GEORGE S. TAYLOR LIMITED - COMPANY NO. 349551

AUDITORS' REPORT TO THE DIRECTORS OF GEORGE S. TAYLOR LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 and 5 together with the full financial statements of George S. Taylor Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts 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 1 and whether the abbreviated accounts 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 accounts 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 Section 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 December 1995 and the abbreviated accounts on pages 4 and 5 have been properly prepared in accordance with that Schedule.

On 17th May 1996 we reported as auditors of George S. Taylor Limited to the Shareholders on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1995, and our audit report was as follows:-

"We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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.

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 judgments 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 other irregularity or error. 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 at 31st December 1995 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)".

Elverstone Tomlin

ELVERSTONE TOMLIN
Chartered Accountants
Registered Auditors

Temple Chambers,
16A Belvoir Road,
COALVILLE,
Leicestershire.
17th May 1996

GEORGE S. TAYLOR LIMITED

BALANCE SHEET AT 31ST DECEMBER 1995

	Notes	1995 £	1994 £
Fixed Assets			
Intangible assets	8	6,000	7,000
Tangible assets	8	136,537	151,979
		142,537	158,979
Current Assets			
Stock	9	376,134	365,745
Debtors	10	506,808	461,827
Bank and Building Society balances	11	83,597	89,373
		966,539	916,945
Creditors: amounts falling due within one year	12	497,797	455,591
Net current assets		468,742	461,354
Total assets less current liabilities		611,279	620,333
Creditors: amounts falling due after more than one year	13	4,442	3,627
		606,837	616,706
Provision for liabilities and charges	14	11,733	12,146
		£ 595,104	£ 604,560
Capital and reserves			
Called up share capital	2	4,500	4,500
Profit and Loss Account		590,604	600,060
		£ 595,104	£ 604,560

Advantage has been taken in the preparation of the accounts of special exemptions applicable to small companies and of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act.

In the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company under Section 247.

R.S. DONALDSON)
) DIRECTORS
R.P. SMITH)

The Accounts were approved by the Directors on 16th May 1996.

The notes form part of these accounts.

GEORGE S. TAYLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts -

a. Basis of Accounting
The accounts have been prepared using the historical cost convention.

b. Turnover consists of the value (excluding VAT) of goods supplied to third parties.

c. Depreciation
Depreciation is charged at the following rates on the reducing balance basis so as to write off the cost of tangible fixed assets by instalments over their estimated useful lives:

Motor Vehicles	25% p.a	Freehold Property	10% p.a.
Fixtures and Fitting	15% p.a.	New Warehouse	10% p.a.
New Offices	10% p.a.	Goodwill (straight line method)	10%p.a.

Goodwill is to be depreciated over a ten year period from 1st January 1992 as the directors consider that such policy will write this off over its estimated useful economic life.

d. Stocks
These are valued on a first in first out basis at the lower of cost and net realisable value.

e. Deferred Taxation
Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

f. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

2. SHARE CAPITAL

	1995	1994
	£	£
Authorised: 3,000 4.2% Cumulative Preference Shares of £1 per share	3,000	3,000
2,000 Ordinary Shares of £1 per share	2,000	2,000
	£ 5,000	£ 5,000
Share capital allotted, called-up and fully paid:		
2,500 4.2% Cumulative Preference Shares of £1 each (1994: £2,500)	2,500	2,500
2,000 Ordinary Shares of £1 per share (1994: £2,000)	2,000	2,000
	£ 4,500	£ 4,500

MOVEMENTS ON FIXED ASSETS
TANGIBLE AND INTANGIBLE ASSETS

	Total	Tangible	Intangible
Cost: At beginning of year	431,675	421,675	10,000
Additions	9,700	9,700	-
Disposals	-	-	-
At end of year	441,375	431,375	10,000
Depreciation: At beginning of year	272,696	269,696	3,000
Charge in year	26,142	25,142	1,000
Disposals	-	-	-
At end of year	298,838	294,838	4,000
Net Book Value			
At 31st December 1995	£ 142,537	136,537	6,000
At 31st December 1994	£ 158,979	151,979	7,000