

Registration No: 1299467

Eimeldingen (GB) Limited

REPORT & ACCOUNTS

Year ended 30 June 1996



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Directors

C E Davies
M A Fawcett

Secretary

J M Yates

Registered office

Emerson Court
Alderley Road
Wilmslow
Cheshire SK9 1NX

Auditors

Ernst & Young
Commercial Union House
Albert Square
Manchester M2 6LP

DIRECTORS' REPORT

The directors submit their report and the audited accounts for the year ended 30 June 1996.

1 Review of the business

The Company did not trade during the year having discontinued its activities at the end of 1993.

2 Directors' interests

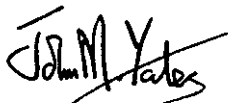
The names of the present directors are shown on page 1 each of whom served throughout the year. At the beginning and end of the year none of the directors or their families had any interest in the share capital of the company.

Messrs C E Davies and M A Fawcett are both directors of the ultimate parent undertaking, Graystone PLC, in whose accounts their interests in that company are shown.

3 Auditors

Ernst & Young have expressed their willingness to continue in office. A resolution proposing their appointment will be submitted at the annual general meeting.

Approved by the board
on 28 February 1997

A handwritten signature in black ink, appearing to read 'J M Yates', with a stylized flourish at the end.

J M Yates
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE AUDITORS TO THE MEMBERS OF
EIMELDINGEN (GB) LIMITED**

We have audited the accounts on pages 5 to 8 which have been prepared under the historic cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

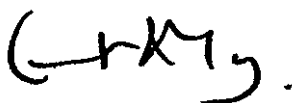
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 affairs of the company as at 30 June 1996 and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG
Chartered Accountants
Registered Auditor
Manchester

28 February 1997

Eimeldingen (GB) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1996

		30 June 1996 (12 months)	30 June 1995 (18 months)
	Notes	£	£
Administrative expenses		-	(4)
LOSS FOR THE YEAR	5	-	(4)

Recognised gains and losses

There are no recognised gains or losses other than the exchange gain of £13,652 (1995 - exchange loss of £45,609) in the year ended 30 June 1996 and the loss attributable to the shareholders of £4 in the period ended 30 June 1995.

Movements on reserves are set out in Note 5.

BALANCE SHEET

30 JUNE 1996

		30 June 1996	30 June 1995
	Notes	£	£
CREDITORS: amounts falling due within one year	2	(6,170)	(6,170)
CREDITORS: amounts falling due after more than one year	3	(416,281)	(429,933)
		<u>(422,451)</u>	<u>(436,103)</u>
 CAPITAL AND RESERVES			
Called up share capital	4	12,000	12,000
Profit and loss account	5	(434,451)	(448,103)
	6	<u>(422,451)</u>	<u>(436,103)</u>



M A Fawcett
28 February 1997

Eimeldingen (GB) Limited
NOTES TO THE ACCOUNTS
for the year ended 30 June 1996

1. Accounting policies

a. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b. Foreign currency translation

The amount owing to the holding company at 30 June has been translated at the year end exchange rate. The consequential profit or loss on exchange is taken directly to reserves.

2. Creditors: amounts falling due within one year

	30 June 1996 £	30 June 1995 £
Accrued expenses	6,733	6,733
Payments on behalf of holding company	(563)	(563)
	<u>6,170</u>	<u>6,170</u>

3. Creditors: amounts falling due after one year

	30 June 1996 £	30 June 1995 £
Holding company loan account	416,281	429,933

4. Called up share capital

	Authorised £	Allotted and fully paid £
£1 ordinary shares	12,000	12,000

5. Reserves

	Profit and loss account £
At 1 July 1995	(448,103)
Exchange differences	13,652
At 30 June 1996	<u>(434,451)</u>

6. Reconciliation of movements in shareholders' funds

	30 June 1996 £	30 June 1995 £
Loss for the year	-	(4)
Exchange differences	13,652	(45,609)
Opening shareholders' funds	(436,103)	(390,490)
Closing shareholders' funds	<u>(422,451)</u>	<u>(436,103)</u>

Eimeldingen (GB) Limited
NOTES TO THE ACCOUNTS
for the year ended 30 June 1996

7. Holding company

Amounts due to the holding company are as follows:

		30 June 1996	30 June 1995
		£	£
Loan account:	1995: DM101,400 @ 2.29	-	44,279
	1996: DM101,400 @ 2.3651	42,873	-
	1995: DM883,147 @ 2.29	-	385,654
	1996: DM883,147 @ 2.3651	373,408	-
		<u>416,281</u>	<u>429,933</u>

8. Ultimate parent company

The immediate parent company is Markgraflich Badische Industrierwaltung GmbH & Co which is incorporated in Germany.

Graystone PLC, which is registered in England and Wales, is now the company's ultimate parent company and copies of its group report and accounts can be obtained from its and the company's registered office at:

Emerson Court
Alderley Road
Wilmslow
Cheshire
SK9 1NX