

Company Number 891273

Carmal Enterprises Limited

Abbreviated Accounts
January 31, 1997

Davison and Shingleton
Chartered Accountants





**REPORT OF THE AUDITORS TO THE DIRECTORS OF CARMAL ENTERPRISES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 7 together with the annual accounts of Carmal Enterprises Limited prepared under section 226 of the Companies Act 1985 for the year ended January 31, 1997.

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 prepare abbreviated accounts and whether they 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 accounts, that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from those annual accounts. The scope of our work does not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the directors are 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 January 31, 1997 and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with Schedule 8 to that Act.

Other information

As auditors of the company, we reported to the members on June 13, 1997 on the annual accounts prepared under section 226 of the Companies Act 1985, and taking advantage of the provisions of the Companies Act applicable to small companies, for the year ended January 31, 1997 and our audit report was as follows:

"We have audited the accounts on pages 5 to 18, which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.



REPORT OF THE AUDITORS TO THE DIRECTORS OF CARMAL ENTERPRISES LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF THE COMPANIES ACT 1985
(continued)

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at January 31, 1997, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies."

Davison and Shingleton

Davison and Shingleton
Chartered Accountants
Registered Auditor

June 13, 1997

CARMAL ENTERPRISES LIMITEDABBREVIATED BALANCE SHEET AT JANUARY 31, 1997

| | Notes | 1997 £ | 1996 £ |
|---|-------|-----------|-----------|
| Fixed assets: | | | |
| Tangible assets | 2 | 976,563 | 1,053,091 |
| Current assets: | | | |
| Stocks | | 787,172 | 746,423 |
| Debtors | | 456,677 | 341,856 |
| Cash at bank and in hand | | 3,502 | 1,500 |
| | | 1,247,351 | 1,089,779 |
| Creditors: amounts falling due within one year | 3 | 1,255,012 | 1,218,937 |
| Net current liabilities | | (7,661) | (129,158) |
| Total assets less current liabilities | | 968,902 | 923,933 |
| Creditors: amounts falling due after more than one year | 4 | (10,089) | (29,797) |
| Provisions for liabilities and charges | | (19,438) | (30,940) |
| | | £939,375 | £863,196 |
| Capital and reserves: | | | |
| Called up share capital | | | |
| Equity shares | 5 | 175,000 | 175,000 |
| Non-equity shares | 5 | 158,333 | 208,333 |
| Share premium | | 67,402 | 67,402 |
| Revaluation reserve | | 263,995 | 280,002 |
| Capital redemption reserve | | 50,000 | - |
| Profit and loss account | | 224,645 | 132,459 |
| Shareholders' funds | 6 | £939,375 | £863,196 |

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 grounds that the company is entitled to the benefit of those exemptions as a small company.

In the preparation of the company's annual accounts, the directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

Approved by the Board on June 5, 1997
and signed on its behalf by

C. Valentine

C M Valentine
Director

The notes on pages 3 to 7 form parts of these accounts

CARMAL ENTERPRISES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 19971. Accounting policiesAccounting convention

The accounts are prepared under the historical cost convention, modified to include the revaluation of leasehold property, 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.

CARMAL ENTERPRISES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 1997

(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, 1996 | 1,362,588 |
| Additions | 25,922 |
| | ----- |
| At January 31, 1997 | 1,388,510 |
| | ----- |
| Depreciation: | |
| At February 1, 1996 | 309,497 |
| Provided during the year | 102,450 |
| | ----- |
| At January 31, 1997 | 411,947 |
| | ----- |
| Net book value: | |
| At January 31, 1997 | £976,563 |
| | ===== |
| At February 1, 1996 | £1,053,091 |
| | ===== |

The company's portfolio of leasehold properties were valued at the open market value for existing use, after the year end on April 1, 1996 by Lewis Doyle, a firm of Independent Chartered Surveyors.

CARMAL ENTERPRISES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 1997

(continued)

2. Tangible fixed assets
(continued)

The historical cost of the portfolio of short leasehold properties included at valuation, is as follows:

Cost:

| | |
|---------------------|----------|
| At January 31, 1997 | £632,715 |
| At February 1, 1996 | £632,715 |

Cumulative depreciation based on cost:

| | |
|---------------------|----------|
| At January 31, 1997 | £167,338 |
| At February 1, 1996 | £139,691 |

The net book value of motor vehicles above includes an amount of £13,605 (1996 : £20,353) in respect of assets held under hire purchase agreements.

3. Creditors: amounts falling due within one year

Included in creditors falling due within one year is the current portion of bank loan of £15,766 (1996 : £71,068) and bank overdraft of £535,144 (1996 : £457,565) 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.

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

Included in creditors amounts falling due after more than one year is a bank loan wholly repayable in instalments within five years of £8,476 (1996: £22,029). The loan is 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.

NOTES TO THE ABBREVIATED ACCOUNTS AT JANUARY 31, 1997

(continued)

5. Share capital

| | <i>Authorised</i> | | <i>Allotted, called up and fully paid</i> | |
|---|-------------------|-------------|---|-----------|
| | 1997 No. | 1996 No. | 1997 £ | 1996 £ |
| Equity shares: | | | | |
| Ordinary shares | 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 | 125,000 | 175,000 |
| 'A' Ordinary shares | 33,333 | 33,333 | 33,333 | 33,333 |
| Non-equity shares | 208,333 | 208,333 | 158,333 | 208,333 |
| | 383,333 | 383,333 | £333,333 | £383,333 |

The redeemable preference shares are redeemable, at par, in bi-annual instalments of 25,000 shares each, commencing November 30, 1995, although the initial redemption was not made until after the year March 1996.

On June 26, 1996 the redemption of preference shares due on May 31, 1996 and all subsequent bi-annual redemptions were deferred by the preference shareholder for six months. A similar deferral of the preference dividend due was also adopted on that date.

6. Shareholders funds

| | 1996 £ | 1995 £ |
|---|-----------|-----------|
| Attributable to equity shareholders | 781,042 | 654,863 |
| Attributable to non-equity shareholders | 158,333 | 208,333 |
| | £939,375 | £863,196 |

7. Related party transactions

During the year £5,833 of consultancy fees were paid to Terence Altham.