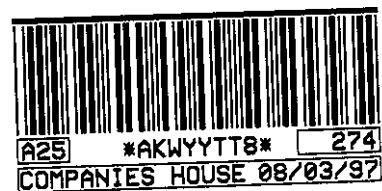


Company number : 1327140

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Abbreviated Accounts

Year ended 31st May 1996



Clark Whitehill Josolyne

Chartered Accountants

Bradford

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Abbreviated accounts

Year ended 31st May 1996

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Auditors' report to the directors of
A.C. Wood (Speciality Fibres) Limited
pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 7 together with the full accounts of A.C. Wood (Speciality Fibres) Limited for the year ended 31st May 1996.

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 the balance sheet and that the abbreviated accounts have been properly prepared from the full accounts. In reporting to you, the Companies Act 1985 requires us to reproduce our report to the members on those full accounts. The full text of that report, which was signed on 19th February 1997, was as follows:

"We have audited the accounts on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

(continued overleaf)

Auditors' report to the directors of

A.C. Wood (Speciality Fibres) Limited

pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

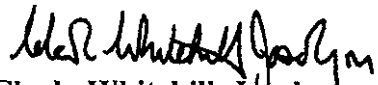
(full text of audit report to A.C. Wood (Speciality Fibres) Limited continued)

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Opinion on the abbreviated accounts

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 that Act in respect of the year ended 31st May 1996, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.


Clark Whitehill Joselyne

Bradford
19th February 1997

Chartered Accountants and
Registered Auditor

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Abbreviated balance sheet at

31st May 1996

	Notes	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	2		312,075		308,089
Investments	3		72,525		83,724
			<u>384,600</u>		<u>391,813</u>
Current assets					
Stocks		310,041		322,547	
Debtors		207,822		315,379	
Investments		20,000		20,000	
Cash at bank and in hand		272,207		295,421	
		<u>810,070</u>		<u>953,347</u>	
Current liabilities					
Creditors (amounts falling due within one year)		323,925		481,892	
		<u>323,925</u>		<u>481,892</u>	
Net current assets			486,145		471,455
Net assets			<u>870,745</u>		<u>863,268</u>
Capital and reserves					
Called up share capital	4		5,000		5,000
Profit and loss account			865,745		858,268
			<u>870,745</u>		<u>863,268</u>
Shareholders' funds			<u>870,745</u>		<u>863,268</u>

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 the company is a small company.

The accounts on pages 3 to 7 were approved by the board of directors on 19th February 1997 and signed on its behalf by:

J.D. Wood

A.C. Wood

}
}
} Directors

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Notes to the abbreviated accounts

Year ended 31st May 1996

1. Accounting policies

The company has adopted the following principal accounting policies which should be read in conjunction with the accounts set out on pages 3 to 7.

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

b) Fixed assets and depreciation

Depreciation is provided on all tangible assets in use at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% reducing balance
Equipment, fixtures and fittings	15%-25% reducing balance
Motor vehicles	25% reducing balance

Depreciation is not provided in respect of investment properties. This is a departure from the requirements of the Companies Act 1985 which requires assets which have a finite useful life to be depreciated. The directors consider that following the reasoning in Statement of Standard Accounting Practice 19, depreciating the assets would not give a true and fair view because they are held for investment and not consumption. Consequently the current value of these investments, and changes in that current value, are of prime importance in assessing the financial position rather than a calculation of systematic annual depreciation and therefore the accounting policy adopted results in the accounts giving a true and fair view.

Provision is made for any diminution in value of fixed asset investments if the reduction in value is expected to be permanent.

c) Investment properties

Properties held for their investment potential, any income being negotiated at arm's length, are not subject to periodic charges for depreciation. They are included in the balance sheet at their open market value. Changes in their value are included as a movement on the investment revaluation reserve. Any net deficit which arises is charged to the profit and loss account if it exceeds previous years' surpluses.

d) Stocks

Stocks are valued consistently at the lower of cost and net realisable value.

e) Deferred taxation

Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise in the foreseeable future.

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Notes to the abbreviated accounts

Year ended 31st May 1996

1. Accounting policies

f) Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in trading profit. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

g) Pension scheme

The company operates a defined contribution scheme covering the directors and selected employees.

2. Tangible fixed assets

	Freehold land and buildings £	Investment land and properties £	Equipment, fixtures and fittings £	Motor vehicles £	Total £
<u>Cost</u>					
1st June 1995	31,276	235,788	83,852	65,039	415,955
Additions	-	8,314	4,077	8,115	20,506
Disposals	-	-	-	(16,000)	(16,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st May 1996	31,276	244,102	87,929	57,154	420,461
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>					
1st June 1995	4,513	-	63,269	40,084	107,866
Charge for the year	535	-	4,868	7,320	12,723
Disposals	-	-	-	(12,203)	(12,203)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31st May 1996	5,048	-	68,137	35,201	108,386
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net book value</u>					
31st May 1996	<u>26,228</u>	<u>244,102</u>	<u>19,792</u>	<u>21,953</u>	<u>312,075</u>
31st May 1995	<u>26,763</u>	<u>235,788</u>	<u>20,583</u>	<u>24,955</u>	<u>308,089</u>

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Notes to the abbreviated accounts

Year ended 31st May 1996

2. Tangible fixed assets

Investment properties were revalued at 31st May 1996 at cost.

In accordance with Statement of Standard Accounting Practice number 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Depreciation is not provided in respect of freehold investment properties and leasehold investment properties where the unexpired period of the lease is more than 20 years. This is a departure from the requirements of the Companies Act 1985 which requires assets which have a finite useful life to be depreciated where their cost (or valuation) is greater than their residual value (as assessed at the date of acquisition or valuation). The directors consider that following the reasoning in Statement of Standard Accounting Practice number 19, depreciating the assets would not give a true and fair view because they are held for investment and not consumption. Consequently the current value of these investments, and changes in that current value, are of prime importance in assessing the financial position rather than a calculation of systematic annual depreciation and therefore the accounting policy adopted results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified and quantified.

A.C. WOOD (SPECIALITY FIBRES) LIMITED

Notes to the abbreviated accounts

Year ended 31st May 1996

3. Fixed asset investments

	£
<u>Cost</u>	
1st June 1995	159,912
31st May 1996	<u>159,912</u>
<u>Amounts written off</u>	
1st June 1995	76,188
Amounts written off in the year	-
Eliminated in respect of disposals	<u>11,199</u>
31st May 1996	<u>87,387</u>
<u>Net Book Value</u>	
31st May 1996	<u>72,525</u>
31st May 1995	<u>83,724</u>

The investment is in respect of a 50% share holding in Rebecca Pick Estambres Y Tejidos Finos, S.A. De C.V., a company incorporated in Mexico. The last available accounts for the year ended 31st December 1995 showed the company had share capital and reserves of £79,018 and had incurred a loss of £65,821.

	1996 £	1995 £
4. Called up share capital		
Authorised		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
5,000 Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>