensure that the accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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ANDERSON
ANDERSON
& BROWN
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CHARTERED
ACCOUNTANTS
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**AUDITORS' REPORT TO SHIRLAWS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our responsibilities set out above. 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 accounts.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 in respect of the 31 December 1997 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Registered Auditors
Aberdeen

30 APRIL 1998

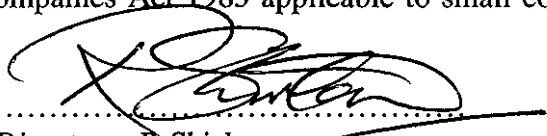
SHIRLAWS LIMITED

ABBREVIATED BALANCE SHEET - 31 DECEMBER 1997

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A+B

	Note	1997 £	1996 £
TANGIBLE FIXED ASSETS	2	<u>357,065</u>	<u>363,824</u>
CURRENT ASSETS			
Stocks		864,106	660,347
Debtors		61,008	65,466
Cash at bank and in hand		<u>5,317</u>	<u>18,396</u>
		930,431	744,209
CREDITORS: <i>amounts falling due within one year</i>	3	<u>668,011</u>	<u>541,835</u>
NET CURRENT ASSETS		<u>262,420</u>	<u>202,374</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		619,485	566,198
CREDITORS: <i>amounts falling due after more than one year</i>	3	<u>170,997</u>	<u>188,060</u>
		<u>£ 448,488</u>	<u>£ 378,138</u>
CAPITAL AND RESERVES			
Called up share capital	4	485,154	485,154
Profit and loss account		<u>(36,666)</u>	<u>(107,016)</u>
SHAREHOLDER'S FUNDS		<u>£ 448,488</u>	<u>£ 378,138</u>

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to small companies.



.....
Director - R Shirlaw

22/4/98 Date

SHIRLAWS LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS - 31 DECEMBER 1997

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1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Depreciation*

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

Buildings	40 years
Plant and equipment	5 - 10 years
Motor vehicles	4 - 5 years

(c) *Stocks*

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items. In the case of work in progress, cost comprises direct materials and labour and a proportion of direct overheads.

(d) *Deferred taxation*

Provision is made for deferred taxation using the liability method on all timing differences to the extent that it is probable that the liability will crystallise.

(e) *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Rentals paid under operating leases are charged to income over the term of the lease.

(f) *Pensions*

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

SHIRLAWS LIMITED**NOTES ON THE ABBREVIATED ACCOUNTS - 31 DECEMBER 1997****A²+B****(g) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2. TANGIBLE FIXED ASSETS

	£
COST	
At 31 December 1996	458,547
Additions	<u>13,295</u>
At 31 December 1997	<u>471,842</u>
DEPRECIATION	
At 31 December 1996	94,723
Charge for year	<u>20,054</u>
At 31 December 1997	<u>114,777</u>
Net book values at:	
31 December 1997	£ <u>357,065</u>
31 December 1996	£ <u>363,824</u>

The net book value of tangible fixed assets includes an amount of £10,554 (1996 - £18,193) in respect of assets held under hire purchase contracts.

3. CREDITORS

Included within creditors falling due within one year is a bank overdraft of £195,212 (1996 - £156,116) and a bank loan of £12,500 (1996 - £12,500) and within creditors due after more than one year is a bank loan of £169,792 (1996 - £182,292).

The bank borrowings are secured by a standard security over the property and by a bond and floating charge over all the assets of the company.

A second ranking bond and floating charge is held by BMW Finance (GB) Limited. The balance owed to BMW Finance (GB) Limited as at 31 December 1997 is £19,198 (1996 - £26,862).

SHIRLAWS LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS - 31 DECEMBER 1997

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4. CALLED UP SHARE CAPITAL

1997 & 1996

Authorised: 1,000,000 £1 ordinary shares

£ 1,000,000

Allotted, called up and fully paid: 485,154 £1 ordinary shares

£ 485,154