

HINGEROSE LIMITED

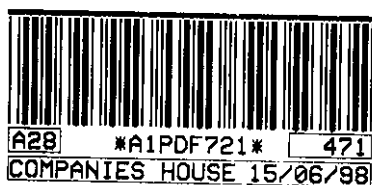
FINANCIAL STATEMENTS

31ST DECEMBER 1997

Company Registration Number 1455884

CUSHING, FAIRBAIRN, WARDLE & CO.

Chartered Accountants & Registered Auditors
1-3 Sterling Court,
Loddington, Kettering,
Northants. NN14 1RZ.



HINGEROSE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

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HINGEROSE LIMITED

REPORT OF THE DIRECTORS YEAR ENDED 31ST DECEMBER 1997

The directors present their annual report and the audited financial statements for the year ended 31st December 1997.

PRINCIPAL ACTIVITY

The company's principal activity is the sale of dispensers and steel.

DIRECTORS

The directors in office during the year and their beneficial interests in the issued share capital of the company were as follows:-

	31st December 1997	1st January 1997
Mr. R. J. Kempster	50	50
Mrs. V. A. Buttery	50	50

DIRECTORS RESPONSIBILITY 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution in accordance with Section 385 of the Companies Act 1985 for the re-appointment of Cushing, Fairbairn, Wardle & Co. as auditors of the company is to be proposed at the forthcoming Annual General Meeting.


SMALL COMPANY EXEMPTIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

5 Ryder Court,
Saxon Way East,
Corby,
Northants.,
NN18 9NX.

14th May 1998

By Order of the Board



Mrs. V. A. Buttery
Secretary

HINGEROSE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS YEAR ENDED 31ST DECEMBER 1997

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

1-3 Sterling Court,
Loddington, Kettering,
Northants. NN14 1RZ.

14th May 1998


CUSHING, FAIRBAIRN, WARDLE & CO.
Chartered Accountants
& Registered Auditors.

HINGEROSE LIMITED**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 1997**

	Note	1997 £	1996 £
TURNOVER	2	1,060,518	898,390
COST OF SALES		726,622	592,151
		<hr/>	<hr/>
GROSS PROFIT		333,896	306,239
Administration Costs		283,608	241,534
Interest Payable and Similar Charges		2,872	2,686
Interest Receivable and Similar Income		(4,213)	(2,660)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	51,629	64,679
Tax on Profit on Ordinary Activities	4	11,558	15,832
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		40,071	48,847
Dividends		24,000	-
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		16,071	48,847
Profit and Loss Account brought forward		230,979	182,132
		<hr/>	<hr/>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		£247,050	£230,979
		<hr/>	<hr/>

All of the operations undertaken by the company during the current and preceding year are continuing operations.

The company has no recognised gains (or losses) for the year other than the profit for the year.

HINGEROSE LIMITED**BALANCE SHEET
AS AT 31ST DECEMBER 1997**

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		92,846		91,467
Investments	6		40,000		-
			<hr/>		<hr/>
			132,846		91,467
CURRENT ASSETS					
Stocks	7	86,878		68,341	
Debtors	8	200,148		154,657	
Cash at Bank	9	122,716		126,677	
		<hr/>		<hr/>	
		409,742		349,675	
CREDITORS: Amounts falling due within one year	10	284,259		194,255	
		<hr/>		<hr/>	
NET CURRENT ASSETS			125,483		155,420
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			258,329		246,887
CREDITORS: Amounts falling due after more than one year	11		11,179		15,808
			<hr/>		<hr/>
NET ASSETS			£247,150		£231,079
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up Share Capital	12		100		100
Profit and Loss Account			247,050		230,979
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS	13		£247,150		£231,079
			<hr/>		<hr/>

These accounts have been prepared in accordance with the special provisions under Part VII of the Companies Act 1985.

The financial statements were approved by the Board of Directors on the 14th May 1998.


R. J. KEMPSTER


V. A. BUTTERY

The notes on pages 5 to 8 form a part of these financial statements.

HINGEROSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES

Cash flow statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS 1 not to prepare a cash flow statement.

Depreciation

Depreciation is calculated at the following annual rates in order to reduce tangible fixed assets to their estimated residual value at the end of their period of use:

Motor Vehicles	25% reducing balance
Equipment	15% reducing balance
Workshop	Nil
Freehold Property	Nil

Stocks

Stocks of goods held solely for resale are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks. Cost is the actual purchase price, and net realisable value is the price at which the stocks can be sold in the normal course of business after allowing for costs of realisation.

