

I R Reference, 614 / 86140 / 08710

Registered No. 01347969

SCALA IMPEX LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1995

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CARTWRIGHT AND COMPANY
Chartered Accountants and
Registered Auditors



SCALA IMPEX LIMITED
FINANCIAL STATEMENTS
year ended 31st December 1995

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SCALA IMPEX LIMITED

COMPANY INFORMATION
year ended 31st December 1995

NUMBER	01347969
DIRECTORS	M Zafaryab Mrs S 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

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SCALA IMPEX LIMITED

DIRECTORS' REPORT
year ended 31st December 1995

The directors present their report and the audited financial statements for the year ended 31st December 1995.

Principal activity

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

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £66,037.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £15,557 is proposed and the balance of the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 8 to the accounts. In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

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 1995	1st January 1995
	Ordinary shares	Ordinary shares
M Zafaryab	5,000	5,000
Mrs S 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.

On behalf of the board

S. Zafaryab
Mrs S Zafaryab
Secretary

106 High Street
Stevenage
Herts
SG1 3LW

20th October 1996

SCALA IMPEX LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

30th October 1996

On behalf of the board


Zafaryab
Director

SCALA IMPEX LIMITEDAUDITORS' REPORT

Auditors' report to the members of
Scala Impex Limited

We have audited the financial statements on pages 5 to 13 which have been prepared under 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.

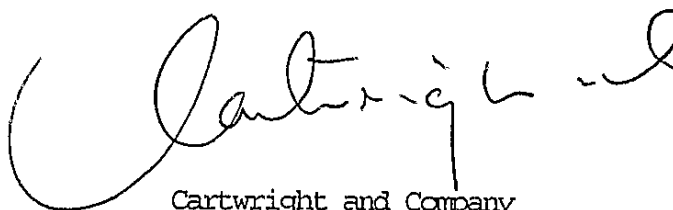
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cartwright and Company
Chartered Accountants and
Registered Auditors

31st October 1996



SCALA INDEX LIMITEDPROFIT AND LOSS ACCOUNT
year ended 31st December 1995

	Note	1995 £	1994 £
Turnover	2	433,245	438,346
Cost of sales		(323,105)	(335,615)
Gross profit		110,140	102,731
Net operating expenses			
Administrative expenses		(77,548)	(70,758)
Other operating income		2,124	23
Operating profit	3	34,716	31,996
Interest payable	4	(2,036)	(1,364)
Profit on ordinary activities before taxation		32,680	30,632
Taxation	5	(8,395)	(3,878)
Profit on ordinary activities after taxation		24,285	26,754
Dividends	6	(15,557)	-
Retained profit for the year	17	8,728	26,754

Movements in reserves are shown in note 17.

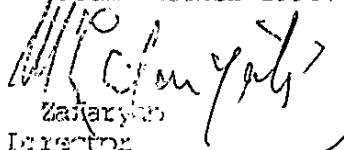
None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1995 or 1994 other than the profit for the year.

SCALA IMPEX LIMITEDBALANCE SHEET
at 31st December 1995

	Note	£	1995 £	£	1994 £
Fixed assets					
Tangible assets	8		21,280		13,209
Current assets					
Stocks	10	73,660		98,240	
Debtors	11	135,379		118,650	
Cash at bank and in hand		191		1,828	
			209,230		218,718
Creditors: amounts falling due within one year	12	(163,594)		(166,730)	
Net current assets			45,636		51,988
Total assets less current liabilities			66,916		65,197
Creditors: amounts falling due after more than one year	13		-		(7,243)
Provision for liabilities and charges	14		(879)		(645)
			66,037		57,309
Capital and reserves					
Called up share capital	16	10,000		10,000	
Profit and loss account	17	56,037		47,309	
Total shareholders' funds	18		66,037		57,309

The financial statements on pages 5 to 13 were approved by the board of directors on 30th October 1996.


