

**KELVINKIT LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 JULY 2004**

**Company Registration Number SC197862**



**Tenon Limited**  
Accountants and Business Advisers  
2 Blythwood Square  
Glasgow  
G2 4AD

**KELVINKIT LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JULY 2004**

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# KELVINKIT LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE COMPANY

### PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 2 to 4, together with the financial statements of the company for the year ended 31 July 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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 for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and the 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 of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 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 (6) of the Act, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

*Tenon Audit Limited*

Tenon Audit Limited  
Registered Auditor

2 Blythswood Square  
Glasgow  
G2 4AD

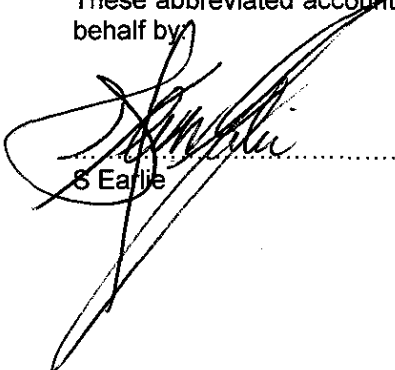
Date:- 31/5/05

**KELVINKIT LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 JULY 2004**

	Note	2004 £	£	2003 £	£
<b>Fixed assets</b>	2				
Tangible assets			62,492		73,025
<b>Current assets</b>					
Stocks		517,756		242,447	
Debtors		1,103,262		1,187,830	
		1,621,018		1,430,277	
<b>Creditors: Amounts falling due within one year</b>	3	(1,173,837)		(917,246)	
<b>Net current assets</b>			447,181		513,031
<b>Total assets less current liabilities</b>			509,673		586,056
<b>Creditors: Amounts falling due after more than one year</b>	4		(14,088)		(28,796)
<b>Provisions for liabilities and charges</b>			-		(1,075)
			495,585		556,185
<b>Capital and reserves</b>					
Called-up share capital	5		440,100		515,100
Profit and loss account			55,485		41,085
<b>Shareholders' funds</b>			495,585		556,185

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 30 May 2005 and are signed on their behalf by:

  
 S Earle

The notes on pages 3 to 4 form part of these abbreviated accounts.

**KELVINKIT LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JULY 2004**

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**1. Accounting policies**

**Basis of accounting**

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

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and Machinery	- 25% straight line
Motor Vehicles	- 25% straight line

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using first in, first out method.

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**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 that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**KELVINKIT LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JULY 2004**

**2. Fixed assets**

	<b>Tangible Assets £</b>
<b>Cost</b>	
At 1 August 2003	133,104
Additions	20,102
Disposals	(12,995)
At 31 July 2004	<u>140,211</u>
<b>Depreciation</b>	
At 1 August 2003	60,079
Charge for year	30,635
On disposals	(12,995)
At 31 July 2004	<u>77,719</u>
<b>Net book value</b>	
At 31 July 2004	<u>62,492</u>
At 31 July 2003	<u>73,025</u>

**3. Creditors: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	<b>2004 £</b>	<b>2003 £</b>
Bank loans and overdrafts	367,029	353,458
Hire purchase agreements	28,424	24,836
	<u>395,453</u>	<u>378,294</u>

**4. Creditors: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	<b>2004 £</b>	<b>2003 £</b>
Hire purchase agreements	14,088	28,796

**5. Share capital**

**Authorised share capital:**

	<b>2004 £</b>	<b>2003 £</b>
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

**Allotted and called up:**

	<b>2004 No</b>	<b>£</b>	<b>2003 No</b>	<b>£</b>
Ordinary shares of £1 each	<u>440,100</u>	<u>440,100</u>	<u>515,100</u>	<u>515,100</u>

During the current year it was established that £75,000 due to the company in relation to called up share capital would not be paid. The issued share capital has therefore been reduced to reflect this.