

2,574,996

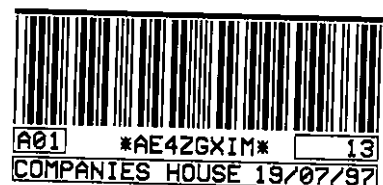
HOW TO BOOKS LIMITED

ABBREVIATED STATUTORY ACCOUNTS

for the year ended
31st December 1996

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COMPANY INFORMATION

<i>Company number</i>	2,574,996 (England & Wales)
<i>Registered office</i>	1, Des Roches Square Witan Way Witney Oxon OX8 6BE
<i>Directors</i>	R E Ferneyhough (resigned 31.12.96) G P Lewis (appointed 31.12.96) D M Phillips (appointed 31.12.96)
<i>Secretary</i>	D M Phillips
<i>Auditor</i>	Godfrey Rehaag Chartered Accountant Penquite, Vicarage Lane Lelant, St Ives Cornwall, TR26 3EA

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in relation to financial reporting

Company law requires 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 for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT to
HOW TO BOOKS LIMITED

under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 6 together with the financial statements of the company for the year ended 31st December 1996 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

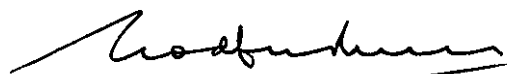
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver to the Registrar of Companies abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and as to whether the abbreviated accounts have been properly prepared in accordance with those provisions; and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31st December 1996, and the abbreviated accounts on pages 4 to 6 have been properly prepared in accordance with those provisions.



Godfrey Rehaag MA, FCA, ATII, MAE

Chartered Accountant
Registered Auditor

Penquite, Vicarage Lane, Lelant, St Ives, Cornwall, TR26 3EA

14th July 1997

HOW TO BOOKS LIMITED

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ABBREVIATED BALANCE SHEET as at 31st December 1996

			<u>1995</u>
FIXED ASSETS			
Tangible assets (<i>note 2</i>)	-		95,106
CURRENT ASSETS			
Stocks and work in progress	90,015	81,850	
Debtors and prepayments	133,197	120,271	
Cash at bank	257,837	111,883	
	<hr/>	<hr/>	
	481,049	314,004	
CREDITORS: Amounts falling due within one year (<i>note 3</i>)	132,798	119,924	
	<hr/>	<hr/>	
NET CURRENT ASSETS	348,251		194,080
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TOTAL ASSETS LESS CURRENT LIABILITIES	£ 348,251		289,186
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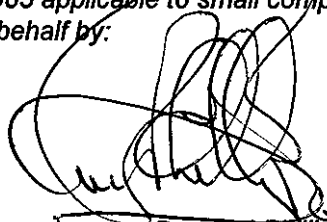
CAPITAL AND RESERVES**SHARE CAPITAL:**

Authorised, allotted and fully paid 100 ordinary shares of £1 each	100	100
PROFIT AND LOSS ACCOUNT	348,151	289,086
	<hr/>	<hr/>
SHAREHOLDERS FUNDS - equity interests	£ 348,251	289,186
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The abbreviated financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the Board on 14th July 1997, and signed on their behalf by:



Giles P Lewis, director



Derek M Phillips, director

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31st December 1996**

(1) ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

(a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. They account for the results of the company's operations as described in the Directors' Report.

(b) Turnover

Turnover comprises the invoice value, excluding VAT, of goods and services supplied by the company.

(c) Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items. In the case of work-in-progress, cost comprises actual production costs.

(d) Depreciation

Depreciation is provided at a fixed rate on cost in order to write off the cost of fixed assets over their anticipated useful lives, which in the case of motor vehicles is four years. No depreciation is provided on investment property, which, in accordance with SSAP19, is stated at market value.

(e) Taxation

The charge for taxation is calculated at the small companies rate on the profit for the year, as adjusted for any timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise in the foreseeable future.

(f) Cash flow statement

The accounting provisions of Financial Reporting Standard No.1 require the presentation of a cash flow statement, but advantage has been taken of the exemption available on the grounds of this being a small company as defined in the Companies Acts.

NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31st December 1996 *Continued*

(2) TANGIBLE FIXED ASSETS

	<i>Total</i>
	<hr/>
COST at 1st January 1996	97,648
Additions	119,878
Disposals	(217,526)
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COST at 31st December 1996	-
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DEPRECIATION at 1st January 1996	2,542
Charge for the year	2,738
On disposals	(5,280)
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DEPRECIATION at 31st December 1996	-
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NET BOOK VALUE	
- at 1st January 1996	95,106
- at 31st December 1996	£ -
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(3) SECURED CREDITORS

At the balance sheet date for both the current year and the previous year there were no bank borrowings and no other secured creditors.

(4) TRANSACTIONS INVOLVING DIRECTORS and RELATED PARTIES

Mr Ferneyhough was the tenant under a shorthold tenancy agreement concerning the company's investment property. The rent payable was £5,000 per annum plus water rates, council tax, electricity, telephone, insurance and repairs. During the year, the freehold property was sold to Mr Ferneyhough at a vacant possession valuation provided by two independent estate agents. The company car was also sold to Mr Ferneyhough, again at a price fixed by reference to market values.