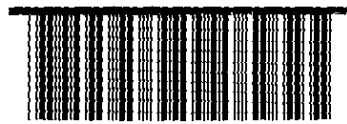


Registration Number SC190833

L H Stainless Limited
Abbreviated Accounts
for the year ended 31 January 2002



SCT S33XYE07 0293
COMPANIES HOUSE 07/09/02

L H Stainless Limited

**Abbreviated Balance Sheet
as at 31 January 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	2		295,245		287,707
Investments	2		-		70,449
			<u>295,245</u>		<u>358,156</u>
Current Assets					
Stocks		63,926		51,109	
Debtors		89,616		115,153	
Cash at bank and in hand		331		45,395	
		<u>153,873</u>		<u>211,657</u>	
Creditors: amounts falling due within one year	3	(177,631)		(281,282)	
Net Current Liabilities			<u>(23,758)</u>		<u>(69,625)</u>
Total Assets Less Current Liabilities			<u>271,487</u>		<u>288,531</u>
Creditors: amounts falling due after more than one year			(43,468)		(58,549)
Accruals and deferred income			(21,590)		-
Provisions for Liabilities and Charges			-		(4,737)
Net Assets			<u>206,429</u>		<u>225,245</u>
Capital and Reserves					
Called up share capital	4		46,900		45,500
Share premium account			395,100		382,500
Profit and loss account			<u>(235,571)</u>		<u>(202,755)</u>
Shareholders' Funds			<u>206,429</u>		<u>225,245</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 year ended 31 January 2002**

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

(a) that for the year 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 year ended 31 January 2002 and

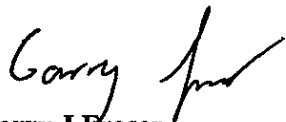
(c) that we acknowledge our responsibilities for:

(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 year and of its profit or loss for the year 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 29 August 2002 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 year ended 31 January 2002

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 and hire purchase commitments

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 year.

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. Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

L H Stainless Limited

Notes to the Abbreviated Financial Statements for the year ended 31 January 2002

..... continued

1.10. Group accounts

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

2. Fixed assets	Tangible fixed assets £	Total £
Cost		
At 1 February 2001	361,887	432,336
Additions	52,017	52,017
Disposals	-	(70,449)
At 31 January 2002	<u>413,904</u>	<u>413,904</u>
Depreciation		
At 1 February 2001	74,180	74,180
Charge for year	44,479	44,479
At 31 January 2002	<u>118,659</u>	<u>118,659</u>
Net book values		
At 31 January 2002	<u>295,245</u>	<u>295,245</u>
At 31 January 2001	<u>287,707</u>	<u>358,156</u>

2.1. Investment details	2002 £	2001 £
Subsidiary undertaking	<u>-</u>	<u>70,449</u>

During the year ended 31 January 2002, the company disposed of its investment in its subsidiary undertaking, MGS Investments Limited.

3. Creditors: amounts falling due within one year	2002 £	2001 £
Creditors include the following:		
Secured creditors	<u>61,500</u>	<u>8,988</u>

L H Stainless Limited

**Notes to the Abbreviated Financial Statements
for the year ended 31 January 2002**

..... continued

4. Share capital	2002	2001
	£	£
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
46,900 Ordinary shares of £1 each	<u>46,900</u>	<u>45,500</u>

During the year the company issued 1,400 ordinary shares of £1 each at a premium of £9 each.

5. Transactions with directors

The directors are materially interested as shareholders in Fraser Transport (Rothienorman) Limited. During the previous accounting 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 £39,046 (2001 - £49,015) is included within creditors. This transaction was entered into on a normal trading basis.

Included within creditors are directors' accounts totalling £38,019.