

Co House

Company Number: 1815328

Solway International Limited
Abbreviated Financial Statements
for the year ended 31st May 1998



Chartered Accountants

Pegasus House, 463a Glossop Road, Sheffield S10 2QD Telephone (0114) 266 7141

Auditors' Report to Solway International Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of the company for the year ended 31st May 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of the 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 Opinion

We have carried out the procedures we consider 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 3 to 6 are properly prepared in accordance with those provisions.

Other Information

On 25 January 1999, Hawscons reported, as auditors of Solway International Limited, to the members on the financial statements prepared under s226 of the Companies Act 1985 for the year ended 31 May 1998 and their audit report was as follows:

We have audited the financial statements on pages 4 to 11, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.


We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. However, we have been unable to verify the collectability of a trade debtor for £137,000, and there were no audit procedures that we could adopt to confirm the recoverability of the amount. We have been unable to determine whether any provision is required against the amount stated.

In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Auditors' Report to Solway International Limited under Section 247B of the Companies Act 1985

Opinion

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the valuation and recoverability of certain trade debtors, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Hawsons 
Chartered Accountants
and Registered Auditors

26th January 1999

Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Solway International Limited

Abbreviated Balance Sheet

As At 31st May 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed Assets					
Tangible fixed assets	2		374,096		380,322
Current Assets					
Stock		711,924		534,590	
Debtors		888,596		711,034	
Cash at bank		1,419		443	
		1,601,939		1,246,067	
Creditors:					
Amounts falling due within one year	3	(1,369,333)		(1,132,739)	
Net Current Assets					
			232,606		113,328
Total Assets Less Current Liabilities					
			606,702		493,650
Creditors:					
Amounts falling due after more than one year	3		(429,708)		(268,320)
			176,994		225,330
Capital and Reserves					
Share capital	4		86,000		50,000
Profit and loss account			90,994		175,330
			176,994		225,330

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

The accounts were approved by the board on 26th January 1999.



W.S. Sellers
Director

Solway International Limited
Notes to the Abbreviated Accounts
for the year ended 31st May 1998

1 Principal Accounting Policies

Accounting Convention

The financial statements have been prepared on the historical cost basis.

Turnover

Turnover is the total amount receivable by the company on sales negotiated during the year, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Short leasehold property	4% - 10% straight line
Plant and machinery	15% - 20% straight line
Motor vehicles	25% straight line
Furniture and equipment	10% - 20% straight line

Stocks

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

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

Foreign Currencies

Transactions in foreign currencies are translated at the rate of exchange at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the year end exchange rates. All differences on exchange are dealt with through the profit and loss account.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Solway International Limited
Notes to the Abbreviated Accounts
for the year ended 31st May 1998

2 Fixed Assets

	Tangible Fixed Assets £
Cost	
At 1st June 1997	692,613
Additions	72,635
Disposals	(36,987)
At 31st May 1998	728,261
Depreciation and amortisation	
At 1st June 1997	312,291
Provided for in the year	68,771
Disposals	(26,897)
At 31st May 1998	354,165
Net Book Value	
At 31st May 1998	374,096
At 31st May 1997	380,322

3 Creditors

The aggregate amount of secured liabilities is £839,991 (1997 - £648,506).

Other creditors due after more than one year includes an amount of £225,583 (1997 - £55,583) in respect of loans from the company pension scheme. The loans are to be repaid by 2008 although there is no strict repayment schedule, and hence it is probable that an indeterminate amount of the liability will be payable after more than five years.

4 Share Capital

Authorised	1998	1997
	£	£
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid	1998	1997
	£	£
86,000 Ordinary shares of £1 each	86,000	50,000

Solway International Limited
Notes to the Abbreviated Accounts
for the year ended 31st May 1998

Movements during the year

	Ordinary shares of £1 each
At 1st June 1997	50,000
Issues during the year at par	36,000
At 31st May 1998	<u>86,000</u>