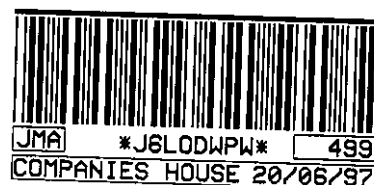


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Company Registration No. 486321 (England and Wales)

E.R. KINGSLEY (TEXTILES) LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1996



E.R. KINGSLEY (TEXTILES) LIMITED

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E.R. KINGSLEY (TEXTILES) LIMITED

AUDITORS' REPORT TO THE DIRECTORS OF E.R. KINGSLEY (TEXTILES) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of E.R. Kingsley (Textiles) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the 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 3 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 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 31 December 1996, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 10.11.96 we reported, as auditors of E.R. Kingsley (Textiles) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, 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 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

E.R. KINGSLEY (TEXTILES) LIMITED

AUDITORS' REPORT TO THE DIRECTORS OF E.R. KINGSLEY (TEXTILES) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

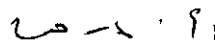
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 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."



Gruber Levinson Franks

Chartered Accountants
Registered Auditor



Peter House
Oxford Street
Manchester
M1 5AN

E.R. KINGSLEY (TEXTILES) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	1996 £	£	1995 £	£
Fixed Assets					
Tangible assets	2		34,927		30,798
Current Assets					
Stocks		351,702		328,921	
Debtors		358,659		193,035	
Cash at bank and in hand		10,755		36,917	
		721,116		558,873	
Creditors: amounts falling due within one year		(357,993)		(226,348)	
Net Current Assets			363,123		332,525
Total Assets Less Current Liabilities			398,050		363,323
Capital and Reserves					
Called up share capital	4		2,000		2,000
Profit and loss account			396,050		361,323
Shareholders' Funds			398,050		363,323

In preparing the abbreviated accounts:

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

In preparing the company's annual financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The Abbreviated Accounts were approved by the Board on 31.12.96 and signed on its behalf by:



A.R. Kingsley
Director

E.R. KINGSLEY (TEXTILES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery etc	25% reducing balance
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1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

E.R. KINGSLEY (TEXTILES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

2 Fixed assets

	Total £
Cost	
At 1 January 1996	66,803
Additions	36,486
Disposals	(34,195)
At 31 December 1996	69,094
Depreciation	
At 1 January 1996	36,005
On disposals	(12,499)
Charge for the year	10,661
At 31 December 1996	34,167
Net book value	
At 31 December 1996	34,927
At 31 December 1995	30,798

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £52,387 (1995 - £19,966).

4 Share capital

	1996 £	1995 £
Authorised		
3,000 Ordinary shares of £1 each	3,000	3,000
Allotted, called up and fully paid		
2,000 Ordinary shares of £1 each	2,000	2,000