

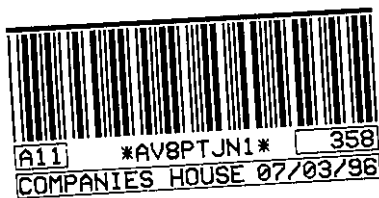
Leipold (UK) Limited

Abbreviated Accounts

31 December 1995

Company Number: 2948564

Goff Haslehurst
Certified Accountants
Sutton Coldfield



Leipold (UK) Limited

Page 1

| | | |
|-------------------|---|--|
| Company Number | : | 2948564 |
| Directors | : | K H Schiefer H Dufner |
| Secretary | : | S J Holder |
| Auditors | : | Goff Haslehurst 15/17 Belwell Lane Four Oaks Sutton Coldfield West Midlands B74 4AA |
| Bankers | : | National Westminster Bank Plc High Street Solihull West Midlands |
| Registered Office | : | Holder Blackthorn Blackthorn House St Paul's Square Birmingham B3 1RL |

AUDITORS' REPORT TO THE DIRECTORS OF LEIPOLD (UK) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.

We have examined the abbreviated accounts on pages 3 to 5 together with the financial statements of Leipold (UK) Limited prepared under section 226 of the Companies Act 1985 for the period ended 31 December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full statements.

Opinion

In our opinion the company is entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act, in respect of the year ended 31 December 1995 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other Information

On 22 February 1996 we reported, as auditors of Leipold (UK) Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the period ended 31 December 1995 and our audit report was as follows:

"We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.


Goff Haslehurst
Certified Accountants
Registered Auditor
Sutton Coldfield

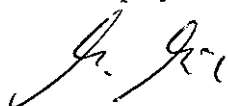
22 February 1996

BALANCE SHEET
at 31 December 1995

| | Notes | 1995 £ |
|---|-------|---------------------|
| Fixed Assets | | |
| Tangible assets | 2 | 373,153 |
| Current Assets | | |
| Stocks | | 246,818 |
| Debtors | | 263,815 |
| Cash at bank and in hand | | 105,605 |
| | | <hr/> 616,238 <hr/> |
| Creditors: Amounts falling due within one year | | 591,151 |
| | | <hr/> |
| Net Current Assets | | 25,087 |
| | | <hr/> |
| Total Assets Less Current Liabilities | | 398,240 |
| Creditors: Amounts falling due after more than one year | | 392,420 |
| | | <hr/> |
| Total Liabilities Less Total Assets | | 5,820 |
| | | <hr/> |
| Capital and Reserves | | |
| Called up share capital | 3 | 120,002 |
| Profit and loss account | | (114,182) |
| | | <hr/> |
| | | 5,820 |
| | | <hr/> |
| Equity | | (95,820) |
| Non equity | | 90,000 |
| | | <hr/> |
| | | 5,820 |
| | | <hr/> |

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

K H Schiefer



)
) Directors

H Dufner



)
)

22 February 1996

NOTES TO THE ACCOUNTS
at 31 December 1995**1. Accounting Policies****Accounting convention**

The accounts are prepared under the historical cost convention.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Depreciation

The cost of fixed assets is depreciated by equal monthly instalments over the expected useful lives of the assets as follows:

| | | |
|--|---|----------|
| Plant and machinery | - | 10 years |
| Fixtures, fittings, and office equipment | - | 5 years |
| Motor vehicles | - | 4 years |

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. The allocation of manufacturing fixed overheads has regard to budgeted normal production.

Deferred taxation

Deferred taxation is provided, using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Balances at the year end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

Deferred government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

NOTES TO THE ABBREVIATED ACCOUNTS
 at 31 December 1995

| | |
|---------------------------------|-----------|
| 2. Tangible Fixed Assets | 1995 £ |
| Cost | |
| Additions | 459,571 |
| Disposals | (48,071) |
| | <hr/> |
| At 31 December 1995 | 411,500 |
| | <hr/> |
| Depreciation | |
| Charge for the period | 43,154 |
| Disposals | (4,807) |
| | <hr/> |
| At 31 December 1995 | 38,347 |
| | <hr/> |
| Net book amounts | |
| At 31 December 1995 | 373,153 |
| | <hr/> |

3. Called Up Share Capital

| | Authorised 1995 £ | Allotted, called up and fully paid 1995 £ |
|--|-------------------------|--|
| Equity: | | |
| Ordinary shares of £1 each | 30,002 | 30,002 |
| | <hr/> | <hr/> |
| Non Equity: | | |
| Redeemable 5% preference shares of £1 each | 90,000 | 90,000 |
| | <hr/> | <hr/> |
| Total Share Capital | 120,002 | 120,002 |
| | <hr/> <hr/> | <hr/> <hr/> |

The redeemable preference shares are redeemable at par on 14 November 1999.

On 14 November 1994 30,002 ordinary shares of £1 each were issued fully paid for cash and also on that date 90,000 5% redeemable preference shares of £1 each were issued, fully paid for cash. The issue of shares was for the purpose of working capital and investment in fixed assets.

4. Holding Company

The ultimate holding company is Carl Leipold Metallwarenfabrik GmbH, a company incorporated in Germany.