

PRECIS (1080) LIMITED

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1997

Registered in England No 2623346



PRECIS (1080) LIMITED

Directors:

S J Chatwani FCA FCCA FBIM
J J Chatwani CMA (Canada) MBIM
R J Chatwani B Com

Secretary:

B Tailor BA (Hons) FCA

Auditors:

The Zane Partnership
Chartered Accountants
925 Finchley Road
London NW11 7PE

Solicitors:

W R Burrows & Son
298/300 Preston Road
Harrow
Middlesex HA3 0QB

Registered Office:

25 Culver Grove
Stanmore
Middx HA7 2NJ

Company Number:

2623346

PRECIS (1080) LIMITED

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REPORT OF THE AUDITORS

TO THE DIRECTORS OF PRECIS (1080) LIMITED
FOR THE PURPOSES OF PARAGRAPH 10 OF SCHEDULE 8
TO THE COMPANIES ACT 1985

In our opinion, the directors are entitled, under Sections 247 to 249 of the Companies Act 1985, to deliver abbreviated financial statements of the company in respect of the year ended 30 April 1997 and the abbreviated financial statements set out on pages 3 to 5, have been properly prepared in accordance with Schedule 8 to that Act. We are not required to express an audit opinion on the truth and fairness of these abbreviated financial statements.

As auditors, we reported to the shareholders of the company on 5 December 1997 on the financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 30 April 1997. Our audit opinion was as follows:-

"We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out in Note 1 on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, 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 judgments 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, other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Other information

On 5 December 1997, we reported as Auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph.

The financial statements have been prepared on a going concern basis and in this regard, we draw your attention to note 1(a) on page 6. Our opinion is not qualified in this respect.

REPORT OF THE AUDITORS

TO THE DIRECTORS OF PRECIS (1080) LIMITED
FOR THE PURPOSES OF PARAGRAPH 10 OF SCHEDULE 8
TO THE COMPANIES ACT 1985

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 30 April 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

925 Finchley Road
London NW11 7PE

The Zane Partnership

THE ZANE PARTNERSHIP
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

5 December 1997

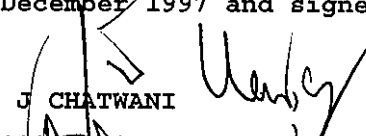
PRECIS (1080) LIMITED

ABBREVIATED BALANCE SHEET AT 30 APRIL 1997

	<u>NOTE</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Investment	2	1	8,480,144
CURRENT ASSETS			
Debtors		-	-
CREDITORS: Amounts falling due within one year	3	(6,758,741)	(6,767,405)
NET CURRENT LIABILITIES		(6,758,741)	(6,767,405)
NET (LIABILITIES)/ASSETS		£(6,758,740)	£1,712,739
CAPITAL AND RESERVES			
Share capital	4	100	100
Profit & loss account		(6,758,840)	1,712,639
		£(6,758,740)	£1,712,739

We have relied upon Sections 247 to 249 of the Companies Act 1985, entitling us to deliver abbreviated financial statements on the grounds that the company is entitled to the benefit of those Sections as a small company.

These abbreviated financial statements were approved by the Board of Directors on 5 December 1997 and signed on its behalf by:-


 S J CHATWANI)
)
 J J CHATWANI) DIRECTORS
)

PRECIS (1080) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1997

1 ACCOUNTING POLICIES

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

(a) Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis as in the opinion of the directors, this is an appropriate basis to show a true and fair view of the state of affairs of the company at the balance sheet date. No material adjustments, including additional liabilities, would arise if an alternative basis were to be adopted.

(b) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating result.

(c) Deferred taxation

Deferred taxation is provided on the liability method in respect of capital allowances on fixed assets to the extent that these are expected to result in tax liabilities becoming payable in the foreseeable future.

(d) Consolidated accounts

No consolidated accounts have been prepared for Preci (1080) Limited since it is a wholly-owned subsidiary of another company incorporated in the United Kingdom.

(e) Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking.

PRECIS (1080) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 1997
(continued)

2 **INVESTMENT**

Shares in subsidiary undertaking:

	£
At 1 May 1996	8,480,144
Provision	(8,480,143)
At 30 April 1997	£ <u>1</u>

The company has a wholly-owned subsidiary, F Copson Limited, which is incorporated in and operates in England. The principal activity of this company is the provision of management services to its subsidiary undertakings.

F Copson Limited in turn, wholly-owns the ordinary shares in the following companies, all of which are incorporated in and operate in England:-

<u>NAME</u>	<u>NATURE OF BUSINESS</u>
LCP Building Supplies Ltd	Non trading
KKG Limited	Non trading
L N Pressly Ltd	Non trading

3 **CREDITORS:** Amounts falling due within one year:

The balance sheet amount of £6,758,741 (1996 : £6,767,405), includes a bank loan of £Nil.

4 **CALLED UP SHARE CAPITAL**

	<u>1997</u>	<u>1996</u>
Authorised, issued and fully paid:		
100 ordinary shares of £1 each	£ <u>100</u>	£ <u>100</u>

5 **ULTIMATE HOLDING COMPANY**

The ultimate holding company is Kanta Enterprises Limited, a company incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Kanta Enterprises Limited. The consolidated accounts of Kanta Enterprises Limited are available to the public and may be obtained from the Registrar of Companies.