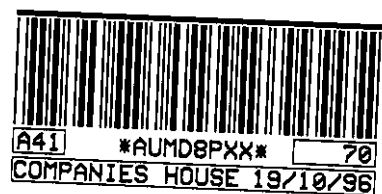


SPENTEX B.C.A. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1996
Company no. 01554450



LITHGOW, PERKINS & CO.

J. PERKINS F.C.A., A.T.I.
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CHARTERED
ACCOUNTANTS

CROWN CHAMBERS
PRINCES STREET
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Report of the auditors to the Directors of SPENTEX B.C.A. LIMITED
pursuant to Paragraph 24 of Schedule 8 of the Companies Act 1985.

We have examined the abbreviated accounts on pages 4 to 7 together with the full financial statements of the company. The scope of our work for the purpose of this report was limited to confirming that the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Schedule 8 of that Act, and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled to the exemption as set out in the director's statement on page 4 and the abbreviated accounts have been properly prepared in accordance with Section A of Part III of Schedule 8 of the Companies Act 1985.

On 6th September 1996 we reported to the members on the full statutory accounts of the company prepared under section 226 of the Companies Act 1985 for the year ended 30th June 1996. Our report under section 235 of the Companies Act 1985 was as follows:

"AUDITORS' REPORT TO THE SHAREHOLDERS OF

SPENTEX B.C.A. LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and accounting policies set out in the notes to the accounts.

Respective responsibilities of directors and auditors

As described on page 3 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF

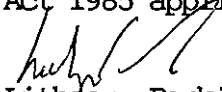
SPENTEX B.C.A. LIMITED (cont'd)

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 judgements 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 as to whether 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 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Lithgow, Perkins & Co.

Chartered Accountants and
Registered Auditor

6th September 1996"

Lithgow, Perkins & Co.

Chartered Accountants and
Registered Auditor

6th September 1996

SPENTEX B.C.A. LIMITED

BALANCE SHEET AS AT 30TH JUNE 1996

	Notes	1996		1995	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		46,863		52,781
CURRENT ASSETS					
Stocks		85,670		84,721	
Debtors	3	100,641		114,084	
Cash at bank and in hand		<u>11</u>		<u>651</u>	
		186,322		199,456	
CREDITORS: Amounts falling due within one year	4	(192,274)		(200,283)	
NET CURRENT LIABILITIES			(5,952)		(827)
TOTAL ASSETS LESS CURRENT LIABILITIES			40,911		51,954
CREDITORS: Amounts falling due after more than one year	5	(11,484)		(16,327)	
			(11,484)		(16,327)
			<u>29,427</u>		<u>35,627</u>
CAPITAL AND RESERVES					
Called-up share capital	6		5,000		5,000
Profit and loss account			<u>24,427</u>		<u>30,627</u>
			<u>29,427</u>		<u>35,627</u>

Advantage has been taken, of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985.

In the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company under section 246.

Approved by the board :

D.J. Spencer

- Director

6th September 1996

The notes set out on pages 5 to 7 form an integral part of these accounts

SPENTEX B.C.A. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH JUNE 1996

1 ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared under the historical cost convention.

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Motor vehicles	- 25% on the reducing balance method
Fixtures & equipment	- 10% on the reducing balance method
Property additions	- Over the life of the lease

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Deferred taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

(e) Turnover

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

(f) Assets leased

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 on a straight-line basis over the term of the lease.

SPENTEX B.C.A. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH JUNE 1996

(g) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

2 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & equipment	Property additions	Total
COST	£	£	£	£
At 1st July 1995	60,377	51,823	13,503	125,703
Additions at cost	-	1,774	-	1,774
At 30th June 1996	<u>60,377</u>	<u>53,597</u>	<u>13,503</u>	<u>127,477</u>
DEPRECIATION				
At 1st July 1995	43,074	22,425	7,422	72,921
Charge for the year	4,320	2,941	432	7,693
At 30th June 1996	<u>47,394</u>	<u>25,366</u>	<u>7,854</u>	<u>80,614</u>
NET BOOK VALUE				
At 30th June 1996	<u>12,983</u>	<u>28,231</u>	<u>5,649</u>	<u>46,863</u>
At 30th June 1995	<u>17,303</u>	<u>29,397</u>	<u>6,081</u>	<u>52,781</u>

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1996 £	1995 £
Net book value at 30th June 1996	<u>9,586</u>	<u>10,652</u>
Depreciation charge for the year	<u>1,066</u>	<u>1,183</u>

3 DEBTORS

S. Spencer	1996 £	1995 £
Amount outstanding at beginning of year	825	-
Amount outstanding at end of year	-	825
Maximum outstanding during the year	<u>-</u>	<u>825</u>

SPENTEX B.C.A. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AT 30TH JUNE 1996

4 CREDITORS: Amounts falling due within one year

	1996 £	1995 £
The following secured amounts fall due within one year:		
Bank loans and overdrafts	55,430	60,287
Net obligations under finance leases and hire purchase contracts	-	2,083
	<u>55,430</u>	<u>62,370</u>

	1996 £	1995 £
Amounts payable by instalments due within one year hence:		
Bank loans	11,484	16,327
Net obligations under finance leases and hire purchase contracts	-	2,083
	<u>11,484</u>	<u>18,410</u>

5 CREDITORS: Amounts falling due after more than one year

	1996 £	1995 £
The following secured amounts fall due after more than one year:		
Bank loans	<u>11,484</u>	<u>16,327</u>

	1996 £	1995 £
Amounts payable by instalments between one and five years hence:		
Bank loans	<u>11,484</u>	<u>16,327</u>

6 SHARE CAPITAL	Number 1996	Value 1996 £	Number 1995	Value 1995 £
Authorised:				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Issued and fully paid:				
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>