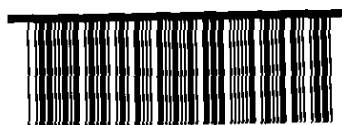


Registration Number SC190833

L H Stainless Limited
(formerly MGS Investments Limited)

Abbreviated Accounts
for the period ended 31 January 2001



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COMPANIES HOUSE 20/08/01

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L H Stainless Limited

**Abbreviated Balance Sheet
as at 31 January 2001**

		2001		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	2		287,707		-
Investments	2		70,449		-
			<u>358,156</u>		<u>-</u>
Current Assets					
Stocks		51,109		-	
Debtors		115,153		-	
Cash at bank and in hand		45,395		3,000	
		<u>211,657</u>		<u>3,000</u>	
Creditors: amounts falling due within one year		<u>(281,282)</u>		<u>-</u>	
Net Current (Liabilities)/Assets			<u>(69,625)</u>		<u>3,000</u>
Total Assets Less Current Liabilities			288,531		3,000
Creditors: amounts falling due after more than one year			(58,549)		-
Provisions for Liabilities and Charges			<u>(4,737)</u>		<u>-</u>
Net Assets			<u>225,245</u>		<u>3,000</u>
Capital and Reserves					
Called up share capital	3		45,500		3,000
Share premium account			382,500		-
Profit and loss account			<u>(202,755)</u>		<u>-</u>
Shareholders' Funds			<u>225,245</u>		<u>3,000</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 3 to 5 form an integral part of these financial statements.

L H Stainless Limited

Abbreviated Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the period ended 31 January 2001**

In approving these abbreviated accounts as directors of the company we hereby confirm:

(a) that for the period stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 31 January 2001 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the period then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The abbreviated accounts were approved by the Board on 3 July 2001 and signed on its behalf by


Garry J Fraser
Director


Stuart G Fraser
Director

The notes on pages 3 to 5 form an integral part of these financial statements.

L H Stainless Limited

Notes to the Abbreviated Financial Statements for the period ended 31 January 2001

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	2% straight line
Plant and machinery	-	20% reducing balance
Fixtures, fittings and equipment	-	15% reducing balance
Motor vehicles	-	25% reducing balance

1.4. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.9. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

L H Stainless Limited

Notes to the Abbreviated Financial Statements for the period ended 31 January 2001

..... continued

2. Fixed assets	Tangible fixed assets £	Investments £	Total £
Cost			
Transferred from subsidiary undertaking	146,134	-	146,134
Additions	302,748	70,449	373,197
Disposals	(86,995)	-	(86,995)
At 31 January 2001	<u>361,887</u>	<u>70,449</u>	<u>432,336</u>
Depreciation			
Transferred from subsidiary undertaking	66,488	-	66,488
On disposals	(14,817)	-	(14,817)
Charge for period	22,509	-	22,509
At 31 January 2001	<u>74,180</u>	<u>-</u>	<u>74,180</u>
Net book values			
At 31 January 2001	<u>287,707</u>	<u>70,449</u>	<u>358,156</u>

2.1. Investment details	2001 £	1999 £
Subsidiary undertaking	<u>70,449</u>	<u>-</u>

This represents a 100% holding in MGS Investments Limited (formerly LH Stainless Limited) acquired on 31 January 2000. The entire trade, assets and liabilities of the subsidiary undertaking were transferred to the parent company on that date.

3. Share capital	2001 £	1999 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
45,500 Ordinary shares of £1 each	<u>45,500</u>	<u>3,000</u>

During the year the company issued 42,500 ordinary shares of £1 each at a premium of £9 each.

L H Stainless Limited

**Notes to the Abbreviated Financial Statements
for the period ended 31 January 2001**

..... continued

4. Transactions with directors

The directors are materially interested as shareholders in Fraser Transport (Rothienorman) Limited. During the period the company sold to, then subsequently leased back from, Fraser Transport (Rothienorman) Limited, machinery to the value of £65,000. The finance lease liability outstanding at the period end of £49,015 is included within creditors. This transaction was entered into on a normal trading basis.