

AUDITORS REPORT TO CATERPAC DISPOSABLES LIMITED UNDER SECTION 247B OF THE
COMPANIES ACT 1985 FOR THE YEAR ENDED 31ST OCTOBER 1998

We have examined the abbreviated accounts on Pages 2 to 5 together with the financial statements of the company for the Year ended 31st October 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the 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 prepared 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

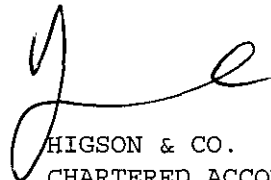
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the 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 5 are properly prepared in accordance with those provisions.

Dated: 26th July 1999

White House
Wollaton Street
Nottingham



HIGSON & CO.
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS

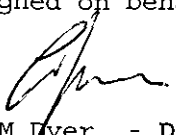


CATERPAC DISPOSABLES LIMITED
ABBREVIATED BALANCE SHEET AS AT 31ST OCTOBER 1998

	<u>1998</u>	<u>1997</u>
	£	£
<u>FIXED ASSETS</u>		
Tangible Assets	79,560	87,732
<u>CURRENT ASSETS</u>		
Stock	82,763	78,517
Debtors	50,875	45,910
Cash at Bank and in Hand	5,206	405
	<u>138,844</u>	<u>124,832</u>
<u>CREDITORS</u>		
Amounts due within one year	<u>121,540</u>	<u>105,845</u>
<u>NET CURRENT ASSETS</u>	<u>17,304</u>	<u>18,987</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	<u>96,864</u>	<u>106,719</u>
<u>CREDITORS</u>		
Amounts due after more than one year	<u>2,846</u>	<u>13,703</u>
	<u>2,846</u>	<u>13,703</u>
	<u>£ 94,018</u>	<u>£ 93,016</u>
<u>EQUITY SHARE CAPITAL AND RESERVES</u>		
Share Capital	10,000	10,000
Profit and Loss Account	84,018	83,016
	<u>£ 94,018</u>	<u>£ 93,016</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the board of directors


 G M Dyer - DIRECTOR

Approved by the board on 26th July 1999

CATERPAC DISPOSABLES LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 19981. Accounting Policies

There have been no major changes in accounting policies during the year.

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention. The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover

Turnover represents sales to outside customers at invoiced amount, less value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates and bases:-

Freehold Property	2% Straight Line
Fixtures, Fittings and Equipment	20% Reducing Balance
Motor Vehicles	25% Reducing Balance

Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis

Deferred Taxation

No provision is made for deferred Taxation in respect of material timing differences arising between the treatment of depreciation for taxation and accounting purposes, unless in the opinion of the Directors there is a probability that a liability or asset will crystallise in the foreseeable future.

ACT - No provision is made for the ACT payable on dividends as this is regarded as recoverable.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the appropriate value at date of inception of each lease or contract.

The assets are depreciated over their expected useful lives.

The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Payments made under operating leases are charged to the profit and loss account as they occur.

Pensions

The company operates a defined contribution pension scheme.

Contributions payable for the year are charged in the profit and loss account.

2. Fixed AssetsTangible Fixed AssetsCOST

£

At 1st November 1997	117,233
Additions in Year	235
Disposals in Year	-
At 31st October 1998	117,468

DEPRECIATION

At 1st November 1997	29,501
Write Off On Disposal	-
Charge for Year	8,407
At 31st October 1998	37,908

NET BOOK VALUE

At 31st October 1998	79,560
At 31st October 1997	87,732

3. Equity Share Capital

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
<u>Ordinary Shares</u>		
Authorised	<u>10,000</u>	<u>10,000</u>
Allotted, Issued and Fully Paid	<u>10,000</u>	<u>10,000</u>

4. Ultimate Controlling Party

The Ultimate Controlling Party of the Company is Mr G M Dyer and Mrs J M Dyer who own 100% of the shares of the company.