

REPORT OF THE AUDITORS TO THE DIRECTORS OFL. WOODHOUSE LIMITEDUNDER PARA 10 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 5 & 6 with the full Financial Statements of L. Woodhouse Limited for the year ended 30th September 1996. The scope of our work for the purpose of the Report was limited to confirming that the company is entitled to the exemptions claimed in the Director's Statement on page 4 and that the abbreviated accounts have been properly prepared from the full Financial Statements.

In our opinion the Company is entitled under Sections 246 & 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 30th September 1996 and the abbreviated accounts on pages 4 5 & 6 have been properly prepared in accordance with that schedule.

On 23 December 1996 we reported as Auditors of L. Woodhouse Limited to the members on the full Financial Statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th September 1996 and our audit report was as follows:

We have audited the Financial Statements on pages 3 to 9 which have been prepared in accordance with the accounting policies set out in Note 1.

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.

Opinion

In our opinion the Financial Statements give a true and fair view of the state of the Company's affairs as at 30th September 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.

Graham H. Wood
 GRAHAM H. WOOD & CO.
 CHARTERED ACCOUNTANTS
 REGISTERED AUDITORS
 225 MARKET STREET
 HYDE
 CHESHIRE
 23rd December 1996



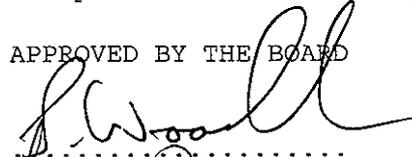
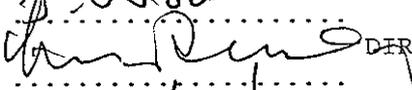
L. WOODHOUSE LIMITEDBALANCE SHEET AS AT 30TH SEPTEMBER 1996

<u>NOTE</u>		<u>1996</u>		<u>1995</u>
	£		£	£
	<u>FIXED ASSETS</u>			
8	Tangible Assets	62,588		51,031
	<u>CURRENT ASSETS</u>			
9	Stocks	33,600	27,785	
10	Debtors	68,081	63,772	
	Cash at Bank and in Hand	<u>46,474</u>	<u>3,044</u>	
		148,155	94,601	
11	<u>CREDITORS</u> : Amounts falling due within one year	<u>92,638</u>	<u>74,318</u>	
	<u>NET CURRENT ASSETS</u>	<u>55,517</u>		<u>20,283</u>
	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	118,105		71,314
12	<u>CREDITORS</u> : Amounts falling due after more than one year	<u>35,358</u>		<u>31,711</u>
		82,747		39,603
	<u>PROVISION FOR LIABILITIES & CHARGES</u>			
15	Deferred Taxation	<u>3,152</u>		<u>3,221</u>
		79,595		36,382
	<u>CAPITAL & RESERVES</u>			
16	Called Up Share Capital	500		500
	Profit & Loss Account	<u>79,095</u>		<u>35,882</u>
		79,595		36,382

In preparing these abbreviated accounts we have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and we have done so on the grounds that the Company is entitled to the benefit of those exemptions as a Small Company.

Advantage is taken in the preparation of the Financial Statements of the special exemptions applicable to Small Companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the Directors' opinion the Company is entitled to those exemptions as a Small Company.

APPROVED BY THE BOARD


.....
 DIRECTORS

S WOODHOUSE

L WOODHOUSE

DATE... 18/12/96...

L. WOODHOUSE LIMITEDNOTES TO THE ACCOUNTS1 ACCOUNTING POLICIES

The Accounts have been prepared under the Historical Cost Convention. Other Accounting Policies are stated in the text of the Notes to the Accounts as follows:

Depreciation	See Note	8
Stocks	"	9
Hire Purchase Contracts & Leases	"	13
Deferred Taxation	"	15
Pension Scheme	"	18

8 TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Alterations and Improvements</u>	<u>Fixtures and Equipment</u>	<u>TOTAL</u>
	£	£	£	£
Cost at 1.10.95	32,000	6,634	93,232	131,866
Additions at cost	24,050	-	9,893	33,943
Disposals at cost	(32,000)	-	-	(32,000)
Cost at 30.9.96	24,050	6,634	103,125	133,809
Depreciation: at 1.10.95	23,487	5,642	51,706	80,835
: for the year	6,012	148	7,713	13,873
: on disposals	(23,487)	-	-	(23,487)
: at 30.9.96	6,012	5,790	59,419	71,221
Written Down Values at 30.9.95	8,513	992	41,526	51,031
Written Down Values at 30.9.96	18,038	844	43,706	62,588

Depreciation

Tangible Fixed Assets are depreciated using the following methods and annual rates:

Motor Vehicles	25% reducing balance
Alterations & Improvements	10% straight line
Fixtures & Equipment	15% reducing balance

9 STOCKS

Stocks are valued at the lower of cost and estimated net realisable value.

L. WOODHOUSE LIMITEDNOTES TO THE ACCOUNTSCONTD/..2..

	<u>1996</u>	<u>1995</u>
	£	£
12 <u>CREDITORS</u> : Amounts falling due after more than one year		
Debts repayable by instalments in more than five years:		
Aggregate Liability	<u>31,711</u>	<u>33,932</u>
Instalments falling due in more than five years	<u>14,400</u>	<u>18,690</u>
13 <u>HIRE PURCHASE CONTRACTS & LEASES</u>		
<u>i) Hire Purchase Contracts</u>		
Assets held under these Agreements are capitalised at the date of the agreement at the present value of the minimum payments due under the agreement discounted at the rate of interest implicit in the agreement.		
Finance charges are allocated to accounting periods during the term of the agreement so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.		
<u>ii) Operating Leases</u>		
Rentals are charged on a straight line basis over the term of the Lease no account being taken of future unascertained variations.		
15 <u>DEFERRED TAXATION</u>		
Provision has been made at 24% using the liability method for Corporation Tax deferred due to:		
a) Tangible Fixed Assets being written off more rapidly for tax purposes than for accounting purposes, and		
b) Short term timing differences		
16 <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised, Allotted, Issued & Fully Paid</u>		
500 Ordinary Shares of £1 each	<u>500</u>	<u>500</u>
18 <u>PENSION SCHEME</u>		
Pension Costs charged against profits represent the amount of pension contributions payable to the defined contribution scheme for the year.		