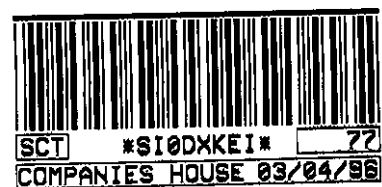


REGISTERED NUMBER: 150034 (Scotland)

ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 6 APRIL 1994 TO 30 JUNE 1995

FOR

PAPER INNOVATION LIMITED



PAPER INNOVATION LIMITED

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FOR THE PERIOD 6 APRIL 1994 TO 30 JUNE 1995**

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PAPER INNOVATION LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 6 APRIL 1994 TO 30 JUNE 1995**

DIRECTORS: S P Johnston
I A Robertson

SECRETARY: S P Johnston

REGISTERED OFFICE: 14 Melford Road
Righead Industrial Estate
Bellshill
ML4 3LR

REGISTERED NUMBER: 150034 (Scotland)

ACCOUNTANTS: McDaid & Partners
Chartered Accountants
Stanley House
69/71 Hamilton Road
Motherwell
ML1 3DG

PAPER INNOVATION LIMITED

**ABBREVIATED BALANCE SHEET
30 JUNE 1995**

	Notes	£	£
FIXED ASSETS:			
Tangible assets	2		104,748
CURRENT ASSETS:			
Stocks		6,500	
Debtors		46,010	
Cash at bank and in hand		1,542	
		<u>54,052</u>	
CREDITORS: Amounts falling due within one year	3	<u>89,448</u>	
NET CURRENT LIABILITIES:			<u>(35,396)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			69,352
CREDITORS: Amounts falling due after more than one year	3		<u>97,486</u>
			<u>£(28,134)</u>
CAPITAL AND RESERVES:			
Called up share capital	4		20,000
Profit & loss account			<u>(48,134)</u>
Shareholders' funds			<u>£(28,134)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 30 June 1995.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial period.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

The notes form part of these financial statements

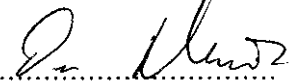
PAPER INNOVATION LIMITED

ABBREVIATED BALANCE SHEET
30 JUNE 1995

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
S P Johnston - DIRECTOR


.....
I A Robertson - DIRECTOR

Approved by the Board on 29 3 96

The notes form part of these financial statements

PAPER INNOVATION LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 6 APRIL 1994 TO 30 JUNE 1995

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- 15 % on reducing balance
Plant & equipment	- 25 % on reducing balance
Fixtures & fittings	- 15 % on reducing balance
Office equipment	- 15 % on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

PAPER INNOVATION LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 6 APRIL 1994 TO 30 JUNE 1995**

2. TANGIBLE FIXED ASSETS

	Total
	£
COST OR VALUATION:	
At 6 April 1994	120,074
Additions	120,563
Deficit on revaluation	(120,074)
	<hr/>
At 30 June 1995	120,563
	<hr/>
DEPRECIATION:	
Charge for period	15,815
	<hr/>
At 30 June 1995	15,815
	<hr/>
NET BOOK VALUE:	
At 30 June 1995	£104,748
	<hr/>
At 5 April 1994	£120,074
	<hr/>

3. CREDITORS

The following secured debts are included within creditors:

	30.6.95	5.4.94
	£	£
Bank overdrafts	17,313	4,699
Bank loans	50,000	75,000
	<hr/>	<hr/>
	67,313	79,699
	<hr/>	<hr/>

The company's bank borrowings are secured by a bond and floating charge over the company's assets.

4. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30.6.95	5.4.94
			£	£
20,000	Ordinary shares	£1	20,000	-
			<hr/>	<hr/>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.6.95	5.4.94
			£	£
20,000	Ordinary shares	£1	20,000	20,000
			<hr/>	<hr/>