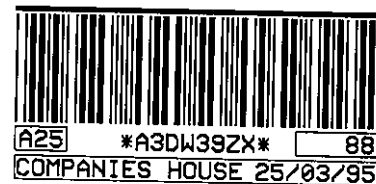


ARMATool DISTRIBUTORS LIMITED

ABBREVIATED ACCOUNTS FOR THE  
YEAR ENDED 31st DECEMBER 1994

Company No. 02666096 (England and Wales)



REPORT OF THE AUDITORS TO THE DIRECTORS OF ARMATool DISTRIBUTORS LIMITED  
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out in pages 2 to 4 together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph:

In our opinion the company is entitled to the exemptions as set out in the directors' statement on page 2 and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 9th February 1995 we reported to the shareholders on the statutory accounts of the company for the year ended 31st December 1994, prepared under Section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8. Our report under Section 235 of the Companies Act 1985 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 on page 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 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.

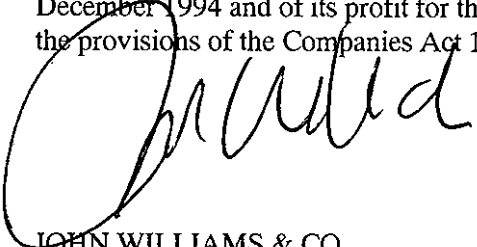
**BASIS OF OPINION**

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 judgement 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 1994 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.



JOHN WILLIAMS & CO.  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
Alderstead House  
2/3 South Parade  
School Hill  
Merstham  
Surrey RH1 3EG

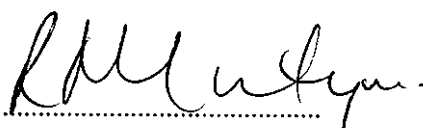
9th February 1995

ARMATOOOL DISTRIBUTORS LIMITED  
ABBREVIATED BALANCE SHEET AS AT 31st DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	2	16420	20028
<u>CURRENT ASSETS</u>			
Stocks		93045	76288
Debtors		106052	97100
Cash at Bank and in Hand		<u>66</u>	<u>54</u>
		199163	173442
<u>CREDITORS: Amounts falling due within one year</u>		<u>171358</u>	<u>152802</u>
<u>NET CURRENT ASSETS</u>		<u>27805</u>	<u>20640</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		44225	40668
<u>CREDITORS: Amounts falling due after more than one year</u>		<u>27878</u>	<u>35554</u>
		<u>£16347</u>	<u>£ 5114</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	3	100	100
Profit and Loss Account		<u>16247</u>	<u>5014</u>
		<u>£16347</u>	<u>£ 5114</u>

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that in their opinion, the company is entitled to those exemptions as a small company. In the preparation of the company's annual accounts the directors have taken advantage of special exemptions applicable to small companies and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Signed on behalf of the board of directors

  
A.R. McINTYRE

Approved by the Board: 9th February 1995

ARMATool DISTRIBUTORS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31st DECEMBER 1994

1. ACCOUNTING POLICIES

a) Basis of Preparation of Accounts

The financial statements have been prepared under the historical cost convention. The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from producing a cash flow statement on the grounds that it is a small company.

b) Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

c) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off each asset over its estimated useful life at the following rates:

Fixtures and Fittings : 15% p.a. on written down value

Motor Vehicles : 25% p.a. on written down value

d) Stocks

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

e) Leasing and Hire Purchase

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Finance leases are those where substantially all of the benefit and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to provide a constant periodic rate of charge on the net obligation outstanding in each period.

f) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and profit and loss account as incurred.

g) Foreign Currencies

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

h) Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

ARMATool DISTRIBUTORS LIMITED  
NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31st DECEMBER 1994

2. FIXED ASSETS

	<u>Tangible</u> <u>Fixed Assets</u>
<u>Cost</u>	<u>£</u>
At 1st January 1994	30117
Additions	<u>1268</u>
At 31st December 1994	<u>31385</u>
 <u>Depreciation</u>	
At 1st January 1994	10089
Charge for the Year	<u>4876</u>
At 31st December 1994	<u>14965</u>
 <u>Net Book Value</u>	
At 31st December 1994	<u>16420</u>
At 31st December 1993	<u>20028</u>

3. CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>
<u>Allotted, Called up and Fully Paid</u>		
Ordinary Shares of £1 each	<u>£100</u>	<u>£100</u>