

Registrar of Companies

Registration number 01347969

Scala Impex Limited

Directors' report and unaudited financial statements

for the year ended 31 December 2004



Scala Impex Limited

Company information

Directors	Mrs S Zafaryab M Zafaryab
Secretary	Mrs S Zafaryab
Company number	01347969
Registered office	106 High Street Stevenage Herts SG1 3DW
Accountants	Cartwright & Company 106 High Street Stevenage Herts SG1 3DW
Bankers	Barclays Bank plc Acorn House 36-38 Park Royal Road London NW10 7JA

Scala Impex Limited

Contents

	Page
<i>Directors' report</i>	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 11

Scala Impex Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the financial statements for the year ended 31 December 2004.

Principal activity

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

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Class of share	31/12/04	01/01/04
Mrs S Zafaryab	Ordinary shares	5,000	5,000
M Zafaryab	Ordinary shares	5,000	5,000

Charitable and Political Contributions

During the year the company contributed £625 to charities.

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

This report was approved by the Board on 17 October 2005 and signed on its behalf by


Mrs S Zafaryab
Secretary

Scala Impex Limited

**Accountants' report to the board of directors on the
unaudited financial statements of Scala Impex Limited**

In accordance with the engagement letter dated 23 September 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the profit and loss account, the balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 December 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Cartwright & Company
Chartered Accountants

17 October 2005

106 High Street
Stevenage
Herts
SG1 3DW

Scala Impex Limited

Profit and loss account for the year ended 31 December 2004

		2004	2003
	Notes	£	£
Turnover	2	416,939	475,368
Cost of sales		(225,351)	(296,395)
Gross profit		191,588	178,973
Administrative expenses		(109,008)	(108,527)
Operating profit	3	82,580	70,446
Other interest receivable and similar income		3,217	734
Profit on ordinary activities before taxation		85,797	71,180
Tax on profit on ordinary activities	6	(16,375)	(13,774)
Profit on ordinary activities after taxation		69,422	57,406
Dividends		(22,000)	(37,000)
Retained profit for the year		47,422	20,406
Retained profit brought forward		212,929	192,523
Retained profit carried forward		260,351	212,929

The notes on pages 6 to 11 form an integral part of these financial statements.

Scala Impex Limited

Balance sheet as at 31 December 2004

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		31,267		32,833
Investments	8		-		14,921
			<u>31,267</u>		<u>47,754</u>
Current assets					
Stocks		42,652		45,000	
Debtors	9	160,721		88,203	
Cash at bank and in hand		68,528		72,606	
		<u>271,901</u>		<u>205,809</u>	
Creditors: amounts falling due within one year	10	<u>(32,170)</u>		<u>(29,700)</u>	
Net current assets			<u>239,731</u>		<u>176,109</u>
Total assets less current liabilities			<u>270,998</u>		<u>223,863</u>
Provisions for liabilities and charges	11		(647)		(934)
Net assets			<u>270,351</u>		<u>222,929</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			260,351		212,929
Shareholders' funds			<u>270,351</u>		<u>222,929</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

P. J. J. J.
CERTIFIED A TRUE COPY

The notes on pages 6 to 11 form an integral part of these financial statements.

Scala Impex Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2004**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2004 and

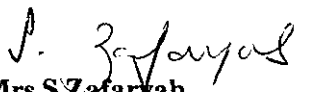
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 17 October 2005 and signed on its behalf by


Mrs S Zafaryab
Director

The notes on pages 6 to 11 form an integral part of these financial statements.

Scala Impex Limited

Notes to the financial statements for the year ended 31 December 2004

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

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

1.4. Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.5. Stock

Stock is valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Scala Impex Limited

Notes to the financial statements for the year ended 31 December 2004

..... continued

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 1% for the year.

3. Operating profit	2004 £	2003 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>1,778</u>	<u>1,964</u>

4. Directors' emoluments

	2004 £	2003 £
Remuneration and other benefits	<u>31,200</u>	<u>31,200</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	1	1

5. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £1,200 (2003 - £1,200).

Scala Impex Limited

Notes to the financial statements for the year ended 31 December 2004

..... continued

6. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
Current tax		
UK corporation tax at 19% (2003 - 19%)	16,662	13,418
Adjustments in respect of previous periods	-	5
	<u>16,662</u>	<u>13,423</u>
Total current tax charge	<u>16,662</u>	<u>13,423</u>
Deferred tax		
Timing differences, origination and reversal	(287)	351
Total deferred tax	<u>(287)</u>	<u>351</u>
Tax on profit on ordinary activities	<u>16,375</u>	<u>13,774</u>

7. Tangible fixed assets

	Property improvements £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2004	26,879	8,972	8,864	44,715
Additions	-	212	-	212
At 31 December 2004	<u>26,879</u>	<u>9,184</u>	<u>8,864</u>	<u>44,927</u>
Depreciation				
At 1 January 2004	2,107	4,769	5,006	11,882
Charge for the year	537	663	578	1,778
At 31 December 2004	<u>2,644</u>	<u>5,432</u>	<u>5,584</u>	<u>13,660</u>
Net book values				
At 31 December 2004	<u>24,235</u>	<u>3,752</u>	<u>3,280</u>	<u>31,267</u>
At 31 December 2003	<u>24,772</u>	<u>4,203</u>	<u>3,858</u>	<u>32,833</u>

Scala Impex Limited

Notes to the financial statements for the year ended 31 December 2004

..... continued

8. Fixed asset investments

	Listed investments £	Total £
Cost		
At 1 January 2004	14,921	14,921
Disposals	(14,921)	(14,921)
At 31 December 2004	-	-
Net book values		
At 31 December 2004	-	-
At 31 December 2003	14,921	14,921

9. Debtors

	2004 £	2003 £
Trade debtors	44,724	65,426
Directors' accounts	88,232	-
Prepayments and accrued income	27,765	22,777
	<u>160,721</u>	<u>88,203</u>

10. Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	2,315	1,278
Corporation tax	16,662	13,418
Other taxes and social security costs	9,893	11,360
Directors' accounts	-	344
Accruals and deferred income	3,300	3,300
	<u>32,170</u>	<u>29,700</u>

Scala Impex Limited

**Notes to the financial statements
for the year ended 31 December 2004**

..... continued

11. Provisions for liabilities and charges

	Deferred taxation (Note 12) £	Total £
At 1 January 2004	934	934
Movements in the year	(287)	(287)
At 31 December 2004	<u>647</u>	<u>647</u>

12. Provision for deferred taxation

	2004 £	2003 £
Accelerated capital allowances	<u>647</u>	<u>934</u>
Provision at 1 January 2004	934	
Deferred tax charge in profit and loss account	(287)	
Provision at 31 December 2004	<u>647</u>	

Deferred taxation is based on a corporation tax rate of 19% (2002 - 19%).

13. Share capital

	2004 £	2003 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Scala Impex Limited

**Notes to the financial statements
for the year ended 31 December 2004**

..... continued

14. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount owing		Maximum in year
	2004	2003	
	£	£	£
Mrs S Zafaryab	<u>88,232</u>	<u>-</u>	<u>125,580</u>

15. Controlling interest

The company is controlled by the directors, who each hold 50% of the shares of the company.