

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF

MAT SERVICES LIMITED

185 33 75

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of Mat Services Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st January 2001.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing 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 abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Act to the registrar of companies and whether the accounts 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been 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 financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



DAVIES, EDWARDS & CO.  
Registered Auditor and  
Chartered Certified  
Accountants

West Lodge  
Rainbow Street  
Leominster  
Herefordshire  
HR6 8DQ

Date .31st August, 2001



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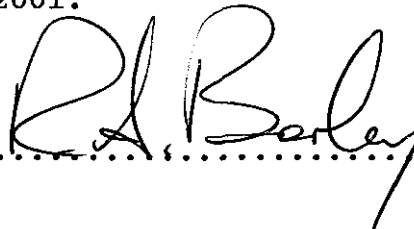
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MAT SERVICES LIMITED  
ABBREVIATED BALANCE SHEET AS AT  
31ST JANUARY 2001

		2001 £	2000 £
	<u>Note</u>		
<u>Fixed Assets</u>			
Tangible Assets	2	20,014	21,955
<u>Current Assets</u>			
Stocks		32,690	49,588
Debtors		105,806	50,510
Cash at Bank and in Hand		305,341	133,039
		<u>443,837</u>	<u>233,137</u>
<u>Current Liabilities</u>			
Creditors - Amounts falling due Within One Year	3	<u>109,766</u>	<u>77,618</u>
<u>Net Current Assets</u>		334,071	155,519
<u>Total Assets less Current Liabilities</u>		<u>354,085</u>	<u>177,474</u>
<u>Capital and Reserves</u>			
Called up Share Capital		100	100
Profit and Loss Account	4	353,985	177,374
		<u>354,085</u>	<u>177,474</u>

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

These accounts were approved by the Board of Directors on 30th August, 2001.



Company Number 1853375

England and Wales

..... R A Borley - Director

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST JANUARY 2001

1. Accounting Policies

Accounting convention - the financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is continuing and is as described in the Directors report. The company has taken advantage of the exemption in F R S 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The principal accounting policies have remained unchanged and are set out below:

Depreciation - is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as disclosed below:

Leasehold Property	- 8.33% reducing balance basis
Office Equipment	- 25% reducing balance basis
Plant and Machinery	- 25% reducing balance basis
Motor Vehicles	- 25% reducing balance basis

Stocks and Work in Progress - are stated at the lower of cost and net realisable value, being cost incurred in bringing each product to its present location and condition and net realisable value based on estimated selling price less further costs expected to be incurred in completion and disposal as follows:

Raw materials and consumables - purchase cost on a first in, first out basis.

Taxation - The charge is based on the results for the accounting period as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expenses in a different accounting period from that which they are recognised in the accounts. The tax effect of other timing differences as reduced by the tax benefit of any accumulated losses is treated as a deferred tax liability.

Leasing and Hire Purchase Arrangements - Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis.

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

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST JANUARY 2001

2. Tangible Fixed Assets

	<u>Leasehold Property</u>	<u>Office Equipment</u>	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost					
Balance 31.01.00	3,780	8,452	17,082	36,345	65,659
Additions	—	—	—	7,015	7,015
Disposals	—	—	—	(10,995)	(10,995)
Balance 31.01.01	3,780	8,452	17,082	32,365	61,679
Depreciation					
Balance 31.01.00	2,232	5,121	15,720	20,631	43,704
Charge for the Year	129	845	342	5,031	6,347
Eliminated on Disposal	—	—	—	(8,386)	(8,386)
Balance 31.01.01	2,361	5,966	16,062	17,276	41,665
N B V 31.01.01	1,419	2,486	1,020	15,089	20,014
N B V 31.01.00	1,548	3,331	1,362	15,714	21,955

3. Creditors - Amounts falling due Within One Year

The bank overdraft of £16,871 (2000 - £6,772) is secured on the assets of the company.

4. Called up Share Capital

Authorised - 100 £1 Ordinary shares  
 Issued and Fully Paid - 100 shares

There has been no alteration in the share capital of the company during the year.

THESE NOTES FORM AN INTEGRAL PART OF THE ACCOUNTS