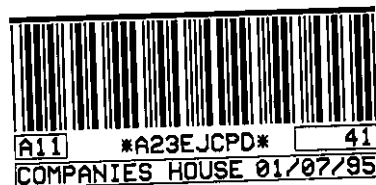


DIVIDERS LIMITED

FINANCIAL STATEMENTS AND REPORTS

31st DECEMBER, 1994



AUDITORS' REPORT TO
DIVIDERS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 1 to 5 together with the financial statements of Dividers Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December, 1994.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 1 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 the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December, 1994, and the abbreviated accounts on pages 1 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 24th May, 1995 we reported, as auditors of Dividers Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December, 1994 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of the directors and auditors

As described on page 3 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.

/continued

AUDITORS' REPORT TO

DIVIDERS LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8

TO THE COMPANIES ACT 1985 (CONTINUED)

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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

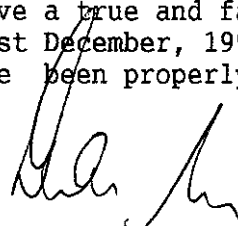
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental Uncertainty

In forming our opinion we have considered the applicability of the going concern basis to the company. As stated in the accounting policies on pages 6 and 7, the company depends upon the continued support of its bankers and group undertakings. Should this support not be forthcoming, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to reclassify fixed assets and long-term liabilities as current assets and liabilities. Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



DUTTON MOORE ATKIN GILBERT

CHARTERED ACCOUNTANTS AND

REGISTERED AUDITORS

HULL
24th MAY, 1995

DIVIDERS LIMITED

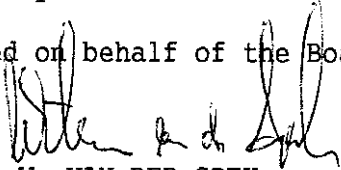
BALANCE SHEET AS AT 31st DECEMBER, 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
<u>FIXED ASSETS</u>			
Intangible Assets	7	14,668	18,668
Tangible Assets	7	14,651	17,658
		<hr/>	<hr/>
		29,319	36,326
<u>CURRENT ASSETS</u>			
Stocks		11,607	18,535
Debtors	3	158,134	129,786
Cash at Bank and in Hand		-	286
		<hr/>	<hr/>
		169,741	148,607
<u>CREDITORS: amounts falling due within one year</u>	4	(216,701)	(176,455)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(46,960)	(27,848)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(17,641)	8,478
<u>CREDITORS: amounts falling due after more than one year</u>	4	(3,174)	(7,775)
		<hr/>	<hr/>
		£(20,815)	£ 703
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	2	25,000	25,000
Profit and Loss Account		(45,815)	(24,297)
		<hr/>	<hr/>
		£(20,815)	£ 703
		<hr/>	<hr/>

In preparing these abbreviated accounts:

- a) We have relied upon the exemptions for individual accounts conferred by Section A of Part III of Schedule 8 of the Companies Act 1985.
- b) We have done so on the grounds that the company is entitled to the benefit of these exemptions as a small company.

Approved on behalf of the Board


 W. VAN DER SPEK
 Director

Dated: 24th MAY, 1995

DIVIDERS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1994

1. Principal Accounting Policies:-

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

- a) Accounts have been prepared under the Historical Cost convention.
- b) Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful lives. The rates applied are as follows:

Motor Vehicles	25% on cost
Office Equipment	20% on cost

- c) Work in Progress is valued at the lower of Cost and Net Realisable Value. Net Realisable Value is based on estimated selling price, less further costs to completion and disposal.
- d) Foreign Currencies
Current assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, and any differences are treated as operating costs.
- e) Hire Purchase/Finance Lease Commitments
Assets obtained under either hire purchase or finance lease contracts are capitalised in the Balance Sheet and depreciated over their useful lives

The interest element of the agreements is charged to the profit and loss account using the sum-of-the-digits method.
- f) Deferred Tax
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, there is reasonable probability that the liability will not arise in the foreseeable future. No provision is made for deferred taxation on timing differences arising from the provision of employee pensions.

DIVIDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

1. Principal Accounting Policies:-

Basis of Accounting (Continued)

g) Goodwill

Purchased goodwill is being amortised over 10 years on a straight line basis, and is charged against profits/losses for the year.

h) Pension Contributions

Contributions to the company's defined benefit scheme are charged to the profit and loss account in the year in which they become payable.

i) Going Concern

The accounts have been prepared on a going concern basis. This basis may not be appropriate because the company incurred a loss for the year and at 31st December, 1994 the company's current liabilities exceeded its current assets by £46,960. Provided there is continued support from the company's bankers and group undertakings then this basis is appropriate.

2. Called Up Share Capital

Authorised, Issued and Fully Paid:

25,000 Ordinary £1 Shares

£25,000

£25,000

3. Debtors

1994

1993

Trade Debtors

£158,134

£129,786

4. Creditors

Amounts falling due within one year:

Bank Overdraft

9,645

-

Trade Creditors and Accruals

50,144

55,664

Amounts due to Group Undertakings

118,268

88,397

Other Taxes

28,482

16,291

Hire Purchase

5,872

6,533

Amounts invoiced on Work in Progress

4,290

9,570

£216,701

£176,455

Amounts falling due after more than one year:

Hire Purchase

£3,174

£7,775

DIVIDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

5. Bank Security

The bank overdraft is secured by a fixed and floating charge over the assets of the company. A cross guarantee has also been given by a subsidiary undertaking, Envirodoor Markus Limited.

6. Contingent Liabilities

During the year the company entered into a bank cross guarantee with a group undertaking, Envirodoor Markus Limited, whereby each company guarantees the bank borrowings of each other.

At the year end date the total bank borrowings of Envirodoor Markus Limited amounted to £131,012.

7. Fixed Assets

Tangible Assets	Office Equipment	Motor Vehicles	Total
<u>COST</u>			
Brought forward	-	20,181	20,181
Additions in Year	2,124	-	2,124
	<hr/>	<hr/>	<hr/>
As at 31st December, 1993	£2,124	£20,181	£22,305
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
Brought forward	-	2,523	2,523
Charge for the Year	86	5,045	5,131
	<hr/>	<hr/>	<hr/>
As at 31st December, 1994	£86	£7,568	£7,654
	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>			
At 31st December, 1994	£2,038	£12,613	£14,651
	<hr/>	<hr/>	<hr/>
At 31st December, 1993	£ -	£17,658	£17,658
	<hr/>	<hr/>	<hr/>

Motor Vehicles comprise of an asset which is subject to a hire purchase agreement a net book value of £12,613 at the year end. Depreciation charged on this amounted to £5,045.

DIVIDERS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

7. Fixed Assets (Continued)

<u>Intangible Assets</u>	<u>Goodwill</u>
<u>COST</u>	
At 1st January, 1994 and 31st December, 1994	£40,000
<u>AMORTISATION</u>	
Brought forward	21,332
Charge for the Year	4,000
	<hr/>
As at 31st December, 1994	£25,332
<u>NET BOOK VALUE</u>	
At 31st December, 1994	£14,668
	<hr/>
At 31st December, 1993	£18,668
	<hr/>