

C.M. SUPPLIES LIMITED

ACCOUNTS FOR THE PERIOD

22ND NOVEMBER 1994 TO 30TH NOVEMBER 1995

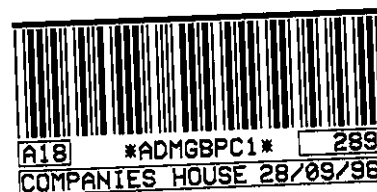
CONTENTS

PAGE

1 - 2	Report of the Directors.
3.	Report of the Auditors.
4.	Profit and Loss Account.
5.	Balance Sheet.
6 - 9	Notes to the Accounts.
10.	Trading and Profit and Loss Account. {Management Information Schedule only}.

Audited by :

D. K. RUMSBY & CO.,
CERTIFIED ACCOUNTANTS,
66, OUTRAM STREET,
SUTTON IN ASHFIELD,
NOTTINGHAMSHIRE,
NG17 4FS.



23RD SEPTEMBER, 1996.

C. M. SUPPLIES LIMITED

DIRECTORS

M. A. Milward, Esq.
C. J. Milward, Esq.

REGISTERED OFFICE

66, Outram Street,
Sutton in Ashfield,
Nottinghamshire,
NG17 4FS.

SECRETARY

C. J. Milward, Esq.

REPORT OF THE DIRECTORS

ACCOUNTS

The Directors present their report with the financial statements of the Company for the period ended 30th November 1995.

INCORPORATION

The Company was incorporated on 22nd November 1994 and commenced trading on 2nd January 1995.

PRINCIPAL ACTIVITY

The principal activity of the Company in the period under review was that of the manufacture and sale of double glazing products.

DIRECTORS

The Directors of the Company in office during the period and their beneficial interests in the issued share capital were as follows :

	30.11.95.
M. A. Milward {App. 22.11.94.}	99
C. J. Milward {App. 14.08.95.}	1

All Directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

/continued.,

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued.,

Select suitable accounting policies and then apply them consistently;

Make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, D. K. Rumsby & Co., will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

In preparing this report, the Directors have taken advantage of special exemptions applicable to small companies.

ON BEHALF OF THE BOARD



C. J. MILWARD, ESQ.
SECRETARY.

23RD SEPTEMBER, 1996.

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
C.M. SUPPLIES LIMITED

We have audited the financial statements on pages four to nine, which have been prepared under the historical cost convention and the accounting policies set out on page six.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page one, 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

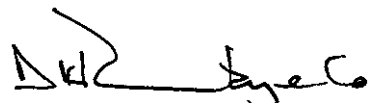
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 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 30th November 1995 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

D. K. RUMSBY & CO.,
REGISTERED AUDITORS,
66, OUTRAM STREET,
SUTTON IN ASHFIELD,
NOTTINGHAMSHIRE,
NG17 4FS.



23RD SEPTEMBER, 1996.

D. K. RUMSBY & CO.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD
22ND NOVEMBER 1994 TO 30TH NOVEMBER 1995

	£	£	1994 £
Turnover {Note 2}		488378	-
Cost of Sales		304436	-
		-----	---
GROSS PROFIT		183942	-
Administrative Expenses		(176359)	-
		-----	---
OPERATING PROFIT {Note 4}		7583	-
Interest Payable and Similar Charges {Note 5}		(2252)	-
		----	---
Profit on Ordinary Activities before taxation		5331	-
Tax on Profit on Ordinary Activities {Note 6}		(546)	-
		----	---
RETAINED PROFIT CARRIED FORWARD		4785	-
		=====	===

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the period.

TOTAL RECOGNISED GAINS AND LOSSES

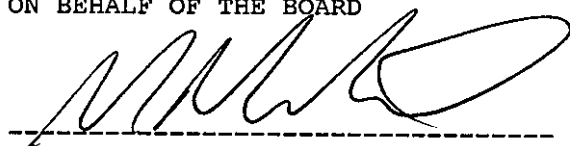
The Company has no recognised gains or losses other than the profit for the current period.

BALANCE SHEET AT 30TH NOVEMBER, 1995

	£	£	1994 £
FIXED ASSETS			
Tangible Assets {Note 7}		35685	-
			===
CURRENT ASSETS			
Stocks {Note 8}	33771		-
Debtors {Note 9}	89854		-
Cash in hand	1		-
	-----		---
	123626		-
CREDITORS			
Amounts falling due within one year {Note 10}	131790		-
	-----		---
		(8164)	-
		-----	---
TOTAL ASSETS less CURRENT LIABILITIES		27521	-
CREDITORS			
Amounts falling due after more than one year {Note 11}		(4300)	-
		-----	---
NET ASSETS		23221	-
		=====	===
CAPITAL AND RESERVES			
Called Up Share Capital {Note 14}		100	-
Share Premium {Note 15}		18336	-
Profit and Loss Account		4785	-
		-----	---
SHAREHOLDERS' FUNDS {Note 16}		23221	-
		=====	===

In preparing these financial statements, the Directors have taken advantage of special exemptions applicable to small companies under Sections 246 and 247 of the Companies Act 1985. The Directors have done so on the grounds that, in their opinion, the Company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD



DIRECTOR

APPROVED BY THE BOARD ON 18TH SEPTEMBER 1996.

