

Registered in England Number: 1510978

COPY FOR REGISTRAR OF COMPANIES

OVALRING LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1996

Registered Office:

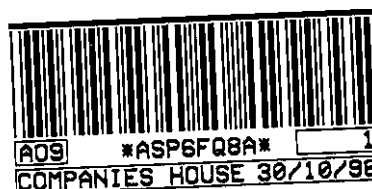
11 Stratford Road,
Shirley, Solihull,
West Midlands B90 3LU.

HAWKINS & CO.

Registered Auditors

Authorised Public Accountants

11 Stratford Road,
Shirley, Solihull,
West Midlands B90 3LU.



OVALRING LIMITED

DIRECTORS' REPORT

The Directors submit their report and the financial statements for the year ended 31st May 1996.

Principal Activity.

The principal activity of the Company during the year was that of printing self-adhesive labels. This is unchanged from the previous year.

Directors and their Interests.

The Directors and their interests in the Ordinary Share Capital of the Company were:-

	<u>At 31st May 1996</u>	<u>At 31st May 1995</u>
D.T. Smith - Chairman	1,550.	1,550.
S.M. Smith	1,450.	1,450.

There were no changes in the composition of the Board during the year. Under the Articles of Association of the Company, the Directors do not retire by rotation.

Small Company Exemptions.

The Directors have taken advantage, in the preparation of their Report, of the special exemptions applicable to small companies.

Approved by the Board on 4th September 1996

S.M. Smith.....(Company Secretary)
S.M. Smith

OVALRING LIMITED

ACCOUNTANTS' REPORT

TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS

OF OVALRING LIMITED

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

Respective Responsibilities of Directors and Reporting Accountant

As described on page 5 the Company's Directors 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.

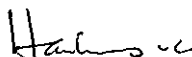
Basis of Opinion

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 the 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 provisions specified in section 249C(6) of the Act; and
 - ii. the Company satisfied the requirements for the 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 exemption specified in section 249B(1) (a) to (f).


HAWKINS & CO.
Reporting Accountants
(Registered Auditors
Authorised Public Accountants)

11 Stratford Road,
Shirley, Solihull,
West Midlands,
B90 3LU.

4th September 1996

OVALRING LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1996

		<u>1996.</u>	<u>1995.</u>
	<u>Note</u>	<u>£.</u>	<u>£.</u>
<u>Turnover.</u>	2	194,864.	182,075.
Cost of Sales.		(102,665)	(102,783)
		<hr/>	<hr/>
<u>Gross Profit.</u>		92,199.	79,292.
Distribution Costs.		(42,363)	(38,734)
Administrative Expenses.		(49,058)	(42,550)
		<hr/>	<hr/>
<u>Operating Profit (1995 Loss).</u>	3	778.	(1,992)
Interest Receivable and Similar Income.		7,811.	6,493.
Interest Payable and Similar Charges.		(2,285)	(3,806)
		<hr/>	<hr/>
<u>Profit on Ordinary Activities Before Taxation.</u>		6,304.	695.
Tax on Profit on Ordinary Activities.	4	(2,441)	(385)
		<hr/>	<hr/>
<u>Profit for the Financial Year on</u> <u>Ordinary Activities After Taxation</u>		3,863.	310.
Dividends.	5	(3,000)	-.
		<hr/>	<hr/>
<u>Retained Profit for the Year.</u>	12	<u>£863.</u>	<u>£310.</u>

All of the operations undertaken by the Company during the current and preceding years are continuing operations.

The Company has no recognised gains or losses for the year other than the profit for the year.

The notes on pages 6 to 10 form an integral part of these financial statements.