Zafaryab
Director

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NOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and 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 is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

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:

Property improvements	2% straight line method
Plant and machinery	15% reducing balance method
Fixtures and fittings	15% reducing balance method

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

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

SCALA IMPEX LIMITED

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NOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

3 Operating profit

	1995 £	1994 £
Operating profit is stated after crediting		
Interest receivable	2,124	23
and after charging		
Staff costs (note 7)	18,260	18,299
Auditors' remuneration	4,150	3,950
Operating leases		
Hire of assets other than plant & machinery	1,088	1,674
Depreciation of tangible fixed assets (note 8)		
owned assets	2,735	1,513

4 Interest payable

	1995 £	1994 £
Bank loan interest	1,441	480
VAT interest	595	884
	2,036	1,364

5 Taxation

	1995 £	1994 £
Corporation tax on profit on ordinary activities at 25% (1994 25%)	8,161	3,914
Deferred taxation	234	(36)
	8,395	3,878

6 Dividends

	1995 £	1994 £
Equity ordinary/final	15,557	-

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SCALA IMPLEX LIMITED

NOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

7 Directors and employees

	1995 £	1994 £
Staff costs including directors' emoluments		
Wages and salaries	15,860	15,899
Pension costs	2,400	2,400
	<u>18,260</u>	<u>18,299</u>
Directors	£	£
Directors' emoluments		
Other emoluments	11,698	11,692
	<u>11,698</u>	<u>11,692</u>

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 £2,400 (1994 £2,400).

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

8 Tangible fixed assets

Cost or valuation	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1st January 1995	16,272	4,721	5,603	26,596
Additions	9,344	-	1,462	10,806
31st December 1995	25,616	4,721	7,065	37,402
Depreciation				
1st January 1995	10,399	2,651	337	13,387
Charge for year	2,282	311	142	2,735
31st December 1995	12,681	2,962	479	16,122
Net book amount				
31st December 1995	12,935	1,759	6,586	21,280
1st January 1995	5,873	2,070	5,266	13,209

9 Land and buildings

	1995 £	1994 £
Property improvements	6,586	5,266

10 Stocks

	1995 £	1994 £
Finished goods	73,660	98,240
	73,660	98,240

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

11 Debtors

	1995 £	1994 £
Amounts falling due within one year		
Trade debtors	101,137	87,989
Directors current account	30,353	30,353
Advance corporation taxation recoverable	3,889	-
Prepayments and accrued income	-	308
	<u>135,379</u>	<u>118,650</u>

12 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank loans	8,774	11,132
Bank overdraft	64,165	42,960
Trade creditors	45,647	82,097
Corporation tax	12,076	3,914
Other taxation and social security	16,608	12,980
Accruals and deferred income	16,324	13,647
	<u>163,594</u>	<u>166,730</u>

The bank loan and overdraft is secured by a fixed and floating charge over the assets and related undertakings of the company.

13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Bank loans	-	7,243
	<u>-</u>	<u>7,243</u>
Maturity of debt		
Bank loan: not repayable as follows:		
Wholly repayable within five years:		
repayable by instalments	-	7,243
	<u>-</u>	<u>7,243</u>

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

14 Provision for liabilities and charges

	1994 £	Profit and loss account £	Other movements £	1995 £
Deferred taxation (notes 5 and 15)	(645)	(234)	-	(879)

15 Deferred taxation

	1995		1994	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by				
Capital allowances in excess	879	879	645	645
	<u>879</u>	<u>879</u>	<u>645</u>	<u>645</u>

The potential liability and provision are based on a corporation tax rate of 25% (1994 25%).

16 Called up share capital

	1995		1994	
	Number of shares	£	Number of shares	£
Authorised				
Authorised share capital	10,000	10,000	10,000	10,000
Allotted called up and fully paid				
Issued share capital	10,000	10,000	10,000	10,000

17 Profit and loss account

	1995 £	1994 £
January 1995	47,309	20,555
ained profit for the year	8,728	26,754
31st December 1995	<u>56,037</u>	<u>47,309</u>

SCALA IMPEX LIMITEDNOTES ON FINANCIAL STATEMENTS
year ended 31st December 1995

18 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit for the financial year	24,285	26,754
Dividends	(15,557)	"
New share capital subscribed	8,728	26,754
	-	3,000
Net addition to shareholders' funds	8,728	29,754
Opening shareholders' funds	57,309	27,555
Closing shareholders' funds	66,037	57,309