

Company no. 2849171

ANDREW BRODIE ENGINEERING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1997



ANDREW BRODIE ENGINEERING LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1997

The directors have pleasure in presenting their annual report and financial statements for the year ended 31st December 1997.

Principal activity

The company is principally engaged as motor service engineers and dealers in motor parts.

Directors

The directors during the year under review and the shares in the company in which they were interested at the beginning and end of the year were:

	Ordinary shares of £1 each	
	At 1st January 1997	At 31st December 1997
A A Brodie	8,007	8,007

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board



A A Brodie - Director

Date: 20/10/98

ANDREW BRODIE ENGINEERING LIMITED

		Total	Total
PROFIT AND LOSS ACCOUNT		1997	1996
FOR THE YEAR ENDED			
31ST DECEMBER 1997			
		Notes	
TURNOVER	2	£ 309,272	£ 326,274
Cost of sales		(110,576)	(125,402)
GROSS PROFIT		198,696	200,872
Net operating expenses		(207,158)	(182,228)
PROFIT (LOSS) ON ORDINARY ACTIVITIES		(8,462)	18,644
Other interest receivable and similar income		225	201
		(8,237)	18,845
Interest payable		(2)	(298)
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,239)	18,547
Tax on (loss) profit on ordinary activities	4	2,085	(2,134)
(LOSS) PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(6,154)	16,413

ANDREW BRODIE ENGINEERING LIMITED

BALANCE SHEET

31ST DECEMBER 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	5	2,615	<u>3,090</u>
CURRENT ASSETS			
Stocks	6	12,762	10,000
Debtors due within one year	7	23,425	25,022
Cash at bank and in hand		<u>5,190</u>	<u>8,357</u>
		41,377	43,379
CREDITORS: Amounts falling due within one year	8	<u>(32,935)</u>	<u>(29,258)</u>
NET CURRENT ASSETS		<u>8,442</u>	<u>14,121</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,057</u>	<u>17,211</u>
CAPITAL AND RESERVES			
Called-up share capital	10	10,000	10,000
Profit and loss account		<u>1,057</u>	<u>7,211</u>
		<u>11,057</u>	<u>17,211</u>

The notes set out on pages 5 to 8 form part of these financial statements

ANDREW BRODIE ENGINEERING LIMITED

BALANCE SHEET

31ST DECEMBER 1997

	Notes	1997	1996
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Statement by the director

In my opinion, for the year to 31st December 1997 the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and I declare that no notice has been deposited under subsection (2) of section 249B. I acknowledge my responsibilities for-

- ensuring that the company keeps accounting records which comply with section 221 and
- for preparing accounts 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the board on 20.10.1998


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A A Brodie (Director)

ANDREW BRODIE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

1 ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Plant and equipment	- 15% on written down value
Motor vehicles	- 25% on written down value
Office equipment	- 15% on written down value

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

(e) Assets leased

Where the company enters into operating and/or finance leases, its policy is to regard leases as finance leases where their term give rights approximating to ownership.

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life; in the case of assets held under hire purchase agreements they are depreciated over their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

Rentals under operating leases are charged on a straight-line basis over the lease term.

ANDREW BRODIE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

(f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions or at the contracted rate if the transaction is covered by a forward exchange contract.

Assets and liabilities denominated in a foreign currency are translated at the balance sheet date at the exchange rate ruling on that day or if appropriate at the forward contract rate. Resulting exchange gains and losses are taken to the profit and loss account.

2 TURNOVER

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal. Export sales were 8.3% of turnover.

3 OPERATING (LOSS) PROFIT

Operating (loss) profit is stated after charging:	1997 £	1996 £
Administrative expenses including:		
Depreciation	475	389
Directors' emoluments	<u>40,000</u>	<u>33,822</u>

4 TAXATION

	1997 £	1996 £
UK corporation tax at 24% and 21% on the profit adjusted for tax purposes	-	2,134
Over provided in previous years	<u>(2,085)</u>	<u>-</u>
	<u>(2,085)</u>	<u>2,134</u>

ANDREW BRODIE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

5 TANGIBLE FIXED ASSETS

	Plant and equipment	Motor vehicles	Office equipment	Total
COST	£	£	£	£
At 1st January 1997	3,338	298	400	4,036
At 31st December 1997	<u>3,338</u>	<u>298</u>	<u>400</u>	<u>4,036</u>
DEPRECIATION				
At 1st January 1997	705	181	60	946
Charge for the year	395	29	51	475
At 31st December 1997	<u>1,100</u>	<u>210</u>	<u>111</u>	<u>1,421</u>
NET BOOK VALUE				
At 31st December 1997	<u>2,238</u>	<u>88</u>	<u>289</u>	<u>2,615</u>
At 31st December 1996	<u>2,633</u>	<u>117</u>	<u>340</u>	<u>3,090</u>

6 STOCKS

	1997	1996
	£	£
Stocks	<u>12,762</u>	<u>10,000</u>

7 DEBTORS

	1997	1996
	£	£
Trade debtors	19,690	24,167
Others	<u>3,735</u>	<u>855</u>
	<u>23,425</u>	<u>25,022</u>

8 CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Trade creditors	25,693	19,354
U.K. corporation tax	-	2,134
Tax and social security costs	4,772	5,620
Other creditors	345	-
Accruals and deferred income	<u>2,125</u>	<u>2,150</u>
	<u>32,935</u>	<u>29,258</u>

9 LEASE COMMITMENTS

Annual commitments under operating leases

	Land & Buildings	Other Assets	Land & Buildings	Other Assets
	1997	1997	1996	1996
	£	£	£	£
Operating leases expiring:				
After 1-5 years	6,000	-	6,000	-
After 5 years	<u>15,000</u>	<u>-</u>	<u>7,500</u>	<u>-</u>
Annual commitments at				
31st December 1997	<u>21,000</u>	<u>-</u>	<u>13,500</u>	<u>-</u>

ANDREW BRODIE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

10 SHARE CAPITAL

	Number 1997	Value 1997 £	Number 1996	Value 1996 £
Authorised: Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Issued and fully paid: Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

11 RELATED PARTY TRANSACTIONS

The company is under the control of Mr A A Brodie who owns 80.07% of the issued shares. Other creditors includes £345 owed by the company to Mr A A Brodie.

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
(Loss) profit for the financial year	<u>(6,154)</u>	<u>16,413</u>
Net (reduction in) addition to shareholders' funds	(6,154)	16,413
Opening shareholders' funds	<u>17,211</u>	<u>798</u>
Closing shareholders' funds	<u>11,057</u>	<u>17,211</u>

13 PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £nil. (1996 £1,300).