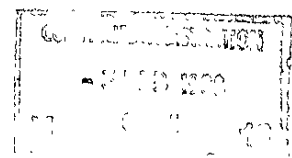


COTECH SENSITISING LIMITED

MODIFIED ACCOUNTS

FOR THE YEAR ENDED

30th SEPTEMBER, 1987



REPORT OF THE AUDITORS

TO THE DIRECTORS OF COTECH SENSITISING LIMITED

Under Schedule 8 Para 10 of the Companies Act 1985

We have examined the accounts on pages 2 to 4 which have been modified. in the manner permitted for a small company, from the accounts of the company prepared for its members for the year ended 30th September 1987.

In our opinion, the company satisfied the requirements for exemption applicable to a small company in respect of the year ended 30th September 1987 and the modified accounts attached have been properly prepared in the manner permitted by Schedule 8 of the Companies Act 1985.

We set out below the text of our report dated 14th January 1988 to the members on the unmodified accounts for the year ended 30th September 1987.

"We have audited the financial statements on pages 2 to 4. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors/managing director (who are major shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors/managing director that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 30th September 1987 and of its profit and source and application of funds for the year then ended, and comply with the Companies Act 1985".

.....*W.J. James*.....*W.J.*.....

Dated: 14th January 1988

W.J. James and Co.,
Chartered Accountants,
Brecon.

MODIFIED BALANCE SHEET AT 30th SEPTEMBER 1987

	<u>Note</u>	<u>1987</u>	<u>1986</u>
<u>FIXED ASSETS</u>			
Tangible Assets		94,924	24,847
<u>CURRENT ASSETS</u>			
Stocks		108,724	51,094
Debtors		204,872	116,445
Cash at Bank and in hand		8	223
		<u>313,604</u>	<u>167,762</u>
<u>CREDITORS</u>			
Amounts falling due within one year	3	<u>224,547</u>	<u>130,651</u>
<u>NET CURRENT ASSETS</u>		<u>89,057</u>	<u>37,111</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>183,981</u>	<u>61,958</u>
<u>CREDITORS</u>			
Amounts falling due after more than one year	4	<u>45,017</u>	
		<u>£138,964</u>	<u>£61,958</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	2	77,001	65,001
Profit and Loss Account		<u>61,963</u>	<u>(3,043)</u>
		<u>£138,964</u>	<u>£61,958</u>

In preparing these modified accounts we have relied upon the exemptions for individual accounts available under Sections 247 to 249 of the Companies Act 1985 and have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

[Signature]
)
[Signature]
)

Directors

Dated: 14th January 1988

The notes on page 3/4 form part of these modified accounts.

NOTES TO THE MODIFIED ACCOUNTS
FOR THE YEAR ENDED 30th SEPTEMBER 1987

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold properties.

Turnover

Turnover comprises external sales excluding value added tax.

Stocks and Work in Progress

Stock and work in progress have been valued at the lower of cost and net realisable value.

Tangible fixed assets

Depreciation is calculated using the straight line method on the gross values of tangible assets without any deduction for government grants as follows:-

Plant, equipment, furniture, fixtures and fittings by reference to their estimated working lives.

Deferred Taxation

Only such deferred taxation as will become payable in the immediate future is accounted for by the Company. On this basis in the opinion of the Directors no provision for deferred taxation is at present required.

2. SHARE CAPITAL

	<u>1987</u>	<u>1986</u>
Authorised Ordinary Shares of £1 each	<u>£100,000</u>	<u>£100,000</u>
Issued and Fully paid Ordinary shares of £1 each	<u>£77,001</u>	<u>£65,001</u>

3. BANK OVERDRAFT

Included in creditors falling due within one year is a bank overdraft of £49,670 (1985: £36,980) secured by a fixed and floating charge on the assets of the company.

4. CREDITORS DUE AFTER ONE YEAR

Included in creditors falling due after more than one year is a bank loan of £50,000 raised on the 3rd November 1986 from Barclays Bank plc to purchase the leasehold property of Units 15 and 16 Tafarnaubach Industrial Estate, Tredegar, Gwent. The lender has a Legal Charge on the properties dated 5th November 1986.

The loan is over 10 years at a rate of interest at 4% over the bank's variable base rate.

Amounts payable within five years	19,178
Amounts repayable after five years	<u>28,752</u>
	<u>£47,930</u>

The capital sums repayable within one year £2,913 is included in current liabilities.