

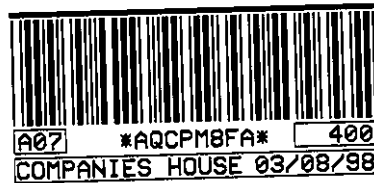
Company No.
2409929

SILVERLINE ENTERPRISES LIMITED

REPORT AND ACCOUNTS

YEAR ENDED

31 JULY 1997



SILVERLINE ENTERPRISES LIMITED

**REPORT AND ACCOUNTS
YEAR ENDED 31 JULY 1997**

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COMPANY INFORMATION

COMPANY REGISTRATION NUMBER

2409929

REGISTERED OFFICE

146 King John Avenue
Bournemouth
BH11 9TE

DIRECTOR

R M Sirhan
Mrs J E Sirhan

SECRETARY

R M Sirhan

AUDITORS

Brian J Pittwood
Chartered Certified Accountants
Suite 6 Pine Court
36 Gervis Road
Bournemouth
Dorset
BH1 3DH

REPORT OF THE DIRECTORS

The directors submit their report and the accounts for the year ended 31 July 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of the import and export of electronic components. Over 95% of the company's turnover came from non-UK customers.

DIRECTORS

The directors who served during the period and their beneficial and family interests in the shares of the company at the end of the period were:

	Ordinary Shares	
	1997	1996
R M Sirhan	1	1
Mrs J E Sirhan	1	1

DIRECTORS' ACCOUNTING RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and its profit or loss for the year then ended. In preparing those accounts the directors are required to:

- a) select suitable accounting policies and then apply them consistently.
- b) make judgements and estimates that are prudent and reasonable.
- c) prepare the accounts on the going concern basis unless it is not appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Advantage is taken in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985.

Approved by the Board of Directors and signed on behalf of the Board.


.....
R M SIRHAN - Secretary

.....²⁴..... July 1998

**REPORT OF THE AUDITORS TO THE MEMBERS OF
SILVERLINE ENTERPRISES LIMITED**

We have audited the accounts on pages 4 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention, and in accordance with the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Brian J Pittwood
Chartered Certified Accountants
Registered Auditors
Suite 6 Pine Court
36 Gervis Road
Bournemouth
Dorset
BH1 3DH

.....?A..... July 1998

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 1997

	Note	1997	1996
TURNOVER	1 (e)	922,069	494,652
Cost of sales		806,607	405,132
GROSS PROFIT		115,462	89,520
Overheads		91,214	75,582
OPERATING PROFIT		24,248	13,938
Interest received		1,189	1,250
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	25,437	15,188
Taxation	3	5,260	3,658
PROFIT FOR THE YEAR		20,177	11,530
DIVIDENDS		5,330	5,446
RETAINED PROFITS FOR THE YEAR		14,847	6,084
Retained profits brought forward		42,867	36,783
RETAINED PROFITS CARRIED FORWARD		£57,714	£42,867

BALANCE SHEET
AS AT 31 JULY 1997

	Note	1997	1996
FIXED ASSETS			
Tangible assets	5	21,293	8,335
CURRENT ASSETS			
Debtors	6	104,533	77,999
Bank and cash balances		53,568	35,964
		<u>£158,101</u>	<u>£113,963</u>
CREDITORS: amounts falling due within one year			
Bank overdraft		18,930	18,470
Trade creditors		63,206	41,795
Taxation and social security		8,646	5,061
Directors' loan account		15,564	3,388
Accruals		15,332	10,715
		<u>£121,678</u>	<u>£79,429</u>
NET CURRENT ASSETS		36,423	34,534
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£57,716</u>	<u>£42,869</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account		57,714	42,867
		<u>£57,716</u>	<u>£42,869</u>

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.
- preparing accounts which give a true and fair view and which otherwise comply with the requirements of the Act.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities.

