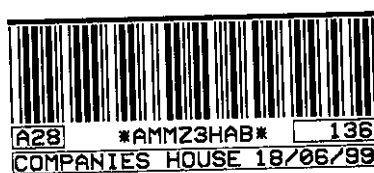


Company Number 891273

Carmal Enterprises Limited

Abbreviated Accounts
January 31, 1999

Davison and Shingleton
Chartered Accountants



D A V I S O N

C H A R T E R E D



S H I N G L E T O N

A C C O U N T A N T S

AUDITORS' REPORT TO CARMAL ENTERPRISES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the accounts of the company for the year ended January 31, 1999, prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Davison and Shingleton

Davison and Shingleton
Chartered Accountants
Registered Auditor

June 17, 1999

CARMAL ENTERPRISES LIMITED

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ABBREVIATED BALANCE SHEET AT JANUARY 31, 1999

	Notes	1999 £	1998 £
Fixed assets:			
Tangible assets	2	507,104	494,561
Current assets:			
Stocks		599,073	637,725
Debtors		377,522	306,315
Cash at bank and in hand		63,643	332,703
		1,040,238	1,276,743
Creditors: amounts falling due within one year	3	660,967	962,499
Net current assets		379,271	314,244
Total assets less current liabilities		886,375	808,805
Creditors: amounts falling due after more than one year	4	(225)	(2,926)
Provisions for liabilities and charges		(4,607)	(8,287)
		£881,543	£797,592
Capital and reserves:			
Called up share capital	5	175,000	175,000
Share premium		67,402	67,402
Capital redemption reserve		208,333	208,333
Profit and loss account		430,808	346,857
Equity shareholders' funds		£881,543	£797,592

The abbreviated balance sheet has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on June 8, 1999
and signed on its behalf by

C. Valentine.

C M Valentine
Director

The notes on pages 3 to 5 form parts of these accounts

NOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 19991. Accounting policiesAccounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold property	-	over the lease term
Furniture and office equipment	-	20% on a reducing balance basis
Motor vehicles	-	over 4 years
Computer equipment	-	over 3 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials and goods for resale	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

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

Hire purchase commitments

Assets held under hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

NOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 1999

(continued)

1. Accounting policies
(continued)

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

Pensions

The company contributes to the personal pension schemes of certain directors and senior managers. Contributions are charged to the profit and loss account as they become payable in accordance with the agreement reached with each individual director or senior manager.

2. Tangible fixed assets

	<i>Total</i> £
Cost or valuation:	
At February 1, 1998	927,970
Additions	77,067
Disposals	(43,013)

At January 31, 1999	962,024

Depreciation:	
At February 1, 1998	433,409
Provided during the	57,574
Disposals	(36,063)

At January 31, 1999	454,920

Net book value:	
At January 31, 1999	£507,104
	=====
At February 1, 1998	£494,561
	=====

The net book value of motor vehicles above includes an amount of £4,363 (1998 : £6,375) in respect of assets held under hire purchase agreements.

CARMAL ENTERPRISES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 1999

(continued)

3. Creditors: amounts falling due within one year

Included in creditors falling due within one year is the current portion of bank loan of £Nil (1998 : £10,073) and bank overdraft of £64,633 (1998 : £8,354) which are secured by a charge on the company's leasehold properties, a floating charge over the company's assets and a fixed charge over the company's book debts. Also included is the current portion of obligations under hire purchase agreements of £2,700 (1998: £2,165).

4. Creditors: amounts falling due after more than one year

Included in creditors amounts falling due after more than one year are obligations under hire purchase contracts of £225 (1998 : £2,926).

The hire purchase obligations are secured on the assets they are financing until fully paid.

5. Share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	1999	1998	1999	1998
	No.	No.	£	£
Equity shares:				
Ordinary shares of £1 each	175,000	175,000	175,000	175,000
Equity shares	175,000	175,000	175,000	175,000
Non-equity shares:				
Redeemable preference shares of £1 each	175,000	175,000	-	-
'A' Ordinary shares of £1 each	33,333	33,333	-	-
Non-equity shares	208,333	208,333	-	-
	383,333	383,333	£175,00	£175,000