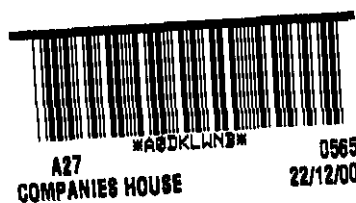


MERCHANDISE TESTING LABORATORIES (UK) LIMITED
(change of name 22/03/2000 from M. T. G. International Limited)

ABBREVIATED STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31st MARCH, 2000

Company No. 2994712 (England and Wales)



MERCHANDISE TESTING LABORATORIES (UK) LIMITED

Auditors' Report to Merchandise Testing Laboratories (UK) Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 4, together with the full financial statements of Merchandise Testing Laboratories (UK) Limited for the year ended 31st March 2000, prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts in accordance with sections 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

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

Opinion

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Pedley & Co.
Chartered Certified Accountants and Registered Auditors
82, Nottingham Road
Somercoates
Alfreton
Derbyshire
DE55 4LY

14th December 2000

MERCHANDISE TESTING LABORATORIES (UK) LIMITED

Abbreviated Balance Sheet as at 31st March, 2000

	Notes	2000	1999
Fixed Assets			
Tangible assets	2	124,073	109,463
Current Assets			
Stock and work in progress		12,850	-
Debtors		112,578	134,124
Cash at bank and in hand		3,025	16,274
		<u>128,453</u>	<u>150,398</u>
Creditors : Amounts falling due within one year	3	<u>203,728</u>	<u>189,344</u>
Net Current Liabilities		(75,275)	(38,946)
Total Assets less Current Liabilities		<u>48,798</u>	<u>70,517</u>
Provisions for liabilities and charges			
Deferred taxation		10,002	7,020
Net Assets		<u><u>38,796</u></u>	<u><u>63,497</u></u>
Capital and Reserves			
Called up share capital	4	100	96
Profit and loss account		38,696	63,401
Shareholders' funds		<u><u>38,796</u></u>	<u><u>63,497</u></u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 14th December 2000 and signed on its behalf.

.....

Director

H. R. Jones

The notes on pages 3 and 4 form part of these financial statements.

MERCHANDISE TESTING LABORATORIES (UK) LIMITED

Notes to the abbreviated accounts for the year ended 31st March, 2000

1. Accounting Policies

1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant equipment	10% reducing balance
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1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalized as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits 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 produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stocks and work in progress

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Operating leases

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

1.7 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.8 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.9 Pensions

The company operates a defined contribution pension scheme, M.T.G. Directors' Pension Scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

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2. Fixed assets

	Tangible fixed assets
Cost	
At 1 April 1999	140,804
Additions	28,395
At 31 March 2000	<u>169,199</u>
Depreciation	
At 1 April 1999	31,340
Charge for the year	13,786
At 31 March 2000	<u>45,126</u>
Net book values	
At 31 March 1999	<u>109,463</u>
At 31 March 2000	<u>124,073</u>

3. Creditors: Amounts falling due within one year

	2000	1999
Bank loans and overdrafts	84,136	82,441
Trade creditors	48,370	49,574
Social security and other taxes	36,125	51,027
Other creditors	35,097	6,302
	<u>203,728</u>	<u>189,344</u>

The bank loans and overdrafts are secured by personal guarantees.

4. Share capital

	2000	1999
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>96</u>

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