These accounts were approved by the Board of Directors on24..... July 1998

J. Sirhan
MRS J E SIRHAN Director

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1997

1) ACCOUNTING POLICIES

These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities issued by the Accounting Standards Board. The particular accounting policies adopted are described below.

(a) Accounting convention

These financial statements have been prepared in accordance with the historical cost convention.

(b) Fixed assets and depreciation

Depreciation is provided on all fixed assets and is calculated to write off their cost over their estimated useful lives at the following rates:

Office equipment	- 20% reducing balance
Motor vehicles	- 25% reducing balance

(c) Stock

Stocks are valued at the lower of cost and net realisable value. Cost represents materials purchased for resale.

(d) Deferred taxation

Deferred taxation, when material, is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(e) Turnover

Turnover represents sales by the company to outside customers excluding value added tax.

(f) Leasing and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised and treated as fixed assets in the balance sheet. The finance charge element of payments under the relevant contracts is charged to profit and loss account over the period of the lease or contract.

Amounts payable under operating leases are charged to profit and loss account as the liability for payment arises.

(g) Pensions

The company operates insured defined contribution pension schemes for its directors and staff.

Contributions are charged to profit and loss account when payable.

h) Foreign currency conversion

Transactions in foreign currencies during the year are converted into sterling at the rate in operation on the date of the transaction. Assets and liabilities at the balance sheet date are converted into sterling at the rate in operation at the balance sheet date. Exchange gains and losses are credited/charged to the profit and loss account for the year.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1997
**2) PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

1997

1996

The profit on ordinary activities before taxation
is arrived at after charging:

£

£

Depreciation of owned assets

6,960

6,760

Auditors' remuneration

1,620

1,400

3) TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation is based on the results for the year
and comprises:

UK Corporation tax at 24%/21% chargeable
on taxable profit

5,260

3,658

£5,260

£3,658

4) DIRECTORS' EMOLUMENTS

Fees

-

-

Other emoluments, including benefits in kind

14,182

12,120

Directors' pension contributions

6,960

6,760

£21,142

£18,880

5) TANGIBLE ASSETS
**Motor
Vehicle**
**Office
Equipment**
Total
Cost

At 1 August 1996

-

13,352

13,352

Additions

13,000

2,656

15,656

Disposals

-

-

-

At 31 July 1997

£13,000

£16,008

£29,008

Depreciation

At 1 August 1996

-

5,017

5,017

Charge for the year

1,100

1,598

2,698

On disposals

-

-

-

At 31 July 1997

£1,100

£6,615

£7,715

Net book value

At 1 August 1996

-

£8,335

£8,335

At 31 July 1997

£11,900

£9,393

£21,293

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1997

	1997	1996
6) DEBTORS		
Trade debtors	93,019	71,605
Other debtors	9,314	6,394
Prepayments	2,200	-
	<u>£104,533</u>	<u>£77,999</u>
7) SHARE CAPITAL		
i) Authorised:		
1,000 ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
ii) Allotted and fully paid:		
2 ordinary shares of £1 each	<u>£2</u>	<u>£2</u>
iii) Controlling parties:		
The company is controlled by the directors, and 100% shareholders, R & Mrs J Sirhan.		
8) OPERATING LEASE COMMITMENTS		
Liabilities for the following year at the balance sheet date were:		
Leases expiring in the next year:		
Land and buildings	£6,000	£6,000
Other leases	-	-
	<u></u>	<u></u>
9) PENSION COMMITMENTS		
The company operates defined contribution pension schemes for staff and one director. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charges represent contributions payable by the company to the funds and amount to £7,596 (1996 = £7,396)		
10) SECURED CREDITORS		
The bank borrowings are secured by a fixed and floating charge over the assets of the company and a £20,000 guarantee given by the director, R Sirhan.		
11) POST BALANCE SHEET EVENTS		
In March 1998 the company acquired freehold premises and moved from the rented offices occupied until then. The freehold property cost, including stamp duty, legal fees etc, was £154,369 and was partly funded by a bank loan of £112,000 secured on the property.		