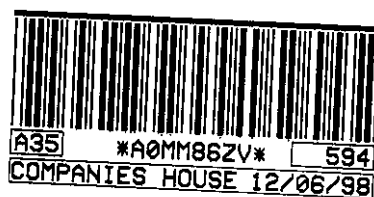


STAFFORDSHIRE CLAYS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST DECEMBER 1997

Registered number: 2589218



DEAN STATHAM
CHARTERED ACCOUNTANTS
Staffordshire

STAFFORDSHIRE CLAYS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st December 1997

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STAFFORDSHIRE CLAYS LIMITED

Auditors' report to
Staffordshire Clays Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 31st December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.



Dean Statham
Chartered Accountants and
Registered Auditor
29 King Street
Newcastle-under-Lyme
Staffordshire
ST5 1ER

Dated

9/6/98

STAFFORDSHIRE CLAYS LIMITED

ABBREVIATED BALANCE SHEET

at 31st December 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Tangible assets	2		262,611		256,767
Current assets					
Stocks		58,111		23,678	
Debtors		83,562		63,653	
Cash at bank and in hand		194		25	
			141,867		87,356
Creditors: amounts falling due within one year	3	(211,179)		(293,940)	
Net current liabilities			(69,312)		(206,584)
Total assets less current liabilities			193,299		50,183
Creditors: amounts falling due after more than one year	3		(126,877)		(35,455)
Provision for liabilities and charges			(6,000)		-
			60,422		14,728
Capital and reserves					
Called up share capital	4		12,000		12,000
Profit and loss account			48,422		2,728
Total shareholders' funds			60,422		14,728

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

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 4-6-98 and signed on its behalf by:

J. Hinks
Chairman



STAFFORDSHIRE CLAYS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Plant and machinery	15% on net book value
Office equipment	15% on net book value

Depreciation has not been provided on freehold land and buildings as it is the opinion of the directors that the continued upkeep of the buildings maintains their economic useful life and value.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

STAFFORDSHIRE CLAYS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

2 Fixed assets

	Tangible fixed assets £
Cost	
1st January 1997	312,802
Additions	19,289
31st December 1997	<u>332,091</u>
Depreciation	
1st January 1997	56,035
Charge for year	13,445
31st December 1997	<u>69,480</u>
Net book amount	
31st December 1997	<u>262,611</u>
1st January 1997	<u>256,767</u>

3 Creditors:

Included in creditors is a bank overdraft of £37,462 (1996 - £31,395), and a bank loan of £126,615 (1996 - £124,296), which are secured.

	1997 £	1996 £
Creditors include the following amounts:		
Amounts falling due after more than five years:		
Bank loans	<u>108,683</u>	<u>-</u>

STAFFORDSHIRE CLAYS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st December 1997

4 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>