

1901208

AUDITORS' REPORT TO  
JOHN CLARK VALVES LIMITED  
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of John Clark Valves Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1997.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Schedule 8A to that Act, in respect of the year ended 31st March 1997 and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that Schedule.

1a Allison Street,  
Stockton on Tees.  
TS18 2EW

2nd June 1997

*Nesham & Co*  
Nesham & Co.  
Chartered Accountants  
Registered Auditors



JOHN CLARK VALVES LIMITED  
BALANCE SHEET  
AS AT 31ST MARCH 1997

	Notes	£	1997	£	1996	£
<u>FIXED ASSETS</u>	2		28,209		7,357	
<u>CURRENT ASSETS</u>						
Stock		51,039		60,506		
Sundry debtors		151,337		206,236		
Cash in hand and at bank		40,063		77		
		-----		-----		
		242,439		266,819		
		=====		=====		
<u>CREDITORS</u>						
Amounts falling due within one year		202,646		217,292		
		=====		=====		
<u>NET CURRENT ASSETS</u>			39,793		49,527	
			-----		-----	
			68,002		56,884	
<u>CREDITORS</u>						
Amounts falling due after more than one year			4,563		-	
			-----		-----	
<u>TOTAL NET ASSETS</u>			£ 63,439		£ 56,884	
			=====		=====	
Financed by:						
<u>CAPITAL AND RESERVES</u>						
Called up share capital	4		100		100	
Profit and loss account			63,339		56,784	
			-----		-----	
<u>SHAREHOLDERS' FUNDS</u>			£ 63,439		£ 56,884	
			=====		=====	

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

These financial statements were approved on behalf of the board on 19th May 1997.

..... Director

The notes on pages 3 and 4 form an integral part of these financial statements.

JOHN CLARK VALVES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1997

1. ACCOUNTING POLICIES

- (a) Accounting conventions  
The financial statements are prepared under the historical cost convention.
- (b) Turnover  
Turnover represents the invoiced amounts of goods and services provided, net of value added tax.
- (c) Depreciation  
Depreciation is computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:
- Plant & machinery - 10% per annum on straight line basis  
Motor Vehicles - 25% per annum on reducing balance basis
- (d) Stocks  
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.
- (e) Deferred taxation  
No provision has been made for deferred tax as it is not considered necessary.
- (f) Leasing  
Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

2. TANGIBLE FIXED ASSETS

	<u>Total</u> £
<u>Cost or valuation</u>	
At 1st April 1996	17,631
Additions	24,100
Disposals	(929)
	-----
At 31st March 1997	40,802
	-----
<u>Depreciation</u>	
At 1st April 1996	10,274
Charge for year	2,424
On disposals	(105)
	-----
At 31st March 1997	12,593
	-----
<u>Net book value</u>	
At 31st March 1997	£ 28,209
	=====
<u>Net book value</u>	
At 31st March 1996	£ 7,357
	=====

JOHN CLARK VALVES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1997

3. OPERATING PROFIT

	<u>1997</u>	<u>1996</u>
	£	£
This is stated after charging:		
Auditors' remuneration	3,970	3,155
	=====	=====

4. SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised, 100,000 ordinary shares of £1 each	100,000	100,000
	=====	=====
Allotted, issued and fully paid 100 ordinary shares of £1 each	100	100
	=====	=====

5. TRANSACTIONS WITH DIRECTORS

The financial statements include the sum of £5,500 paid to Mr. and Mrs. Roberts for vehicles sold to the company.