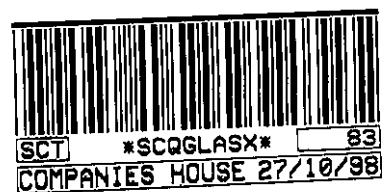


Registered no. 145559

STAINLESS & ALLOY (ABERDEEN) LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

**GRAEME D MCKAY
REGISTERED AUDITOR
1 QUEENS GARDENS
ABERDEEN**



STAINLESS & ALLOY (ABERDEEN) LIMITED

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STAINLESS & ALLOY (ABERDEEN) LIMITED

AUDITOR'S REPORT TO THE DIRECTORS OF STAINLESS & ALLOY (ABERDEEN) LIMITED

I have examined the abbreviated accounts on pages 2 to 5 together with the financial statements of Stainless & Alloy (Aberdeen) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1997.

Respective responsibilities of directors and auditor


The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8A to the Companies Act 1985. It is my responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that schedule.

Basis of opinion

I have carried out the procedures I considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of my work for the purpose of this report does not include examining or dealing with events after the date of my report on the full financial statements.

Opinion

In my opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Schedule 8A to that Act in respect of the year ended 31 December 1997 and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with that Schedule.


GRAEME D MCKAY
Registered Auditor

Date: 26/10/98

REGISTERED AUDITOR
1 QUEENS GARDENS
ABERDEEN

STAINLESS & ALLOY (ABERDEEN) LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 1997

	Note	1997 £	1996 £
FIXED ASSETS	2		
Tangible assets		20,520	33,720
CURRENT ASSETS			
Stocks		23,747	26,770
Debtors		168,525	136,676
Cash at bank and in hand		9,531	15,766
		<u>201,803</u>	<u>179,212</u>
CREDITORS			
Amounts falling due within one year		<u>221,023</u>	<u>204,795</u>
NET CURRENT LIABILITIES		(19,220)	(25,583)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,300</u>	<u>8,137</u>
CREDITORS			
Amounts falling due after more than one year		-	(3,749)
NET ASSETS		<u><u>1,300</u></u>	<u><u>4,388</u></u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account		<u>1,298</u>	<u>4,386</u>
SHAREHOLDERS' FUNDS		<u><u>1,300</u></u>	<u><u>4,388</u></u>

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

These financial statements were approved by the board on 23.10.98

ON BEHALF OF THE BOARD


D F BANNERMAN - DIRECTOR

Date: 23/10/98

The annexed notes form part of these financial statements.

STAINLESS & ALLOY (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the year ended 31 December 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 1997 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant and machinery	- 25 % per annum of cost
Fixtures and fittings	- 25 % per annum of cost
Motor vehicles	- 25 % per annum of cost

STAINLESS & ALLOY (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

2. FIXED ASSETS

	Tangible fixed assets £
Cost	
At 1 January 1997	70,662
Additions	5,228
Revaluations	-
Disposals	-
Intra group transfers	-
	<hr/>
At 31 December 1997	75,890
	<hr/>
Depreciation	
At 1 January 1997	36,942
Charge for the year	18,428
Disposals	-
Revaluations	-
Intra group transfers	-
	<hr/>
At 31 December 1997	55,370
	<hr/>
Net book value	
At 31 December 1997	20,520
	<hr/>
<i>At 31 December 1996</i>	<hr/> 33,720 <hr/>

3. SHARE CAPITAL

	1997 £	1996 £
Authorised 10,000 ordinary shares of £1 each	<hr/> 10,000 <hr/>	<hr/> 10,000 <hr/>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<hr/> 2 <hr/>	<hr/> 2 <hr/>

STAINLESS & ALLOY (ABERDEEN) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

4. TRANSACTIONS WITH DIRECTORS

Directors' overdrawn current account

During the year the director(s) mentioned below had overdrawn balances with the company as follows:

	1997 £
E Beaton	
Balance outstanding at 1 January 1997	-
Maximum balance outstanding during the year	20,364
Balance outstanding at 31 December 1997	10,364
	<hr/> <hr/>

No interest was charged on the directors' overdrawn current account.