OVALRING LIMITED

BALANCE SHEET

AS AT 31ST MAY 1996

		<u>1996.</u>	<u>1995.</u>
	<u>Note</u>	<u>£.</u>	<u>£.</u>
<u>Fixed Assets.</u>			
Tangible Assets.	6	15,261.	17,643.
		<hr/>	<hr/>
<u>Current Assets.</u>			
Stocks.		3,667.	3,331.
Debtors.	7	43,751.	48,365.
Cash at Bank and in Hand.		170,629.	128,335.
		<hr/>	<hr/>
		218,047.	180,031.
<u>Creditors: Amounts falling due</u> <u>within one year.</u>	8	(216,427)	(181,603)
		<hr/>	<hr/>
<u>Net Current Assets (1995 Liabilities).</u>		1,620.	(1,572)
		<hr/>	<hr/>
<u>Total Assets Less Current Liabilities.</u>		16,881.	16,071.
<u>Provision for Liabilities and Charges.</u>	9	-.	(53)
		<hr/>	<hr/>
<u>Total Net Assets Employed.</u>		£16,881.	£16,018.
		<hr/>	<hr/>
<u>Capital and Reserves.</u>			
Called Up Share Capital.	10	3,000.	3,000.
Profit & Loss Account.	12	13,881.	13,018.
		<hr/>	<hr/>
<u>Total Shareholders' Funds.</u>		£16,881.	£16,018.
		<hr/>	<hr/>

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The notes on pages 6 to 10 form an integral part of these financial statements.

OVALRING LIMITED

BALANCE SHEET (Continued)

AS AT 31ST MAY 1996

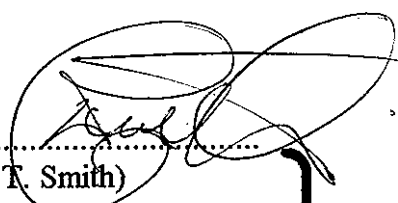
The Directors are satisfied that the Company was entitled to exemption under subsection (2) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

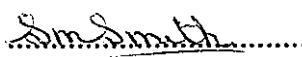
The Directors acknowledges their responsibilities for:

- i. ensuring that the company keeps accounting records which comply with section 221; 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 requirements of the Act relating to accounts, so far as applicable to the company.

The Directors have taken advantage, in the preparation of the financial statements, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the Directors, the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the Board on 4th September 1996


.....
(D.T. Smith)


.....
(S.M. Smith)

} DIRECTORS

The notes on pages 6 to 10 form an integral part of these financial statements.

OVALRING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1996

1. Accounting Policies.

The following statements outline the main accounting policies of the Company.

Basis of Accounting. The Historical Cost Convention is used for the preparation of the financial statements.

Cash Flow Statement. The Company qualifies as a small Company under the Companies Act 1985. The Directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Stocks. Stocks are valued at the lower of cost and net realisable value. Cost is on a first-in, first-out basis while net realisable value is based on estimated selling price.

Work-in-Progress. Work-in-progress is valued at the lower of cost and net realisable value. Cost includes all direct expenditure and attributable overheads. Net realisable value is based on estimated selling price.

Depreciation. Depreciation is provided on all Tangible Fixed Assets at the undernoted rates which are calculated to write off the cost over the estimated economic life of each asset.

Leasehold Property	-	over the lease term.
Plant and Machinery	-	15% p.a. on reducing balance.

Hire Purchase and Lease Commitments. Assets obtained under Hire Purchase Contracts and Leasing Agreements (finance leases) are capitalised in the Balance Sheet and depreciated as stated above. The present value of future rentals is shown as a liability. The interest element of the contracts is charged to Profit & Loss account in constant proportion to the balance of capital payments outstanding. Operating lease rentals are charged to Profit & Loss account as incurred.

Pensions. The Company has a defined Contribution Pension Scheme. The cost of the contributions made by the Company to the Scheme are charged to Profit & Loss account as incurred.

Taxation. The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

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OVALRING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MAY 1996

2. Turnover.

Turnover represents the invoiced amount of goods sold less returns, exclusive of Value Added Tax, and is wholly within the United Kingdom.