2. TURNOVER

The turnover comprises invoiced sales excluding value added tax.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	1997 £	1996 £
Directors' Remuneration	109,920	75,800
Directors' Pension Contributions	18,800	19,700
Auditors Remuneration	1,975	1,875
Loan Interest	1,568	1,131
Interest on ACT	-	145
Interest on VAT	232	-
Depreciation	9,752	10,313
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And After Crediting:		
Bank Interest Received	4,213	2,660
Profit on Disposal of Fixed Assets	551	1,424
	<hr/>	<hr/>

HINGEROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1997****4. TAXATION**

The tax charge is based on the profit on ordinary activities for the year and comprises:

	1997 £	1996 £
Corporation Tax at 24% / 21% (1996 24%/ 25%)	<u>£11,558</u>	<u>£15,832</u>

5. TANGIBLE FIXED ASSETS

	Freehold Property £	Motor Vehicles £	Equipment £	Workshop £	Total £
COST:					
At 1st January 1997	47,358	45,156	25,751	1,132	119,397
Additions	-	18,280	-	-	18,280
Disposals	-	(14,187)	-	-	(14,187)
At 31st December 1997	<u>£ 47,358</u>	<u>£ 49,249</u>	<u>£ 25,751</u>	<u>£ 1,132</u>	<u>£ 123,490</u>
DEPRECIATION:					
At 1st January 1997	-	15,882	12,048	-	27,930
Charge for the Year	-	7,697	2,055	-	9,752
Eliminated on Disposals	-	(7,038)	-	-	(7,038)
At 31st December 1997	<u>£ -</u>	<u>£ 16,541</u>	<u>£ 14,103</u>	<u>£ -</u>	<u>£30,644</u>
NET BOOK VALUES:					
At 31st December 1997	<u>£ 47,358</u>	<u>£ 32,708</u>	<u>£ 11,648</u>	<u>£ 1,132</u>	<u>£ 92,846</u>
At 31st December 1996	<u>£ 47,358</u>	<u>£ 29,274</u>	<u>£ 13,703</u>	<u>£ 1,132</u>	<u>£ 91,467</u>

6. INVESTMENTS

This represents money invested in Unit Trusts which are listed on a recognised stock exchange and is stated at cost.

7. STOCKS

	1997 £	1996 £
Dispensers	82,503	62,941
Steel	4,375	5,400
	<u>£ 86,878</u>	<u>£ 68,341</u>

HINGEROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1997****8. DEBTORS: Receivable within one year**

	1997 £	1996 £
Trade Debtors	189,538	149,237
Prepayments	4,149	3,797
ACT Recoverable	6,000	-
Directors' Loan Accounts	-	1,623
Other Debtors	461	-
	<hr/>	<hr/>
	£200,148	£154,657
	<hr/>	<hr/>

9. CASH AT BANK

	1997 £	1996 £
Current Account	578	39,014
Business Premium Account - Number Two	53,242	38,336
High Interest Account	7,613	49,327
Treasury Deposit	61,283	-
	<hr/>	<hr/>
	£ 122,716	£ 126,677
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10. CREDITORS: Amounts falling due within one year

	1997 £	1996 £
Bank Loan and Overdraft	10,407	5,899
Trade Creditors	159,077	97,288
Social Security and Other Taxes	33,570	32,241
Corporation Tax	11,558	15,832
Other Creditors	60,000	41,260
Accruals	2,097	1,735
Directors' Loan Accounts	7,550	-
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	£ 284,259	£ 194,255
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**11. CREDITORS: Amounts falling due after
more than one year**

	1997 £	1996 £
Bank Loan	£ 11,179	£ 15,808
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HINGEROSE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1997****12. SHARE CAPITAL**

	1997 £	1996 £
Authorised, Issued and Fully Paid: 100 Ordinary Shares of £1 Each	£ 100	£ 100

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997 £	1996 £
Profit for the financial year	40,071	48,847
Dividend	24,000	-
Net addition to shareholders funds	16,071	48,847
Opening shareholders funds	231,079	182,232
Closing shareholders funds	£247,150	£231,079

14. TRANSACTIONS WITH DIRECTORS**a) Directors' loans**

During the year the indebtedness on the directors loans was as follows:

	Liability at 1st January 1997 £	Maximum liability During the year £	Liability at 31st December 1997 £
R. J. Kempster	1,277	2,106	-
V. A. Buttery	346	931	-
	£ 1,623	£ 3,037	£ -