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COMPANY NUMBER: 655189
LLOYD LOADERS (MH) LIMITED
REPORT AND ABBREVIATED STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1997

WILKINSON AND PARTNERS

Registered Auditors

BRADFORD and WAKEFIELD



LLOYD LOADERS (MH) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 1997

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LLOYD LOADERS (MH) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year or period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements the directors are required to: select suitable accounting policies and to apply them consistently.

: make judgements and estimates that are reasonable and prudent.

: prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking any reasonable steps toward the prevention and detection of fraud and any other irregularities.

LLOYD LOADERS (MH) LIMITED
REPORT OF THE AUDITORS
UNDER SCHEDULE 8, PARAGRAPH 10 OF THE COMPANIES ACT 1985
TO THE DIRECTORS OF LLOYD LOADERS (MH) LIMITED

We have examined the abbreviated financial statements on pages 3 to 5, which have been properly prepared in accordance with Schedule 8 to the Companies Act 1985. In our opinion, the company satisfies the requirements of sections 246 and 247 of the Companies Act 1985 for exemption as a small company for the year ended 30th April 1997.

As auditors of the company we reported to the members on 27th February 1998 on the financial statements of the company prepared under Section 227 of the Companies Act 1985 as follows:-

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 upon 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. However, the evidence available to us was limited because of the unusual nature of the companies stock and work in progress. We were unable to obtain sufficient evidence, as regards the identification and valuation of stock and work in progress, upon which we could rely for the purpose of our audit. There were no other satisfactory procedures that we could adopt to confirm that stock and work in progress were correctly stated.

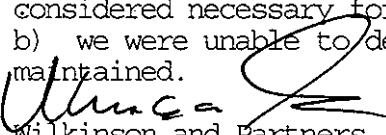
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock and work in progress, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work relating to stock and work in progress:

- a) we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- b) we were unable to determine whether proper accounting records had been maintained.


Wilkinson and Partners
Registered Auditors
27th February 1998

LLOYD LOADERS (MH) LIMITED
 ABBREVIATED BALANCE SHEET AS AT 30TH APRIL 1997

	<u>£</u>	<u>1997</u>	<u>£</u>	<u>1996</u>	<u>£</u>
FIXED ASSETS					
Tangible assets			101,762		103,775
CURRENT ASSETS					
Stock	22,200			28,450	
Debtors	32,721			33,197	
Cash at bank and in hand	946			926	
		55,867		62,573	
CREDITORS					
Amounts falling due within one year	48,566			68,916	
NET CURRENT ASSETS			7,301		(6,343)
			109,063		97,432
Financed by:					
CAPITAL AND RESERVES					
- Allotted, Issued and Fully Paid					
Ordinary Shares of £1 each			1,500		1,500
- Authorised £ 2,000 (1996 : £ 2,000)					
Profit and loss account			107,563		95,932
			109,063		97,432

The directors have relied on the exemptions for individual financial statements contained in Schedule 8 part III of the Companies Act 1985 on the basis that the company is entitled to the benefit of those exemptions as a small company.

The financial statements were approved by the board on 27th February 1998.

David C. Lloyd Director

LLOYD LOADERS (MH) LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30TH APRIL 1997

The following are the more important accounting policies adopted by the company :-

a) Accounting convention

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

b) Depreciation

Tangible fixed assets are depreciated at annual rates to write off the cost of the assets over their estimated useful lives using the following methods and rates:-

	<u>% per annum</u>	<u>Method</u>
Plant and fixtures and fittings	25	reducing balance
Motor vehicles	25	reducing balance
Prototype machines	25	straight line

The director considers that no depreciation is required in respect of Freehold Land and Buildings. Freehold Land is not subject to depletion of any kind and there were no circumstances existing at the date these accounts were approved which would adversely affect its value. Having considered the useful economic life and estimated net realisable value of freehold property the director considers that any provision for depreciation would be negligible and hence not material. This is a departure from 18 (b) Companies Act 1985 and SSAP 12, however, it is considered that the departure does not affect the true and fair view given by these accounts.

c) Stock and work in progress

Stock is valued at the lower of cost and net realisable value of each item or group of items.

Work in progress is valued at the lower of cost plus a proportion of overheads and net realisable value.

d) Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences and all other material differences at the current rate of tax, unless there is a reasonable probability that such a liability will not arise in the foreseeable future.

LLOYD LOADERS (MH) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 1997

1. FIXED ASSETS

COST	As at 1.5.96	Additions	(Disposals)	As at 30.04.97
	£	£	£	£
Freehold property	95,725	-	-	95,725
Plant and motor vehicles	88,594	-	-	88,594
Office furniture	18,444	-	-	18,444
	<u>£202,763</u>	<u>£ -</u>	<u>£ -</u>	<u>£ 202,763</u>

DEPRECIATION	As at 1.5.96	Provided in year	(Disposals)	As at 30.04.97
	£	£	£	£
Plant and motor vehicles	83,627	1,242	-	84,869
Office furniture	15,361	771	-	16,132
	<u>£ 98,988</u>	<u>£ 2,013</u>	<u>£ -</u>	<u>£ 101,001</u>

NET BOOK VALUES	As at 30.04.97	As at 30.04.96
	£	£
Freehold property	95,725	95,725
Plant and motor vehicles	3,725	4,967
Office furniture	2,312	3,083
	<u>£101,762</u>	<u>£ 103,775</u>