

Registered No. 01347969

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Please sign for RoC

SCALA IMPEX LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1996

CARTWRIGHT AND COMPANY
Chartered Accountants and
Registered Auditors



SCALA IMPEX LIMITED
FINANCIAL STATEMENTS
year ended 31st December 1996

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SCALA IMPEX LIMITEDCOMPANY INFORMATION
year ended 31st December 1996

INCORPORATED	England
NUMBER	01347969
DIRECTORS	Mrs S Zafaryab M Zafaryab
SECRETARY	Mrs S Zafaryab
REGISTERED OFFICE	106 High Street Stevenage Herts SG1 3DW
BANKERS	Barclays Bank plc Acton London
AUDITORS	Cartwright and Company Chartered Accountants and Registered Auditors 106 High Street Stevenage Herts SG1 3DW

SCALA IMPEX LIMITEDDIRECTORS' REPORT
year ended 31st December 1996

The directors present their report and the audited financial statements for the year ended 31st December 1996.

Principal activity

The principal activity of the company is importers and exporters of surgical instruments.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st December 1996	1st January 1996
	Ordinary shares	Ordinary shares
Mrs S Zafaryab	5,000	5,000
M Zafaryab	5,000	5,000

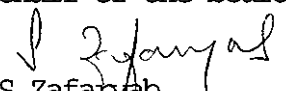
Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Cartwright and Company will continue in office.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


Mrs S Zafaryab
Secretary

106 High Street
Stevenage
Herts
SG1 3DW

26th January 1998

SCALA IMPEX LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES


Company law requires the directors to prepare financial statements for each financial year 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate 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 reasonable steps for the prevention and detection of fraud and other irregularities.

26th January 1998

On behalf of the board


Mrs S Zafaryab
Director

AUDITORS' REPORT

**Auditors' report to the members of
Scala Impex Limited**

We have audited the financial statements on pages 5 to 10 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 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, except that the scope of our work was limited as explained below.

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 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 no stock taking procedures were performed at the year end and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock and work in progress, appearing in the balance sheet at £89,950. Any adjustment to this figure would have a consequential significant effect on the profit for the year.

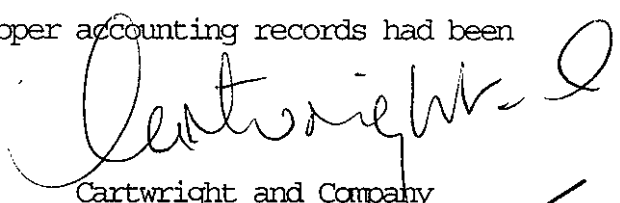
In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its profit for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

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

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


Cartwright and Company
Chartered Accountants and
Registered Auditors

26th January 1998

SCALA IMPEX LIMITEDPROFIT AND LOSS ACCOUNT
year ended 31st December 1996

	Note	1996 £	1995 £
Turnover	2	488,777	433,245
Cost of sales		(377,588)	(323,105)
Gross profit		111,189	110,140
Net operating expenses			
Administrative expenses		(69,905)	(77,548)
Other operating income		637	2,124
Operating profit	3	41,921	34,716
Interest payable	5	(436)	(2,036)
Profit on ordinary activities before taxation		41,485	32,680
Taxation	6	(10,048)	(8,395)
Profit on ordinary activities after taxation		31,437	24,285
Dividends	7	(24,000)	(15,557)
Retained profit for the year	14	7,437	8,728

Movements in reserves are shown in note 14.

None of the company's activities were acquired or discontinued during the above two financial years.


There are no recognised gains and losses in 1996 or 1995 other than the profit for the year.

SCALA IMPEX LIMITEDBALANCE SHEET
at 31st December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	8		22,095		21,280
Current assets					
Stocks	9	89,950		73,660	
Debtors	10	91,553		135,380	
Cash at bank and in hand		382		191	
			181,885		209,231
Creditors: amounts falling due within one year	11	(129,541)		(163,594)	
Net current assets			52,344		45,637
Total assets less current liabilities			74,439		66,917
Provision for liabilities and charges			(964)		(879)
			73,475		66,038
Capital and reserves					
Called up share capital	13	10,000		10,000	
Profit and loss account	14	63,475		56,038	
Total shareholders' funds	12		73,475		66,038

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 10 were approved by the board of directors on 26th January 1998 and signed on its behalf by:

 CERTIFIED A TRUE COPY
Mrs S Zafaryab
Director

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1996**1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	2% straight line method
Plant and machinery	15% reducing balance method
Fixtures and fittings	15% reducing balance method

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1995 nil)

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1996**3 Operating profit**

	1996 £	1995 £
Operating profit is stated after crediting		
Interest receivable	637	2,124
and after charging		
Auditors' remuneration	4,300	4,150
Operating leases		
Hire of assets other than plant & machinery	352	1,088
Depreciation of tangible fixed assets (note 8)		
owned assets	2,919	2,735

4 Directors

	1996 £	1995 £
Directors' emoluments	9,426	9,298

Pension costs**Defined contribution scheme**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £0 (1995 £0).

5 Interest payable

	1996 £	1995 £
Interest payable	436	2,036

6 Taxation

	1996 £	1995 £
Corporation tax on profit on ordinary activities at 24% and 25% (1995 25%)	9,963	8,161
Deferred taxation	85	234
	10,048	8,395

7 Dividends

	1996 £	1995 £
Equity - ordinary/final	24,000	15,557

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1996

8 Tangible fixed assets

Cost	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1st January 1996	25,616	4,721	7,065	37,402
Additions	3,734	-	-	3,734
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1996	29,350	4,721	7,065	41,136
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
1st January 1996	12,681	2,962	479	16,122
Charge for year	2,500	264	155	2,919
	<hr/>	<hr/>	<hr/>	<hr/>
31st December 1996	15,181	3,226	634	19,041
	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount				
31st December 1996	14,169	1,495	6,431	22,095
	<hr/>	<hr/>	<hr/>	<hr/>
1st January 1996	12,935	1,759	6,586	21,280
	<hr/>	<hr/>	<hr/>	<hr/>

9 Stocks

	1996 £	1995 £
Stocks	89,950	73,660
	<hr/>	<hr/>

10 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	82,859	101,138
Directors loan account	-	30,353
Other taxation and social security	8,239	3,889
Prepayments and accrued income	455	-
	<hr/>	<hr/>
	91,553	135,380
	<hr/>	<hr/>

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1996**11 Creditors: amounts falling due within one year**

	1996 £	1995 £
Bank loans and overdrafts	49,149	72,939
Trade creditors	40,123	45,647
Corporation tax	14,163	12,076
Other taxation and social security	6,000	16,608
Directors loan account	7,234	-
Accruals and deferred income	12,872	16,324
	<u>129,541</u>	<u>163,594</u>

The bank overdraft is secured by an indemnity dated 20th October 1989.

12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year	31,437	24,285
Dividends	(24,000)	(15,557)
Net addition to shareholders' funds	<u>7,437</u>	<u>8,728</u>
Opening shareholders' funds	66,038	57,310
Closing shareholders' funds	<u>73,475</u>	<u>66,038</u>

13 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid				
Issued share capital	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

14 Profit and loss account

	1996 £
1st January 1996	56,038
Retained profit for the year	<u>7,437</u>
31st December 1996	<u>63,475</u>