

SPECIALISED PETROLEUM MANUFACTURING LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 1997

PANNELL KERR FORSTER
Chartered Accountants



SPECIALISED PETROLEUM MANUFACTURING LIMITED

CONTENTS

	Page
REPORT OF THE AUDITORS	1
ABBREVIATED BALANCE SHEET	2
NOTES TO THE ABBREVIATED ACCOUNTS	3 - 5

**AUDITORS' REPORT TO
SPECIALISED PETROLEUM MANUFACTURING LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the full financial statements of the company for the year ended 30 June 1997 prepared for shareholders 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 sections 246(5) and (6) of the Act to the registrar and whether the abbreviated accounts are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our 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 sections 246 (5) and 246 (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

Aberdeen

71st Oct 1997

SPECIALISED PETROLEUM MANUFACTURING LIMITED
ABBREVIATED BALANCE SHEET
30 JUNE 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible	2	313,795	167,400
CURRENT ASSETS			
Stocks		350,512	409,059
Debtors		687,161	410,476
Cash at bank and in hand		177,169	169,974
		<u>1,214,842</u>	<u>989,509</u>
CREDITORS: amounts falling due within one year	3	(556,872)	(710,681)
NET CURRENT ASSETS		<u>657,970</u>	<u>278,828</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>971,765</u>	<u>446,228</u>
CREDITORS: amounts falling due after more than one year	3	(6,764)	-
NET ASSETS		<u><u>965,001</u></u>	<u><u>446,228</u></u>
CAPITAL AND RESERVES			
Called up share capital	4	1,000	1,000
Profit and loss account		964,001	445,228
SHAREHOLDERS' FUNDS		<u><u>965,001</u></u>	<u><u>446,228</u></u>

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

The abbreviated accounts were approved by the board on

Signed on behalf of the board of directors

A McDonald 21-10-97

A McDonald
Director

SPECIALISED PETROLEUM MANUFACTURING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 1997

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Lease premium	Over period of the lease
Plant, machinery, fixtures, fittings & office equipment	20 % straight line basis
Motor vehicles	25 % straight line basis

(d) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(f) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(g) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

(h) Pensions

The company operates two defined contribution pension schemes, having set up a staff scheme during the year, and the pension charge in the profit and loss account represents the amounts payable by the company to the funds in respect of the year.

SPECIALISED PETROLEUM MANUFACTURING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 1997

(i) Rental income

Income from fixed assets rented out under operating leases is credited to the profit and loss account as earned.

2 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 July 1996	368,308
Additions	252,479
Disposals	(18,850)
	<hr/>
At 30 June 1997	601,937
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Depreciation	
At 1 July 1996	200,908
Charge for year	95,499
On disposals	(8,265)
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At 30 June 1997	288,142
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Net book amount	
At 30 June 1997	313,795
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At 30 June 1996	167,400
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Included in plant and equipment is equipment held for rental purposes the original cost of which is £461,380 and on which depreciation of £211,489 has been charged.

The net book amounts of motor vehicles above include £15,800 (1996 - £NIL) in respect of assets held under finance leases or hire purchase contracts.

3 CREDITORS

Creditors amounting to £11,336 (1996 - £NIL) are secured.

4 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid	
	£	No.	£
At 1 July 1996 and 30 June 1997			
Ordinary shares of £1 each	100,000	1,000	1,000
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SPECIALISED PETROLEUM MANUFACTURING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 1997

5 TRANSACTIONS WITH RELATED PARTIES

During the year the company made purchases from Special Projects Manufacturing Co Inc totalling **£1,195,527** (1996 - £1,890,221). At the year end there was a balance due to Special Projects Manufacturing Co Inc of **£157,825** (1996 - £478,355).

6 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

In the opinion of the directors the ultimate parent company is Special Projects Manufacturing Co Inc, a company incorporated in the USA.