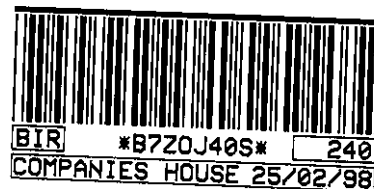


SMART CUT LIMITED

REGISTERED NUMBER: 02927846

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL, 1997

DYKE YAXLEY,
CHARTERED ACCOUNTANTS,
ABBAY HOUSE,
ABBAY FOREGATE,
SHREWSBURY,
SHROPSHIRE.



SMART CUT LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 30th April, 1997

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SMART CUT LIMITED

ACCOUNTANTS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Accountants' report
on the unaudited financial statements of
Smart Cut Limited

The following reproduces the text of the report prepared for the purposes of section 249A(2) of the Companies Act 1985 in respect of the company's annual financial statements, from which the abbreviated financial statements (set out on pages 2 to 4) have been prepared.

'We report on the financial statements for the year ended 30th April, 1997 set out on pages 4 to 9.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of the financial statements, 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.

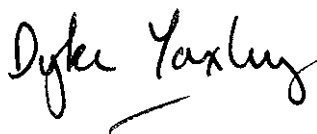
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements 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 financial statements 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 financial statements 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 financial statements 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).'



DYKE YAXLEY,
REPORTING ACCOUNTANTS

24th October, 1997

ABBAY HOUSE,
ABBAY FOREGATE,
SHREWSBURY,
SHROPSHIRE.

SMART CUT LIMITED

ABBREVIATED BALANCE SHEET

at 30th April, 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	2	55,534	40,618
Current assets			
Debtors		27,830	21,405
Cash at bank and in hand		16,128	16,579
		<u>43,958</u>	<u>37,984</u>
Creditors: amounts falling due within one year		<u>(35,842)</u>	<u>(27,134)</u>
Net current assets		<u>8,116</u>	<u>10,850</u>
Total assets less current liabilities		<u>63,650</u>	<u>51,468</u>
Creditors: amounts falling due after more than one year		<u>(30,093)</u>	<u>(30,790)</u>
		<u>33,557</u>	<u>20,678</u>
Capital and reserves			
Called up share capital	3	2	2
Profit and loss account		<u>33,555</u>	<u>20,676</u>
Total shareholders' funds		<u>33,557</u>	<u>20,678</u>

continued

SMART CUT LIMITED

ABBREVIATED BALANCE SHEET
(continued)

at 30th April, 1997

The directors consider that for the year ended 30th April, 1997 the company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

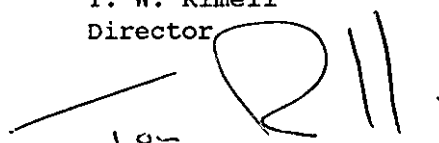
The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 21st October, 1997 and signed on its behalf by:

T. W. Rimell
Director

A handwritten signature in black ink, appearing to be 'TWR' or similar, written over the printed name and title.

SMART CUT LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th April, 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 is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

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 or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	15% reducing balance
Motor vehicles	15% reducing balance
Fixtures and fittings	15% reducing balance

Leases and hire purchase contracts

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

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.

SMART CUT LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th April, 1997

2 Fixed assets

Cost	Tangible fixed assets £
1st May, 1996	58,569
Additions	26,458
Disposals	(2,900)
30th April, 1997	<u>82,127</u>
Depreciation	
1st May, 1996	17,951
Charge for year	9,724
Disposals	(1,082)
30th April, 1997	<u>26,593</u>
Net book amount	
30th April, 1997	<u>55,534</u>
1st May, 1996	<u>40,618</u>

3 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>