

REGISTERED NUMBER: 1259746 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1997

FOR

CANTEEN SMITHY & ENGINEERING CO. LTD



CANTEEN SMITHY & ENGINEERING CO. LTD

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FOR THE YEAR ENDED 31 MAY 1997

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CANTEEN SMITHY & ENGINEERING CO. LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 1997

DIRECTORS:	K McNeill Mrs J F N B McNeill
SECRETARY:	Mrs J F N B McNeill
REGISTERED OFFICE:	Mitchell Street Todmorden Lancashire OL14 7DP
REGISTERED NUMBER:	1259746 (England and Wales)
AUDITORS:	Downham Train Epstein Chartered Accountants Registered Auditors DTE House Bury Lancashire BL9 8AT
BANKERS:	National Westminster Bank plc 6 Rochdale Road Todmorden Lancashire OL14 5AA

CANTEEN SMITHY & ENGINEERING CO. LTD

REPORT OF THE AUDITORS TO
CANTEEN SMITHY & ENGINEERING CO. LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages four to seven, together with the full financial statements of the company for the year ended 31 May 1997 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

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

Other information

On 4 March 1998 we reported, as auditors to the shareholders of the company on the financial statements for the year ended 31 May 1997 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements on pages four to fourteen which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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, except that the scope of our work was limited as explained below.

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 judgments 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 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. However the company did not undertake a year end stocktake at either 31 May 1997 or 1996 and, therefore, stock and work in progress have been included at a directors' valuation at both dates.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

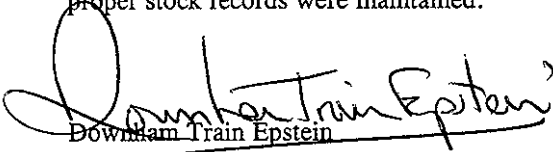
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Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock and work in progress valuations, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1997 and if its profits for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work on stock and work in progress we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we are unable to determine whether proper stock records were maintained."



Downham Train Epstein

~~Chartered Accountants~~

Registered Auditors

DTE House

Bury

Lancashire

BL9 8AT

Dated: 17 March 1998

CANTEEN SMITHY & ENGINEERING CO. LTD

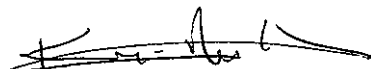
ABBREVIATED BALANCE SHEET
31 MAY 1997

		31.5.97		31.5.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		602,573		464,678
CURRENT ASSETS:					
Stocks		80,000		98,000	
Debtors		319,093		377,047	
		<u>399,093</u>		<u>475,047</u>	
CREDITORS: Amounts falling due within one year	3	<u>490,233</u>		<u>578,333</u>	
NET CURRENT LIABILITIES:			<u>(91,140)</u>		<u>(103,286)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			511,433		361,392
CREDITORS: Amounts falling due after more than one year	3		190,719		45,810
			<u>£320,714</u>		<u>£315,582</u>
CAPITAL AND RESERVES:					
Called up share capital	4		18,000		18,000
Share premium			2,414		2,414
Revaluation reserve			90,418		96,669
Capital redemption reserve			2,000		2,000
Profit and loss account			207,882		196,499
Shareholders' funds			<u>£320,714</u>		<u>£315,582</u>

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

ON BEHALF OF THE BOARD:

K McNeill - DIRECTOR



Approved by the Board on 3 March 1998

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	- 2.5% straight line on valuation
Plant and machinery	- 10% on reducing balance on valuation
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 15% on reducing balance

Stocks

Stock and work in progress has been included at a directors' valuation at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors on the balance sheet date, there is reasonable probability that the liability will not arise in the foreseeable future.

CANTEEN SMITHY & ENGINEERING CO. LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

2. TANGIBLE FIXED ASSETS

	Total
	£
COST OR VALUATION:	
At 1 June 1996	652,282
Additions	205,729
	<hr/>
At 31 May 1997	858,011
	<hr/>
DEPRECIATION:	
At 1 June 1996	187,604
Charge for year	67,834
	<hr/>
At 31 May 1997	255,438
	<hr/>
NET BOOK VALUE:	
At 31 May 1997	602,573
	<hr/>
At 31 May 1996	464,678
	<hr/>

3. CREDITORS

The following secured debts are included within creditors:

	31.5.97	31.5.96
	£	£
Bank overdrafts	182,025	88,099
Bank loans	8,921	12,575
Hire purchase contracts	184,106	34,146
	<hr/>	<hr/>
	375,052	134,820
	<hr/>	<hr/>

Creditors include the following debts falling due in more than five years:

	31.5.97	31.5.96
	£	£
Repayable otherwise than by instalments		
Allied Dunbar Loan	34,100	33,825
	<hr/>	<hr/>
Repayable by instalments		
Hire purchase	63,580	-
	<hr/>	<hr/>

CANTEEN SMITHY & ENGINEERING CO. LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

4. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.5.97	31.5.96
		value:	£	£
50,000	Ordinary	£1	50,000	50,000
			<u> </u>	<u> </u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.5.97	31.5.96
		value:	£	£
18,000	Ordinary	£1	18,000	18,000
			<u> </u>	<u> </u>

5. TRANSACTIONS WITH DIRECTORS

The company rents various properties from Canteen Smithy Executive Pension Scheme, a scheme in which the directors have an interest as both members and trustees. Rent is charged on normal commercial terms and the amount paid during the year and charged to the profit and loss account was £18,320 (1996 - £8,400).