

Solway International Limited
Abbreviated accounts
For the year ended 31st May 1994

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Auditors' report to Solway International Limited

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Solway International Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st May 1994.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 4 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st May 1994, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 27th March 1995, we reported, as auditors of Solway International Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st May 1994, and our audit report was as follows:

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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 the 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 or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Auditors' report to Solway International Limited

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HAWSONS

Chartered Accountants and

Registered Auditors

Sheffield

27th March 1995

Solway International Limited

Accounting policies

For the year ended 31st May 1994

Basis of accounting

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

Turnover

Turnover represents amounts receivable on sales negotiated during the year excluding value added tax.

Depreciation

Depreciation is provided at the following rates to write off all tangible fixed assets by equal instalments over their expected useful lives:

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

Leased assets

Assets held under finance leases are capitalised and the resulting lease obligations are included in creditors net of finance charges. Each asset is depreciated over the shorter of the lease term or its expected useful life. Finance lease interest costs and all payments in respect of operating leases are charged directly to the profit and loss account.

Government grants

Grants received in respect of fixed assets are treated as deferred credits and credited to the profit and loss account over the useful lives of the assets.

Stocks

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

Deferred taxation

Provision is made for deferred taxation arising from timing differences between profits as computed for taxation purposes and profits as stated in the accounts to the extent that it is probable that the liability will crystallise.

Foreign currency translation

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


Pension costs

Contributions to the defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Solway International Limited
Balance sheet - 31st May 1994

	Note	1994 £	1993 £
Fixed assets			
Tangible assets	1	350,909	367,331
		<hr/>	<hr/>
Current assets			
Stocks		433,949	369,994
Debtors		1,112,757	1,122,909
Cash at bank		1,588	2,876
		<hr/>	<hr/>
		1,548,294	1,495,779
Creditors - Amounts falling due within one year	2	1,440,575	1,320,684
		<hr/>	<hr/>
Net current assets		107,719	175,095
		<hr/>	<hr/>
Total assets less current liabilities		458,628	542,426
Creditors - Amounts falling due after more than one year	2	354,973	381,766
		<hr/>	<hr/>
Net assets employed		103,655	160,660
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	3	50,000	50,000
Profit and loss account		53,655	110,660
		<hr/>	<hr/>
Shareholders' funds		103,655	160,660
		<hr/> <hr/>	<hr/> <hr/>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to those exemptions as a small company.

X  X

W.S. Sellers

Director

27th March 1995

Solway International Limited

Notes to the accounts

1. Fixed assets	Tangible assets £
Cost	
At beginning of year	575,977
Additions	16,113
Disposals	(10,700)
	<hr/>
At end of year	581,390
	<hr/>
Depreciation	
At beginning of year	208,646
Charge for year	30,975
Disposals	(9,140)
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At end of year	230,481
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Net book value at end of year	350,909
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Net book value at beginning of year	367,331
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2. Creditors

This includes bank loans and overdraft of £389,705 (1993 : £396,989) falling due within one year and £128,067 (1993 : £146,186) falling due after more than one year. The bank loans and overdraft are secured by way of a fixed and floating charge over all the assets of the company.

The following information is given in respect of loans repayable after more than five years:

Lender	Amount £	Repayment terms	Rate of interest	Aggregate amount repayable after more than five years £
Barclays Commercial Mortgage	19,692	By monthly instalments from November 1990 to October 2015	2.75% over the bank's base rate (minimum rate of 9%)	14,692

Included in other creditors is a loan of £25,278 which is secured by a second charge over the company's leasehold land and buildings.

3. **Share capital**

	1994 Number	Authorised 1993 Number	1994 £	Allotted and fully paid 1993 £
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>50,000</u>	<u>50,000</u>