

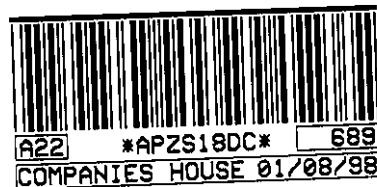
COMPANY NUMBER 1025421

CLAYPACK LIMITED

ABBREVIATED ACCOUNTS

for the year ended

30TH NOVEMBER, 1997



**MOORE THOMPSON
CHARTERED ACCOUNTANTS,
SPALDING.**



AUDITORS REPORT TO CLAYPACK LIMITED**PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Claypack Limited prepared under Section 226 of the Companies Act 1985 for the year ended 30th November, 1997.

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 the 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 the provisions and to report our opinion to you.

BASIS OF OPINION

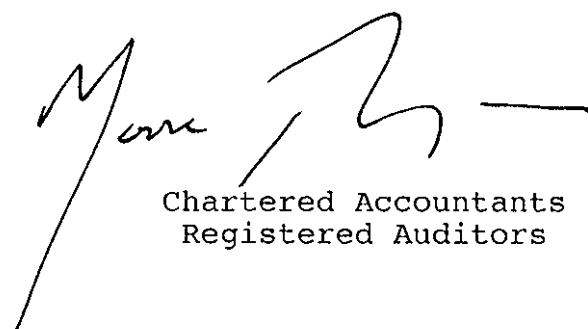
We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared. The scope of our work for the purpose of this report does 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 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 4 are properly prepared in accordance with those provisions.

SPALDING.

27th July 1998

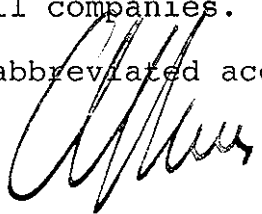
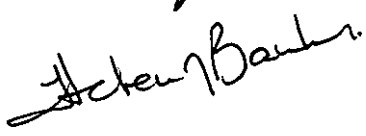

Chartered Accountants
Registered Auditors

CLAYPACK LIMITED**BALANCE SHEET****AS AT 30TH NOVEMBER, 1997**

	Note	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible assets	2	38112	15086
CURRENT ASSETS			
Stocks		76260	51253
Debtors		<u>83500</u>	<u>126371</u>
		159760	177624
CREDITORS:			
Amounts falling due within one year		<u>81403</u>	<u>53910</u>
NET CURRENT ASSETS		<u>78357</u>	<u>123714</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		116469	138800
PROVISIONS FOR LIABILITIES AND CHARGES		<u>1300</u>	<u>-</u>
		<u>115169</u>	<u>138800</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account		<u>115167</u>	<u>138798</u>
		<u>115169</u>	<u>138800</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These abbreviated accounts were approved by the directors on 24 July 1998


 C.H. BANKS)
 H.M. BANKS) Directors


CLAYPACK LIMITEDNOTES TO THE ABBREVIATED ACCOUNTSFOR THE YEAR ENDED 30TH NOVEMBER, 19971 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for smaller entities.

(b) Turnover

Turnover represents the invoiced amount of goods sold together with relevant subsidies, goods invoiced and services provided exclusive of value added tax.

(c) Arable area payment scheme

Monies received and receivable from the Ministry of Agriculture, Fisheries and Food in respect of the above scheme have been treated as a subsidy on sales. Where the whole of a relevant crop has been sold the whole of the related subsidy has been included in sales. Where only part or none of the crop has been sold the subsidy has been appropriately apportioned.

(d) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets by reducing annual instalments over their estimated useful lives at the following rates per annum :-

Plant and machinery	20%
Motor vehicles	25%

(e) Stocks

Stocks are estimated by the directors and are valued at the lower of cost, determined on a first in, first out basis, and net realisable value. Cost, in the case of products manufactured by the company, comprises direct materials and labour costs together with appropriate factory overheads.

The valuation of farming stocks and tenantry has been prepared and certified by a qualified valuer on the lower of actual cost of production and net realisable value.

(f) Deferred taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes, where such items arise.

(g) Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

CLAYPACK LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 30TH NOVEMBER, 1997****1 Accounting policies (cont.)****(h) Foreign currencies**

Current assets and liabilities in foreign currencies have been converted to sterling at the rates of exchange ruling at the balance sheet date. All other transactions in foreign currencies have been converted to sterling at the rates of exchange ruling at the date of satisfaction.

2 Tangible assets

	<u>Plant and machinery</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
Cost			
At beginning of year	41200	22653	63853
Additions	<u>17879</u>	<u>-</u>	<u>17879</u>
At end of year	<u>59079</u>	<u>22653</u>	<u>81732</u>
Depreciation			
At beginning of year	23792	11300	35092
Charge for the year	<u>5690</u>	<u>2838</u>	<u>8528</u>
At end of year	<u>29482</u>	<u>14138</u>	<u>43620</u>
Net book value			
At end of year	<u>29597</u>	<u>8515</u>	<u>38112</u>
At beginning of year	<u>3733</u>	<u>11353</u>	<u>15086</u>

Included in the total net book value of tangible fixed assets held at 30th November, 1997 was £Nil (1996-£4168) in respect of assets held under finance leases and hire purchase contracts.

3 Called up share capital

	<u>1997</u> £	<u>1996</u> £
Ordinary shares of £1 each :		
Authorised	<u>100</u>	<u>100</u>
Allotted, issued and fully paid	<u>2</u>	<u>2</u>

4 Directors interest in transactions

C.H. Banks, a director of this company, is also a director of J.W.E. Banks Limited. J.W.E. Banks Limited recharges, at cost, certain goods, services and management services to this company, the total amount recharged this year being £165380.