

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

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF
BERTSON COMPONENTS LIMITED

We report on the Accounts for the year ended 30th November 1996 set out on pages 3 to 10.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 1 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).

Noy & Partners

Reporting Accountants

28th February 1997

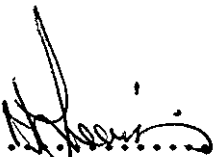


The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing Accounts which give a true and fair view of the state of affairs of the company as at 30th November 1996 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the company.

In preparing these Abbreviated Accounts the Directors have taken advantage of the exemptions conferred by Schedule 8 Part IIIA of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the exemptions.

In preparing the Accounts the Directors have taken advantage of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

The Abbreviated Accounts were approved by the board on 28th February 1997 and signed on its behalf.


.....
Director

The notes of pages 3 and 4 form part of these Abbreviated Accounts.

BERTSON COMPONENTS LIMITED

BALANCE SHEET AS AT 30TH NOVEMBER 1996

<u>Notes</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
CAPITAL AND RESERVES		
2 Called Up Share Capital	5,000	5,000
14 Other Reserves	66,080	66,080
Profit and Loss Account	(62,168)	(49,974)
	<hr/>	<hr/>
15 Shareholders' Funds	8,912	21,106
	<hr/>	<hr/>
FIXED ASSETS		
4 Tangible Assets	82,961	89,400
9 Intangible Assets	177	177
	<hr/>	<hr/>
	83,138	89,577
CURRENT ASSETS		
10 Stocks	4,160	2,738
11 Debtors	5,822	3,237
12 Cash at Bank and in Hand	1,460	1,416
	<hr/>	<hr/>
	11,442	7,391
13 CREDITORS Amounts falling due within one year	(85,668)	(75,862)
	<hr/>	<hr/>
NET CURRENT LIABILITIES	(74,226)	(68,471)
	<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	8,912	21,106
	<hr/>	<hr/>

BERTSON COMPONENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 1996

ACCOUNTING POLICIES:

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors Report and all of which are continuing.

1.2 TURNOVER:

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION:

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value over their expected useful lives on the following basis:

Plant and Machinery	
and Motor Vehicles	- 25% on an annual reducing balance
M.O.T Bay	- 15% on an annual reducing balance
Office Equipment	- 10% on an annual reducing balance
Freehold Property	- Depreciation has been provided at 4% of the adjusted value on a straight line basis to leave a residual value of £20,000

1.4 STOCKS AND WORK IN PROGRESS:

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2. CALLED UP SHARE CAPITAL:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
Ordinary Shares of £1 Each	5,000	5,000
	<u> </u>	<u> </u>
<u>Allotted, Issued and Fully Paid</u>		
Ordinary Shares of £1 Each	5,000	5,000
	<u> </u>	<u> </u>

3. DEBTORS:

These are all due within one year (See Note 11).

4. TANGIBLE FIXED ASSETS:

	<u>Property</u>	<u>Plant and Machinery</u>	<u>Property Alterations</u>	<u>Office Equip't</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost:						
At 1st December 1995	103,686	31,866	4,544	1,980	12,981	155,057
Additions	-	185	-	-	700	885
Disposals	-	-	-	-	(1,900)	(1,900)
At 30th November 1996	103,686	32,051	4,544	1,980	11,781	154,042
Depreciation:						
At 1st December 1995	27,686	28,185	2,528	925	6,333	65,657
Charge for the Year	4,000	966	302	106	1,760	7,134
Disposals	-	-	-	-	(1,710)	(1,710)
At 30th November 1996	31,686	29,151	2,830	1,031	6,383	71,081
Net Book Value:						
At 30th November 1996	72,000	2,900	1,714	949	5,398	82,961
At 30th November 1995	76,000	3,681	2,016	1,055	6,648	89,400

The Freehold Property was re-valued at 30th November 1989 in accordance with an independant professional valuation