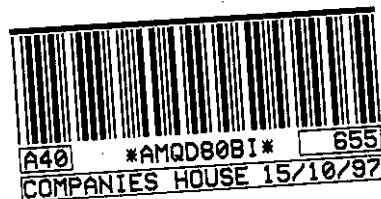


**K AND T BRAY LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**31 DECEMBER 1996**

**GARNERS**  
Chartered Accountants  
Bermuda House  
45 High Street, Hampton Wick  
Kingston upon Thames  
Surrey KT1 4EH



**K AND T BRAY LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

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Note:

The accountants report to the shareholders on page 1 was prepared in accordance with section 249C of the Companies Act 1985 and relates to the full statutory accounts presented to the shareholders. The page numbers referred to in that report do not therefore have any relevance to these abbreviated financial statements.

**K AND T BRAY LIMITED**  
**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 31 DECEMBER 1996**

We report on the unaudited accounts for the year ended 31 December 1996 set out on pages 3 to 10.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE REPORTING ACCOUNTANTS**

As described on page 5 the directors of the company are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

**BASIS OF OPINION**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**OPINION**

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1)(a) to (f).

Bermuda House  
45 High Street, Hampton Wick  
Kingston upon Thames  
Surrey KT1 4EH

GARNERS  
Chartered Accountants

10 September 1997

**K AND T BRAY LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 DECEMBER 1996**

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>	2		
Tangible assets		12,969	16,860
<b>CURRENT ASSETS</b>			
Stocks		37,518	39,436
Debtors		7,803	8,901
Cash at bank and in hand		433	554
		<u>45,754</u>	<u>48,891</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(49,197)</u>	<u>(43,356)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(3,443)	5,535
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>9,526</u>	<u>22,395</u>
<b>CREDITORS: Amounts falling due after more than one year</b>		<u>(62,086)</u>	<u>(55,479)</u>
<b>NET LIABILITIES</b>		<u>(52,560)</u>	<u>(33,084)</u>

The balance sheet continues on the following page.

The notes on pages 4 to 6 form part of these financial statements.

## K AND T BRAY LIMITED

## ABBREVIATED BALANCE SHEET (continued)

31 DECEMBER 1996

	Note	1996 £	1995 £
<b>CAPITAL AND RESERVES</b>			
Equity share capital	4	100,000	100,000
Profit and loss account		(152,560)	(133,084)
<b>DEFICIENCY</b>		<u>(52,560)</u>	<u>(33,084)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(2), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage of the abbreviated disclosure exemptions conferred by section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In preparing the annual accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in the opinion of the directors, the company qualifies as a small company.

These financial statements were approved by the directors on 10 September 1997, and are signed on their behalf by:

X   
D BRAY

X

**K AND T BRAY LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1996**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold premises	over remaining life of lease
Equipment	20% on net book value
Furniture & fittings	15% on net book value
Motor Vehicles	25% on net book value

**Stocks**

Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

## K AND T BRAY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1996

## 2. FIXED ASSETS

	Tangible Fixed Assets £
<b>COST</b>	
At 1 January 1996	49,923
Additions	611
At 31 December 1996	<u>50,534</u>
<b>DEPRECIATION</b>	
At 1 January 1996	33,063
Charge for year	4,502
At 31 December 1996	<u>37,565</u>
<b>NET BOOK VALUE</b>	
At 31 December 1996	<u>12,969</u>
At 31 December 1995	<u>16,860</u>

## 3. TRANSACTIONS WITH THE DIRECTORS

The bank loan and overdraft are personally guaranteed by Mr K.M. and Mrs D. Bray, who are directors.

## 4. SHARE CAPITAL

## Authorised share capital:

	1996 £	1995 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

## Allotted, called up and fully paid:

	1996 £	1995 £
Ordinary share capital brought forward	100,000	30,000
Issue of ordinary shares	-	70,000
	<u>100,000</u>	<u>100,000</u>

**K AND T BRAY LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 1996**

**5. GOING CONCERN**

Although the company has made further losses during the year to 31 December 1996, the directors consider that the companies activities will continue in the foreseeable future given their continuing support. The directors are continuing to strive to return the company to profitability and to this end have closed the company's warehouse and expect to negotiate a surrender of the lease.