3. Operating Profit (1995 Loss).

This is stated after charging:-

	<u>1996.</u>	<u>1995.</u>
	<u>£.</u>	<u>£.</u>
Directors' Emoluments for Management Services.	63,400.	57,400.
Depreciation on Tangible Fixed Assets.	2,996.	3,616.
Operating Lease Rentals - Plant and Machinery.	-	374.
Pension Costs.	11,400.	5,400.
	<u> </u>	<u> </u>

4. Tax On Profit On Ordinary Activities.

	<u>1996.</u>	<u>1995.</u>
	<u>£.</u>	<u>£.</u>
Corporation Tax at 24.85% (1995 25%).	2,494.	1,487.
Deferred Tax Computed at 24% (1995 25%).	(53)	(1,102)
	<u> </u>	<u> </u>
	<u>£2,441.</u>	<u>£385.</u>

5. Dividends.

	<u>1996.</u>	<u>1995.</u>
Ordinary Shares:-		
Interim paid in year at £1 (1995 Nil) per share.	<u>£3,000.</u>	<u>£-.</u>

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OVALRING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MAY 1996

6. Tangible Fixed Assets.

	<u>Total</u>	<u>Improvements to Leasehold Property</u>	<u>Plant & Machinery</u>
	<u>£.</u>	<u>£.</u>	<u>£.</u>
<u>Cost.</u>			
At 31 st May 1995.	51,018.	10,280.	40,738.
Additions.	614.	-.	614.
Disposals.	(144)	-.	(144)
	<hr/>	<hr/>	<hr/>
At 31 st May 1996.	£51,488.	10,280.	41,208.
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Depreciation.</u>			
At 31 st May 1995.	33,375.	8,680.	24,695.
Provided this Year.	2,996.	534.	2,462.
Disposals.	(144)	-.	(144)
	<hr/>	<hr/>	<hr/>
At 31 st May 1996.	£36,227.	9,214.	27,013.
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>Net Book Value.</u>			
At 31 st May 1996.	£15,261.	1,066.	14,195.
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 st May 1995.	£17,643.	1,600.	16,043.
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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OVALRING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MAY 1996

7. Debtors.

	<u>1996.</u>	<u>1995.</u>
	<u>£.</u>	<u>£.</u>
Trade Debtors.	43,131.	47,031.
Other Debtors.	620.	1,334.
	<hr/>	<hr/>
	<u>£43,751.</u>	<u>£48,365.</u>

8. Creditors: Amounts Falling Due Within One Year.

	<u>1996.</u>	<u>1995.</u>
	<u>£.</u>	<u>£.</u>
Trade Creditors.	21,514.	15,160.
Corporation Tax.	2,494.	1,487.
Other Taxes and Social Security.	4,008.	4,024.
Other Creditors.	188,411.	160,932.
	<hr/>	<hr/>
	<u>£216,427.</u>	<u>£181,603.</u>

9. Deferred Taxation.

Movement in Deferred Taxation in the year:

	<u>£.</u>
At 31 st May 1995.	53.
Transfer to Profit & Loss Account.	(53)
	<hr/>

At 31st May 1996.

£Nil.

	<u>1996.</u>	<u>1995.</u>
	<u>£.</u>	<u>£.</u>
Provided for:-		
Short Term Timing Differences.	(2,494)	(2,234)
Accelerated Capital Allowances.	2,494.	2,287.
	<hr/>	<hr/>
	<u>£Nil.</u>	<u>£53.</u>

The full potential liability to deferred taxation has been provided for.

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OVALRING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST MAY 1996

10. Share Capital.

	<u>1996.</u>	<u>1995.</u>
Authorised:-		
10,000 Shares of £1 each.	<u>£10,000.</u>	<u>£10,000.</u>
Allotted, Called Up and Fully Paid:-		
3,000 Ordinary Shares of £1 each.	<u>£3,000.</u>	<u>£3,000.</u>

11. Reconciliation Of Movements In Shareholders' Funds.

	<u>1996.</u>	<u>1995.</u>
	<u>£.</u>	<u>£.</u>
Profit for the Financial Year.	3,863.	310.
Dividend.	3,000.	-.
	<u>863.</u>	<u>310.</u>
Net additions to Shareholders' Funds.	16,018.	15,708.
Opening Shareholders' Funds.		
	<u>£16,881.</u>	<u>£16,018.</u>

12. Profit & Loss Account.

	<u>£.</u>
At 31 st May 1995.	13,018.
Retained Profit for the Year.	863.
	<u> </u>
At 31 st May 1996.	<u>£13,881.</u>