

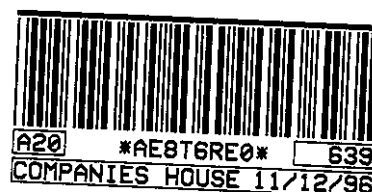
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TERRY BUTLER LIMITED

FINANCIAL STATEMENTS

30TH APRIL 1996

HART SHAW
CHARTERED ACCOUNTANTS
31 GREAT KING STREET
MACCLESFIELD
CHESHIRE
SK11 6PL



TERRY BUTLER LIMITED

FINANCIAL STATEMENTS

30TH APRIL 1996

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AUDITORS REPORT TO THE DIRECTORS OF TERRY BUTLER 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 financial statements of Terry Butler Limited for the year ended 30th April 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 page 3 and that the abbreviated accounts have been properly prepared from the full financial statements.

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 30th April 1996, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

On 3rd December 1996 we reported as auditors of Terry Butler Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th April 1996, and our audit report was as follows:

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

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.

... CONTINUED ON PAGE 2 ...

AUDITORS REPORT TO THE DIRECTORS OF TERRY BUTLER LIMITED (CONTINUED)

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 mis-statement, whether caused by fraud, or other irregularity or error.

However the evidence available to us was limited because of a failure of the company's computerised stock recording system, discovered subsequent to the year end. A physical count had not been undertaken at the year end date and we were unable to carry out auditing procedures necessary to obtain adequate assurances regarding the quantity of stock appearing on the balance sheet of £118,500. Any adjustment to this figure would have an effect on the loss for the year.

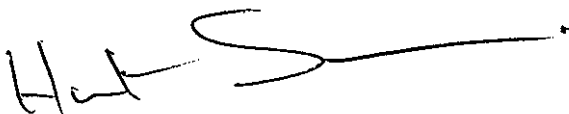
In forming our opinion we also audited the overall adequacy of the presentation of information in the financial statements.

OPINION: DISCLAIMER ON VIEW GIVEN BY FINANCIAL STATEMENTS

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs at 30th April 1996, or of its loss for the year then ended. In all other respects, in our opinion, the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock:

We have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we are unable to determine whether proper accounting records had been maintained.



HART SHAW
CHARTERED ACCOUNTANTS
AND
REGISTERED AUDITORS
MACCLESFIELD

3RD DECEMBER 1996

BALANCE SHEET AS AT 30TH APRIL 1996

	Note	£ 30/4/96 £	£ 30/4/95 £
FIXED ASSETS			
Tangible Fixed Assets	2	2,667	3,524
CURRENT ASSETS			
Stocks		118,500	157,851
Debtors		81,409	106,988
Cash In Hand		-	23,739
		-----	-----
		199,909	288,578
		=====	=====
CREDITORS			
Amounts Falling Due Within One Year	3	(188,573)	(266,531)
		=====	=====
NET CURRENT ASSETS		11,336	22,047
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		14,003	25,571
		-----	-----
NET ASSETS		£14,003	£25,571
		=====	=====
CAPITAL & RESERVES			
Equity Interests:			
Share Capital	4	100	100
Profit & Loss Account		13,903	25,471
		-----	-----
SHAREHOLDERS FUNDS		£14,003	£25,571
		=====	=====

... CONTINUED ON PAGE 4 ...

BALANCE SHEET AS AT 30TH APRIL 1996 (CONTINUED)

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these special exemptions as a small company.

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company.

TERRY BUTLER

.....Director



The accounts were approved by the Board of Directors on 3rd December 1996.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1996

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 228 (and Section 230) of, and Schedule 4 to, the Companies Act 1985.

The effect of events relating to the year ended 30th April 1996 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30th April 1996 and of the results for the year ended on that date.

(b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Fixtures & Fittings - 10% Per Annum Of Cost
Office Equipment - 20% Per Annum Of Cost

(c) Stocks

Stocks have been valued at the lower of cost and net realisable value; in respect of finished goods, cost includes a relevant proportion of overheads according to the stage of completion.

(d) Deferred Taxation

Provision is made for deferred taxation except when there is a reasonable probability that no liability will arise in the foreseeable future.

(e) Capital Instruments

Capital Instruments are accounted for and classified as equity or non-equity according to their form.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1996 (CONTINUED)

2 TANGIBLE FIXED ASSETS

Cost or Valuation	Fixtures & Fittings £	TOTAL £
Opening Balance	5,005	5,005
Additions	159	159
	-----	-----
Cost at 30/4/96	5,164	5,164
	=====	=====
Depreciation		
Opening Balance	(1,481)	(1,481)
Charge For Year	(1,016)	(1,016)
	-----	-----
Depreciation at 30/4/96	(2,497)	(2,497)
	=====	=====
N.B.V. Brought Forward	£3,524	£3,524
	=====	=====
N.B.V. at 30/4/96	£2,667	£2,667
	=====	=====

3 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
The following amounts are secured:		
Bank Overdrafts & Loans	£28,008	£-
	=====	=====

4 SHARE CAPITAL

	1996 £	1995 £
Authorised Share Capital		
100 Ordinary Shares of £1 each	100	100
	=====	=====
	1996 £	1995 £
Equity Interests:		
Allotted, Called Up and fully paid		
Ordinary Shares	100	100
	-----	-----
	£100	£100
	=====	=====

There have been no changes during the year.

These notes form an integral part of the accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH APRIL 1996 (CONTINUED)

5 TRANSACTIONS WITH DIRECTORS

During the year the company had transactions with Sevens in which both directors are partners. All transactions took place on an arms length basis. The value of the transactions were £38,546.