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COMPANY NUMBER: 488564

AUDITORS' REPORT TO STANWAY SCREENS LIMITED

**PURSUANT TO PARAGRAPH 24
OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Stanway Screens Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors statements on page 2 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1995, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 3 May 1996 we reported, as auditors of Stanway Screens Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995 and our report was as follows:-



AUDITORS' REPORT (continued)

"We have audited the financial statements on pages 4 to 13.

Respective responsibilities of directors and auditors

As described on page 2 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.

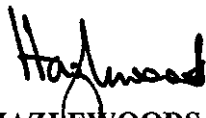
Basis of opinion

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 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 that the financial statements are free from material mis-statement, 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 31 December 1995 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".


HAZLEWOODS

Registered Auditors

Cheltenham

3 May 1996

STANWAY SCREENS LIMITED

BALANCE SHEET

31 December 1995

	Note	1995	1994
FIXED ASSETS			
Tangible assets	2	474,002	485,234
CURRENT ASSETS			
Stocks		187,251	169,381
Debtors		558,964	579,934
Investments		8,000	-
Cash at bank and in hand		465	269
		754,680	749,584
CREDITORS			
due within one year	3	637,354	685,920
		117,326	63,664
NET CURRENT ASSETS			
TOTAL ASSETS LESS			
CURRENT LIABILITIES		591,328	548,898
CREDITORS			
due after more than one year	3	93,079	106,167
PROVISIONS FOR LIABILITIES			
AND CHARGES		23,000	23,000
		£ 475,249	£ 419,731
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		475,149	419,631
SHAREHOLDERS' FUNDS		£ 475,249	£ 419,731

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Act on the grounds that the company is entitled to benefit from those exemptions as a small company as defined by Section 247 of the Act.

In preparing these financial statements advantage has been taken of the exemptions provided by Part I of Schedule 8 to the Act on the grounds that the company is entitled to those exemptions as a small company as defined by Section 247 of the Act.

Approved by the Board on

25 April

1996

M PRIEST - Director

STANWAY SCREENS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1995

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies.

Turnover

Turnover represents the amounts, excluding value added tax, receivable during the year for goods and services supplied.

Depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates per annum:

Freehold land	Nil
Freehold buildings	Nil
Fixtures, fittings and equipment	10-20% of written down value
Tools	10% of cost
Motor vehicles	25% of written down value

Freehold land and buildings are not depreciated, it being company policy to maintain buildings to such an extent that the estimated aggregate residual values exceed the net book value in the financial statements. The maintenance costs are charged to the profit and loss account as incurred.

The accounting policy for the depreciation of tools was changed during the year to depreciate such items over ten years. The effect of this change in policy is to increase the depreciation charge for the year by £7,614. The directors believe this policy more accurately reflects the useful economic lives of these assets.

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs expected to be incurred to completion and disposal.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract date. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the asset. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

STANWAY SCREENS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1995

1 ACCOUNTING POLICIES (continued)

Deferred Taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

Operating Leases

The cost of and income from operating leases is charged and credited to profit and loss account on a straight line basis over the lease term.

Hire Purchase

Assets acquired under hire purchase are recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability is included under creditors due within or after one year. The interest element is charged to profit and loss account on a straight line basis.

Pension Costs

The company operates two defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

2 FIXED ASSETS

	Tangible Assets
Cost	
At 1 January 1995	725,287
Additions	38,462
Disposals	(22,899)
At 31 December 1995	740,850
Depreciation	
At 1 January 1995	240,053
Charge for year	43,597
Disposals	(16,802)
At 31 December 1995	266,848

STANWAY SCREENS LIMITED

NOTES TO THE ACCOUNTS

for the year ended 31 December 1995

2 FIXED ASSETS (CONTINUED)

Net Book Value

At 31 December 1995	£ 474,002
	<u> </u>
At 31 December 1994	£ 485,234
	<u> </u>

3 CREDITORS

1995

1994

Creditors include the following borrowings:-

Hire purchase obligations	16,167	35,643
Bank overdraft	197,005	273,708
	<u> </u>	<u> </u>
	£ 213,172	£ 309,351
	<u> </u>	<u> </u>

The bank loan and overdraft are secured.

4 SHARE CAPITAL

Authorised, allotted and fully paid:

100 Ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>

5 TRANSACTIONS WITH DIRECTORS

During the year the company received a management charge of £20,682 (1994 - £24,467) from and sold goods for resale with a value of £137,836 (1994 - £163,116) to a company under the common control of the directors. All goods were sold under normal trading terms.