

Leipold (UK) Limited

Registered in England No: 2948564

Abbreviated Accounts

31 December 1997



Leipold (UK) Limited

Directors	:	K H Schiefer H Dufner
Secretary	:	S J Holder
Auditors	:	Goff Haslehurst 15/17 Belwell Lane Four Oaks Sutton Coldfield B74 4AA
Bankers	:	Lloyds Bank Plc Bishton Court Telford Business Park Telford TF3 4JE
Registered Office	:	Holder Blackthorn Blackthorn House St Paul's Square Birmingham B3 1RL

Goff Haslehurst

**AUDITORS' REPORT TO THE DIRECTORS OF LEIPOLD (UK) LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985.**

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.



Goff Haslehurst
Chartered Certified Accountants
Registered Auditors
Sutton Coldfield

12 February 1998

Leipold (UK) Limited**Abbreviated Balance Sheet**
as at 31 December 1997

	Notes	1997 £	1996 £
Fixed Assets			
Tangible assets	2	1,191,658	880,295
Current Assets			
Stocks		643,822	385,770
Debtors		404,400	374,610
Cash at bank and in hand		18,879	46,592
		1,067,101	806,972
Creditors: amounts falling due within one year		1,034,746	774,916
Net Current Assets		32,355	32,056
Total Assets Less Current Liabilities		1,224,013	912,351
Creditors: amounts falling due after more than one year			
Bank loans		404,761	-
Obligations under finance leases and hire purchase contracts		270,085	40,317
Amounts owed to group undertakings		292,580	817,590
		967,426	857,907
Provisions for Liabilities and Charges		35,000	-
Net Assets		221,587	54,444
Capital and Reserves			
Called up share capital		120,002	120,002
Profit and loss account		101,585	(65,558)
Shareholders' Funds	3	221,587	54,444
Equity		131,587	(35,556)
Non equity		90,000	90,000
		221,587	54,444

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

K H Schiefer

H Dufner

12 February 1998

Directors

Leipold (UK) Limited

Notes to the Abbreviated Accounts
at 31 December 1997

1. Accounting Policies

Accounting convention

The accounts are prepared under the historical cost convention.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	-	over the lease term
Plant and machinery	-	over 10 years
Fixtures, fittings and office equipment	-	over 5 years
Motor vehicles	-	over 4 years

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Leipold (UK) Limited

Notes to the Abbreviated Accounts
at 31 December 1997

1. Accounting Policies (Continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. Tangible Fixed Assets

	£
Cost:	
At 1 January 1997	1,012,910
Additions	441,158
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At 31 December 1997	1,454,068
Depreciation:	
At 1 January 1997	132,615
Provided during the year	129,795
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At 31 December 1997	262,410
Net book value:	
At 31 December 1997	1,191,658
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At 31 December 1996	880,295
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Leipold (UK) Limited

Notes to the Abbreviated Accounts
at 31 December 1997

3. Share Capital

	Authorised 1997 and 1996 No.	Allotted, called up and fully paid 1997 and 1996 £
Ordinary shares of £1 each	30,002	30,002
5% cumulative redeemable preference shares of £1 each	90,000	90,000
	<hr/> 120,002 <hr/>	<hr/> 120,002 <hr/>

4. Holding Company

The ultimate holding company is Carl Leipold Metallwarenfabrik GmbH, a company incorporated in Germany.