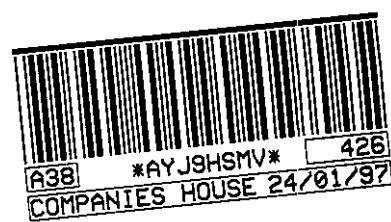


G.V.EHRHARDT & HEReward LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 1996

Registered number: 107511

GRIFFITH & GRIFFITH
REGISTERED AUDITORS
Birmingham



G.V.EHRHARDT & HEReward LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st March 1996

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G.V.EHRHARDT & HEReward LIMITED**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**

**Auditors' report to
G.V.Ehrhardt & Hereward Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 4 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

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

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st March 1996, and the abbreviated financial statements on pages 2 to 4 have been properly prepared in accordance with that Schedule.

Other information

On 15th November 1996 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

continued

G.V.EHRHARDT & HEReward LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
G.V.Ehrhardt & Hereward Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'



Birmingham
15th November 1996

Griffith & Griffith
Registered Auditors

G.V.EHRHARDT & HEReward LIMITED

ABBREVIATED BALANCE SHEET

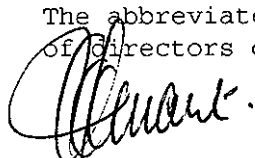
at 31st March 1996

	Note	£	1996	£	1995	£
Fixed assets						
Tangible assets	2		116,620		135,744	
Current assets						
Stocks		207,745		199,359		
Debtors	3	660,104		793,894		
Cash at bank and in hand		25,191		1,113		
			893,040		994,366	
Creditors: amounts falling due within one year			(317,939)		(335,698)	
Net current assets			575,101		658,668	
Total assets less current liabilities			691,721		794,412	
Provision for liabilities and charges			(11,017)		(12,539)	
			£ 680,704		£ 781,873	
Capital and reserves						
Called up share capital	4	252		252		
Profit and loss account		680,452		781,621		
Total shareholders' funds			£ 680,704		£ 781,873	

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 15th November 1996 and signed on its behalf by:



J.G. Smart
Chairman

G.V.EHRHARDT & HEReward LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****31st March 1996****1 Accounting policies****Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	10% per annum on cost
Motor vehicles	25% per annum on cost

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

G.V.EHRHARDT & HEReward LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st March 1996

2 Fixed assets

		Tangible fixed assets £
Cost or valuation		
1st April 1995		389,287
Additions		31,800
Disposals		(63,121)
		<hr/>
31st March 1996		£ 357,966
		<hr/>
Depreciation		
1st April 1995		253,543
Charge for year		30,274
Disposals		(42,471)
		<hr/>
31st March 1996		£ 241,346
		<hr/>
Net book amount		
31st March 1996		£ 116,620
		<hr/>
1st April 1995		£ 135,744
		<hr/>

3 Debtors

	1996 £	1995 £
Amounts falling due within one year	660,104	793,894
	<hr/>	<hr/>

4 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	500	500	500	500
	<hr/>	<hr/>	<hr/>	<hr/>
Allotted called up and fully paid				
Ordinary shares of £1 each	252	252	252	252
	<hr/>	<hr/>	<hr/>	<hr/>

5 Ultimate parent undertaking

The company's parent company is J & G Smart (Holdings) Limited which is incorporated in England.