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CHARLESTOWN JOINERY LIMITED

ACCOUNTANT'S REPORT

Accountant's report to the members of
Charlestown Joinery Limited

I have examined, without carrying out an audit, the accounts for the year ended 31 December 1996 set out on pages 5 to 9.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of accounts and they believe the company is exempt from audit. It is my responsibility to examine the accounts and, based on my examination, to report my opinion, as set out below to the shareholders.

Basis of opinion

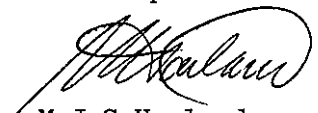
I conducted my examination in accordance with appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries as I considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly I do not express an audit opinion on the accounts. Therefore my examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In my opinion:

- 1 the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- 2 having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C (6) of the Act; and
- 3 having regard only to, and on the basis of, the information contained in those accounting records, the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act [as modified by section 249A(5)] 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).


M J S Harland
Chartered Accountant

27 August 1997

35 High Cross Street
St Austell
Cornwall



CHARLESTOWN JOINERY LIMITED

ABBREVIATED BALANCE SHEET

at 31 December 1996

	Note	£	1996 £	£	1995 £
Fixed assets					
Tangible assets	2		7,633		3,381
Current assets					
Stocks		15,101		16,860	
Debtors	5	17,430		19,444	
Cash at bank and in hand		5		256	
			32,536		36,560
Creditors: amounts falling due within one year	6	(26,098)		(29,250)	
Net current assets			6,438		7,310
Total assets less current liabilities			14,071		10,691
Creditors: amounts falling due after more than one year	7		(3,333)		(885)
			10,738		9,806
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		10,638		9,706
			10,738		9,806

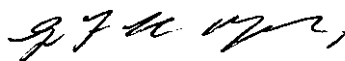
The financial statements on pages 5 to 9 were approved by the board of directors on 26 August 1997

For the year in question, the company was entitled to exemption from an audit under section 249A(2) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the accounts for the financial year. The directors acknowledge their responsibilities for:

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

Advantage has been taken of the exemptions conferred by section A of Part III of schedule 8 of the Companies Act 1985, on the grounds that, in the directors' opinion, the company qualifies as a small company under s246 & s247 of the Companies Act 1985.

Mr G F H Rogers



Director

CHARLESTOWN JOINERY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	between 5 & 10 years
Motor vehicles	between 5 & 10 years

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 Fixed assets

Cost or valuation	Tangible fixed assets £
31 December 1995	40,962
Additions	9,323
Disposals	(7,207)
31 December 1996	<u>43,078</u>
Depreciation	
31 December 1995	37,581
Charge for Year	2,187
Disposals	(4,323)
31 December 1996	<u>35,445</u>
Net book amount	
31 December 1996	<u><u>7,633</u></u>
31 December 1995	<u><u>3,381</u></u>

CHARLESTOWN JOINERY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

3 Debtors

	1996 £	1995 £
Amounts falling due within one year	<u>17,430</u>	<u>19,444</u>

4 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Bank loan	<u>3,333</u>	<u>885</u>

5 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted called up and fully paid				
SHARE CAPITAL	-	100	-	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>