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Report of the auditors to the directors of Twinaplate Limited under paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages 3 to 6 together with the financial statements of Twinaplate Limited for the period ended 31 December 1995. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated financial statements have been properly prepared from the annual financial statements.

In our opinion the company is entitled to the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

We reported as auditors of Twinaplate Limited to the members on [ ] on the company's annual financial statements prepared under Section 226 of the Companies Act 1985 for the period ended 31 December 1995, and our report was as follows:

> We have audited the financial statements on pages 4 to 16.
>
> **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.

Twinaplate Limited

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 Companies Act 1985 applicable to small companies.

Coopers & Lybrand

Coopers & Lybrand
Chartered Accountants and Registered Auditors

Plymouth

1 May 1996

Twinaplate Limited

Balance sheet
at 31 December 1995

	Notes	31 December 1995 £	31 March 1995 £
Fixed assets			
Tangible assets		**526,191**	539,546
Investments		**50,000**	50,000
		576,191	589,546
Current assets			
Stocks		**172,298**	178,593
Debtors		**602,713**	412,423
Cash at bank and in hand		**266,979**	199,566
		1,041,990	790,582
Creditors: amounts falling due within one year		**566,969**	538,328
Net current assets		**475,021**	252,254
Total assets less current liabilities		**1,051,212**	841,800
Creditors: amounts falling due after more than one year		-	4,771
Provisions for liabilities and charges		**46,874**	33,012
		46,874	37,783
Net assets		**1,004,338**	804,017
Capital and reserves			
Called up share capital	3	**100,000**	100,000
Revaluation reserve		**82,973**	82,973
Profit and loss account		**821,365**	621,044
Equity shareholders' funds		**1,004,338**	804,017

In the preparation of the accounts, advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 and by Section A of Part III of Schedule 8 to the Companies Act 1985, because, in the director's opinion, as it meets the conditions, the company is entitled to those exemptions as a small company.

The financial statements on pages 3 to 6 were approved by the board of directors on 24TH APRIL 1996 and were signed on its behalf by:

P G Martin
Director

Twinaplate Limited

Notes to the financial statements for the period ended 31 December 1995

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified for the revaluation of freehold land and buildings.

Group accounts

Group accounts have not been prepared as the group is entitled to the exemption conferred by Section 248 of the Companies Act 1985. Therefore these accounts present information about the company as an individual undertaking and not about its group.

Taxation

Corporation tax payable is provided on taxable profits at the current rate. Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation) has been calculated on the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

Foreign currency

Transactions in foreign currencies are recorded at the actual exchange rates prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities have been translated at the rates prevailing at the balance sheet date. Any gain or losses arising from changes in exchange rates subsequent to the dates of the transaction are reported as exchange gains or losses in the profit and loss account.

Turnover

Turnover represents the sales value of goods sold and services provided in the normal course of business and excludes Value Added Tax.

Stock

Stock is stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold land and buildings	2
Plant and machinery	10-20
Motor vehicles	20-25
Office furniture and equipment	15-33
Tools	33

Lease and hire purchase transactions

Fixed assets acquired under hire purchase contracts and finance leases are capitalised and depreciated over their expected useful lives. The interest element is charged to the profit and loss account on a straight line basis over the term of the contract. Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Development expenditure

Expenditure on development is written off in the period in which it is incurred.

Cashflow statement

The company is exempt from the requirement to prepare a cashflow statement under Financial Reporting Standard 1 'Cashflow Statements', and therefore no such statement has been produced.

2 Contingent liability

On 20 March 1995, the company entered into a guarantee and debenture (incorporating fixed and floating charges over all of the assets and undertaking of the company) in favour of the Bank of Scotland ('the Bank') to secure the repayment of all sums due to the Bank by the company's parent and fellow subsidiaries. These borrowings included a term loan facility of £1,800,000 (plus interest and costs) provided by the Bank to the company's parent.

3 Called up share capital

	31 December 1995 £	31 March 1995 £
Authorised		
100,000 ordinary shares of £1 each	**100,000**	100,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	**100,000**	100,000