

**CHESHIRE PHILATELIC AUCTIONS
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 1996



Company Number : 1267297

CHESHIRE PHILATELIC AUCTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1996

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CHESHIRE PHILATELIC AUCTIONS LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with the financial statements for the year ended 30 September 1996.

Principal activities

The company is principally engaged in stamp auctioneering and the retail sale of collections of cigarette cards and postcards.

Business review

The company did not trade during the year.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

R.D. Craig
V.A. Green

Both Mr. R.D. Craig and Mr. V.A. Green are directors of the parent company. Their interests in that company's share capital are disclosed in the parent company's financial statements.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- i select suitable accounting policies and then apply them consistently ;
- ii make judgements and estimates that are reasonable and prudent;
- iii prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

R.D. Craig
Director



30 January 1997

**REPORT OF THE AUDITORS TO THE MEMBERS OF
CHESHIRE PHILATELIC AUCTIONS LIMITED**

We have audited the financial statements on pages 3 and 4 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

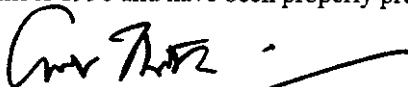
Basis of opinion

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 30 September 1996 and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
MANCHESTER**

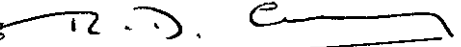
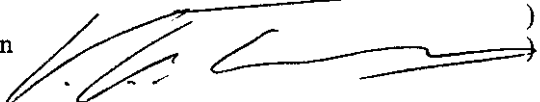
30 January 1997

CHESHIRE PHILATELIC AUCTIONS LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1996

	Note	1996 £	1995 £
Current assets			
Debtors	2	2,277	2,277
Cash in hand		24	24
		<u>2,301</u>	<u>2,301</u>
 Capital and reserves			
Called up share capital	3	100	100
Profit and loss account	4	<u>2,201</u>	<u>2,201</u>
		<u>2,301</u>	<u>2,301</u>

These financial statements were approved by the Board of Directors on 30 January 1997.

R.D. Craig )
V.A. Green ) Directors

The accompanying accounting policies and notes form an integral part of these financial statements.

CHESHIRE PHILATELIC AUCTIONS LIMITED

ACCOUNTING POLICY AND NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1996

1 ACCOUNTING POLICY

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

2 DEBTORS

	1996 £	1995 £
Amounts due from holding company	<u>2,277</u>	<u>2,277</u>

3 SHARE CAPITAL

	1996 £	1995 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

4 PROFIT AND LOSS ACCOUNT

	£
At 1 October 1995 and 30 September 1996	<u>2,201</u>

5 CONTROLLING RELATED PARTY

The directors consider that the ultimate parent undertaking of this company is Sandafayre Limited which is registered in England.