NOTES TO THE ACCOUNTS FOR THE PERIOD
22ND NOVEMBER 1994 TO 30TH NOVEMBER 1995

1994

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention. Exemption has been taken from preparing a cash flow statement on the grounds that the Company qualifies as a small company.

TURNOVER

Turnover represents net invoiced sales of goods, excluding value added tax.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and Machinery, etc.	-	20% on reducing balance
Motor Vehicles	-	25% on reducing balance
Computer Equipment	-	25% on cost

STOCKS

Stock 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 expenditure and an appropriate proportion of fixed and variable overheads.

DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

HIRE PURCHASE AND LEASING COMMITMENTS

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

3. STAFF COSTS

Wages and salaries	88772	-
Social Security Costs	6057	-
	-----	---
	94829	-
	=====	===

NOTES TO THE ACCOUNTS - continued.

3. STAFF COSTS - cont'd.

The average weekly number of employees during the period was as follows :

Management	3	-
Production	11	-
	--	---
	14	-
	==	===

4. OPERATING PROFIT

The operating profit is stated after charging:

Depreciation - owned assets	4420	-
Depreciation - assets on hire purchase or finance leases	1613	-
	=====	===
Directors' Emoluments	12732	-
	=====	===
Audit Fees	1200	-
	=====	===

5. INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans, overdrafts and other loans repayable within five years otherwise than by instalments	2252	-
	=====	===

6. TAXATION

The tax charge on the profit on ordinary activities based on the adjusted results, for the period was as follows :

UK Corporation Tax at 25%	546	-
	=====	===

7. TANGIBLE FIXED ASSETS

	PLANT AND MACHINERY	MOTOR VEHICLES	COMPUTER EQUIPMENT	TOTAL
COST				
Additions	34448	2307	4963	41718
AT 30TH NOVEMBER 1995	34448	2307	4963	41718
DEPRECIATION				
Charge for period	4909	491	633	6033
AT 30TH NOVEMBER 1995	4909	491	633	6033
NET BOOK VALUE AT:				
30TH NOVEMBER 1995	29539	1816	4330	35685
	=====	=====	=====	=====

NOTES TO THE ACCOUNTS - continued.

7. TANGIBLE FIXED ASSETS - cont'd.

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows :

	PLANT & MACHINERY
COST	
Additions	10750

AT 30TH NOVEMBER 1995	10750
	=====
DEPRECIATION	
Charge for period	1613

AT 30TH NOVEMBER 1995	1613
	=====
NET BOOK VALUE AT: 30TH NOVEMBER 1995	9137
	=====

8. STOCKS

		1994
Stock	24219	-
Work in progress	9552	-
	-----	---
	33771	-
	=====	===

9. DEBTORS - amounts falling due within one year

Trade debtors	122155	-
Provision for bad debts	(32301)	-
	-----	---
	89854	-
	=====	===

10. CREDITORS - amounts falling due within one year

Bank loans and overdrafts {See Note 12}	34017	-
Trade creditors	67810	-
Directors current accounts	1851	-
Provision for late invoices	4891	-
Hire purchase	2867	-
Wages control account	2240	-
VAT	5258	-
PAYE and NIC	10008	-
Taxation	546	-
Sundry creditors and accruals	2302	-
	-----	---
	131790	-
	=====	===

NOTES TO THE ACCOUNTS - continued.

11. CREDITORS - amounts falling due after more than one year

Hire purchase	4300	-
	=====	=====

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below :

Amounts falling due within one year or on demand:

Bank overdrafts	34017	-
	=====	=====

13. SECURED DEBTS

The following secured debts are included within creditors:

Bank overdrafts	34017	-
Hire purchase	7167	-
	-----	----
	41184	-
	=====	=====

The bank overdraft is secured by a fixed and floating charge over the assets of the Company, together with a £30,000 unsupported guarantee by M. A. Milward, Esq. The hire purchase liability is secured by a personal guarantee by C. J. Milward, Esq.

14. CALLED UP SHARE CAPITAL

AUTHORISED

10,000 Ordinary £1 shares	10000	-
	=====	=====

ALLOTTED, ISSUED AND FULLY PAID

100 Ordinary £1 shares	100	-
	=====	=====

15. SHARE PREMIUM ACCOUNT

Provision being excess of assets acquired over issued shares	18336	-
	=====	=====

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial period	4785	-
Share capital issue	100	-
Share premium	18336	-
	-----	----
Net Addition to Shareholders' Funds	23221	-
	-----	----
CLOSING SHAREHOLDERS' FUNDS	23221	-
	=====	=====
Equity interests	23221	-
	=====	=====