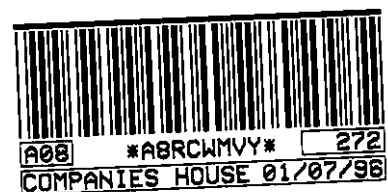


2993093

Signed
R.O.C

WEARWELL (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
- 6 months ended -
31ST DECEMBER 1995



WEARWELL (UK) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
6 MONTHS ENDED 31ST DECEMBER 1995

BALANCE SHEET

	Note	
FIXED ASSETS		
Tangible assets	1&2	533,439
CURRENT ASSETS		
Stocks and work in progress	1	786,675
Debtors		968,921
Cash at bank and in hand		<u>189</u>
		1,755,785
CREDITORS: Amounts falling due within one year	3	<u>714,665</u>
NET CURRENT ASSETS		1,041,120
		<u>1,574,559</u>
CREDITORS: Amounts falling due after more than one year	3	265,000
		<u>£1,309,559</u>
CAPITAL AND RESERVES		
Called up share capital	4	217,643
Share premium account		332,357
Profit and loss account		66,863
Capital reserve		692,696
		<u>£1,309,559</u>

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

The financial statements were approved by the Board on 10 June 1996

D THOMPSON
DIRECTOR

A CROSSLEY
DIRECTOR

The notes on pages 2 to 4 form part of these abbreviated financial statements

WEARWELL (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
6 MONTHS ENDED 31ST DECEMBER 1995

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated useful lives on the following basis:

Freehold Property	2% per annum straight line
Plant & Machinery	10% - 20% per annum straight line
Motor vehicles	25% per annum straight line
Office Equipment	10% per annum straight line

DEFERRED TAXATION

Deferred taxation is provided on the liability method to take account of timing differences. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

FOREIGN EXCHANGE

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the translation. Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

LEASING

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations net of future finance charges are included in creditors.

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

STOCKS AND WORK IN PROGRESS

Stock and work in progress is valued at the lower of cost, being net invoice value or cost of production to date, and net realisable value.

WEARWELL (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

6 MONTHS ENDED 31ST DECEMBER 1995

2. TANGIBLE FIXED ASSETS

<u>COST</u>	<u>TOTAL</u>
Additions and at 31st December 1995	£568,323
	<hr/>
<u>DEPRECIATION</u>	
Charge for period and at 31st December 1995	£34,884
	<hr/>
<u>NET BOOK VALUE</u>	
At 31st December 1995	£533,439
	<hr/>
Included in the above are assets held under hire purchases contracts with a net book value of:	
At 31st December 1995	£18,915
	<hr/>
Capital commitments at the period end	
Authorised and contracted for	£29,021
	<hr/>

WEARWELL (UK) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
6 MONTHS ENDED 31ST DECEMBER 1995

3. SECURED LIABILITIES

Of amounts included in creditors, security has been given by the company in respect of the following liabilities:

Hire purchase	9,611
Bank overdraft	63,759
Bank loan	265,000
	<hr/>
	£338,370
	<hr/>

The hire purchase liability is secured against the individual assets purchased through the agreements.

The bank overdraft and loan are secured against an unscheduled mortgage debenture and a composite cross guarantee agreement involving the other members of the group.

The bank loan is to be paid by monthly instalments commencing on 1 July 1996

Payable by instalments 2-5 years	88,333
Payable by instalments over 5 years	176,667
	<hr/>
	£265,000
	<hr/>

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

150,000 Ordinary shares of £1 each	150,000
64,286 'A' Ordinary shares of £1 each	64,286
335,714 Redeemable Preference shares of 1p each	3,357
	<hr/>
	£217,643
	<hr/>

5. TRANSACTIONS INVOLVING DIRECTORS

During the period the company has paid management fees on a normal commercial basis totalling £36,000 to Tecwear Limited a company of which one of the directors is a shareholder.

WEARWELL (UK) LIMITED

AUDITORS' REPORT TO WEARWELL (UK) LIMITED

PURSUANT 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 1 to 4 together with the full financial statements of Wearwell (UK) Limited prepared under section 226 of the Companies Act 1985 for the period ended 31st December 1995.

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 the Act, in respect of the period ended 31 December 1995 and the abbreviated accounts on pages 1 to 4 have been properly prepared in accordance with the Schedule.

Other information

On 25 June 1996 we reported, as auditors of Wearwell (UK) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the period ended 31 December 1995, and our audit report was as follows:

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 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.

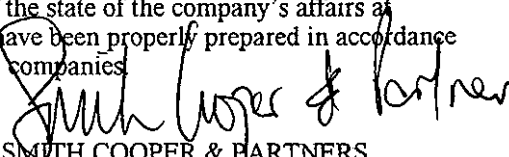
Basis of Opinion

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 also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1995 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


SMITH COOPER & PARTNERS
Registered Auditors
Chartered Accountants

DERBY: 25 June 1996