

SPECIAL REPORT OF THE AUDITORS TO EDGWARE PRINTERS & STATIONERS LIMITED

(UNDER SECTION 247B OF THE COMPANIES ACT 1985)

COMPANY NUMBER: 2421171

We have examined the abbreviated Accounts on pages 2 to 5, together with the annual accounts of the company for the year ended 31st December 1998, prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

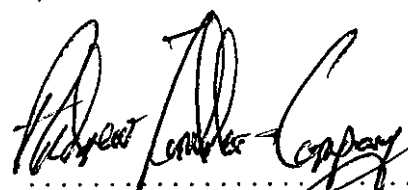
The Directors are responsible for preparing the abbreviated Accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated Accounts prepared in accordance with Sections 246 (5) and (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

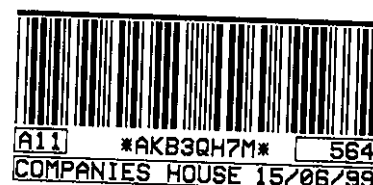
We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated Accounts and that the abbreviated Accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

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 5 are properly prepared in accordance with those provisions.

  
ANDREW ZIMBLER & COMPANY  
CHARTERED ACCOUNTANTS &  
REGISTERED AUDITORS  
49 WATFORD WAY  
HENDON  
LONDON NW4 3JH

Dated this 14th day of JUNE 1999



EDGWARE PRINTERS & STATIONERS LIMITED

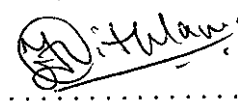
ABBREVIATED BALANCE SHEET

AS AT 31ST DECEMBER 1998

	<u>Note</u>	<u>1997</u>	<u>1998</u>
<u>FIXED ASSETS</u>			
Tangible Assets	(2)	4703	12018
<u>CURRENT ASSETS</u>			
Stock	(1)	24908	25212
Debtors		34233	54276
Cash at Bank and in Hand		57075	31968
Loan		-	59000
		<u>116216</u>	<u>170456</u>
<u>CREDITORS</u> : Amounts falling due within one year		<u>41457</u>	<u>51119</u>
<u>NET CURRENT ASSETS</u>		<u>74759</u>	<u>119337</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>£ 79462</u>	<u>£131355</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(3)	100	100
Profit and Loss Account		79362	131255
		<u>£ 79462</u>	<u>£131355</u>

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

..........DIRECTOR - K H VITHLANI

..........DIRECTOR - Y H VITHLANI

Dated this 11th day of JUNE 1999

EDGWARE PRINTERS & STATIONERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

AT 31ST DECEMBER 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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 evenly over its expected useful life, as follows:

Furniture, Fixtures & Fittings	- at 25% per annum on reducing balance
Motor Vehicle	- at 25% per annum on reducing balance
Equipment	- at 25% per annum on reducing balance

Stock

Stock is stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred tax assets are only recognised if they are expected to be recoverable without replacement by equivalent debit balances.

EDGWARE PRINTERS & STATIONERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

AT 31ST DECEMBER 1998

ACCOUNTING POLICIES (CONTINUED)

Leasing and Hire Purchase Commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contributions pensions scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TANGIBLE FIXED ASSETS

	<u>TOTAL</u>
<u>Cost</u>	
At 1st January 1998	22260
Additions	10580
Disposals	-
	<hr/>
At 31st December 1998	£ 32840
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<u>Depreciation</u>	
At 1st January 1998	17557
Provided during the year	3265
Disposals	-
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At 31st December 1998	£ 20822
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<u>Net Book Value</u>	
At 31st December 1998	£ 12018
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At 1st January 1998	£ 4703
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EDGWARE PRINTERS & STATIONERS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

AT 31ST DECEMBER 1997

3. CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1998</u>
Authorised		
100 Ordinary Shares of £1 each	£ 100	£ 100
	===	===
Issued and Fully Paid		
100 Ordinary Shares of £1 each	£ 100	£ 100
	===	===