

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS

We report on the accounts for the year ended 31st July 1996 set out on pages 3 to 8.

Respective responsibilities of Directors and Reporting Accountants

As described on page 4 the company's Directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

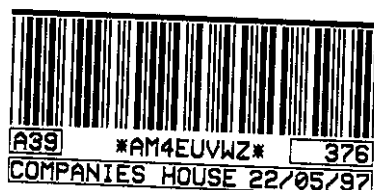
Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion :

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985 ;
- b) having regard only to, and on the basis of, the information contained in those accounting records :
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



PARKER GRADWELL & CO.

Chartered Accountants

21st May 1997

17 Chapel Street, Hyde, Cheshire.

CHESHIRE PRESSINGS LIMITEDABBREVIATED BALANCE SHEET AT 31ST JULY 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
<u>FIXED ASSETS</u>			
Tangible assets	2	58,606	48,098
<u>CURRENT ASSETS</u>			
Stocks		16,293	19,149
Debtors		<u>40,542</u>	<u>45,425</u>
		56,835	64,574
<u>CREDITORS</u> : Amounts falling due within one year		<u>(105,813)</u>	<u>(120,889)</u>
NET CURRENT LIABILITIES		<u>48,978</u>	<u>56,315</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,628	(8,217)
<u>CREDITORS</u> : Amounts falling due after more than one year		<u>(14,146)</u>	<u>(2,996)</u>
NET LIABILITIES		<u>£(4,518)</u>	<u>£(11,213)</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	3	2	2
Profit and loss account		<u>(4,520)</u>	<u>(11,215)</u>
SHAREHOLDERS' FUNDS		<u>£(4,518)</u>	<u>£(11,213)</u>

For the year ended 31st July 1996 the company was entitled to the exemptions conferred by subsection 2 of Section 249A of the Companies Act 1985. No notice has been deposited under S249B.2 in relation to the accounts for the financial year. The Directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The Directors have taken advantage of the exemptions conferred on small companies by the Companies Act 1985, Schedule 8, Part 11A. In the opinion of the Directors the company qualifies as a small company and is entitled to make use of the exemptions.

The Directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8, Part 1 of the Companies Act 1985. In the opinion of the Directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the Board
on 18th May 1997

 Director

The notes on pages 3 and 4 form part of these abbreviated accounts

CHESHIRE PRESSINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST JULY 1996

1. ACCOUNTING POLICIES

The financial statements are based on the following accounting policies which, except where otherwise stated, are consistent with the previous year.

Accounting convention

The financial statements are prepared under the historical cost convention and are in accordance with the statements of Standard Accounting Practice.

Basis of preparation of accounts

As in previous years, the accounts have been prepared on a going concern basis. Although the company had net current liabilities of £48,978 at 31st July 1996, the directors intend to continue their support of the company by way of loans, which totalled £67,393 at 31st July 1996.

On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

Depreciation of tangible fixed assets

Depreciation is provided on a reducing balance basis at the following rates :-

Plant and machinery	15% per annum
Motor vehicles	25% per annum

Hire purchase agreements

Assets held under finance leases and hire purchase agreements are reported at cost less depreciation with an equivalent liability categorised as appropriate under creditors due within or after one year. The interest element of total obligations is charged to Profit and Loss Account on a straight line basis over the period of the agreement.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and appropriate production overheads.

Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

CHESHIRE PRESSINGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST JULY 1996

2. TANGIBLE FIXED ASSETS

<u>Cost or valuation</u>	<u>Total</u>
At 1st August 1995	77,889
Additions	<u>24,667</u>
At 31st July 1996	<u>£102,556</u>
<u>Accumulated depreciation</u>	
At 1st August 1995	29,790
Charge for the year	<u>14,160</u>
At 31st July 1996	<u>£43,950</u>
<u>Net book value</u>	
At 31st July 1996	<u>£58,606</u>
At 31st July 1995	<u>£48,098</u>

The net book value of tangible fixed assets includes £23,440 (1995 - £9,187) in respect of motor vehicles held under hire purchase contracts. Depreciation charged in the year on these assets amounted to £7,814 (1995 - £3,062).

3. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
<u>Authorised</u>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<u>Allotted, called up and fully paid</u>		
Ordinary shares of £1 each	<u>£2</u>	<u>£2</u>