

L H Stainless Limited

Abbreviated Accounts

For The Year Ended 31 January 2004



L H STAINLESS LIMITED

INDEPENDENT AUDITORS' REPORT TO L H STAINLESS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 January 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members *those matters we are required to state to them in an auditor's report and for no other purpose.* To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are 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 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 are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit 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 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 financial statements.

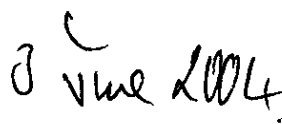
Opinion

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 2 to 4 are properly prepared in accordance with those provisions.



Johnston Carmichael

Chartered Accountants
Registered Auditor



Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

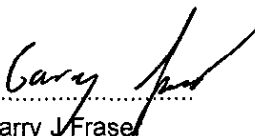
L H STAINLESS LIMITED

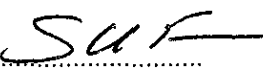
ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	2		286,301		278,020
Current assets					
Stocks		108,142		86,756	
Debtors		186,005		192,930	
Cash at bank and in hand		42		432	
		<u>294,189</u>		<u>280,118</u>	
Creditors: amounts falling due within one year	3	<u>(306,196)</u>		<u>(295,379)</u>	
Net current liabilities			(12,007)		(15,261)
Total assets less current liabilities			274,294		262,759
Creditors: amounts falling due after more than one year			(16,568)		(31,582)
Accruals and deferred income			(19,418)		(17,272)
			<u>238,308</u>		<u>213,905</u>
Capital and reserves					
Called up share capital	4	46,900		46,900	
Share premium account		395,100		395,100	
Profit and loss account		(203,692)		(228,095)	
Shareholders' funds			<u>238,308</u>		<u>213,905</u>

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

The financial statements were approved by the Board on 31/5/04


Garry J Fraser
Director


Stuart G Fraser
Director

L H STAINLESS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated 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 & 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock and work in progress

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

1.6 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.7 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 ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

2 Fixed assets

	Tangible assets £
Cost	
At 1 February 2003	437,237
Additions	55,319
Disposals	(11,163)
At 31 January 2004	<u>481,393</u>
Depreciation	
At 1 February 2003	159,217
On disposals	(6,987)
Charge for the year	42,862
At 31 January 2004	<u>195,092</u>
Net book value	
At 31 January 2004	<u>286,301</u>
At 31 January 2003	<u>278,020</u>

3 Creditors: amounts falling due within one year

Creditors include secured creditors of £89,550 (2003 - £87,744).

	2004 £	2003 £
Share capital		
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>46,900</u>

5 Transactions with directors

The directors are materially interested as shareholders in Fraser Transport (Rothienorman) Limited. During the accounting period ended 31 January 2001 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 year end of £19,108 (2003 - £29,077) is included within creditors. This transaction was entered into on a normal trading basis.

Included within creditors are loans from the directors. These loans are repayable over 3 years and no interest is charged on the loans. The balance outstanding at 31 January 2004 was £15,047 (2003 - 7,837). In addition, amounts due to the directors in respect of their current accounts are £64,168 (2003 - £52,269).