

**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 7 together with the financial statements of Stanway Screens Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996.

**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 4 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 1996, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

**Other information**

On 23 April 1997 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 1996 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 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".

  
HAZLEWOODS

Cheltenham

Registered Auditors

23 April 1997

# STANWAY SCREENS LIMITED

## BALANCE SHEET

31 December 1996

|                                   | Note | 1996      | 1995      |
|-----------------------------------|------|-----------|-----------|
| <b>FIXED ASSETS</b>               |      |           |           |
| Tangible assets                   | 2    | 494,809   | 474,002   |
|                                   |      | <hr/>     | <hr/>     |
| <b>CURRENT ASSETS</b>             |      |           |           |
| Stocks                            |      | 157,512   | 187,251   |
| Debtors                           |      | 576,037   | 558,964   |
| Investments                       |      | 7,000     | 8,000     |
| Cash at bank and in hand          |      | 736       | 465       |
|                                   |      | <hr/>     | <hr/>     |
|                                   |      | 741,285   | 754,680   |
| <b>CREDITORS</b>                  |      |           |           |
| due within one year               | 3    | 564,907   | 637,354   |
|                                   |      | <hr/>     | <hr/>     |
| <b>NET CURRENT ASSETS</b>         |      | 176,378   | 117,326   |
|                                   |      | <hr/>     | <hr/>     |
| <b>TOTAL ASSETS LESS</b>          |      |           |           |
| <b>CURRENT LIABILITIES</b>        |      | 671,187   | 591,328   |
|                                   |      | <hr/>     | <hr/>     |
| <b>CREDITORS</b>                  |      |           |           |
| due after more than one year      | 3    | 107,361   | 93,079    |
|                                   |      | <hr/>     | <hr/>     |
| <b>PROVISIONS FOR LIABILITIES</b> |      |           |           |
| <b>AND CHARGES</b>                |      | 21,000    | 23,000    |
|                                   |      | <hr/>     | <hr/>     |
|                                   |      | £ 542,826 | £ 475,249 |
|                                   |      | <hr/>     | <hr/>     |
| <b>CAPITAL AND RESERVES</b>       |      |           |           |
| Called up share capital           | 4    | 100       | 100       |
| Profit and loss account           |      | 542,726   | 475,149   |
|                                   |      | <hr/>     | <hr/>     |
| <b>SHAREHOLDERS' FUNDS</b>        |      | £ 542,826 | £ 475,249 |
|                                   |      | <hr/>     | <hr/>     |

**STANWAY SCREENS LIMITED**

**BALANCE SHEET (continued)**

31 December 1996

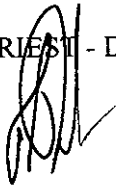
**Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 ("The Act").**

**Advantage has been taken, in preparation of the accounts, of the exemptions conferred by Part I of Schedule 8 to the Act.**

**In the opinion of the directors the company is entitled to the exemptions conferred by Schedule 8 to the Act on the basis that it qualifies as a small company under Section 247 of the Act.**

Approved by the Board on 11-4 1997

M PRIEST - Director



# STANWAY SCREENS LIMITED

## NOTES TO THE ACCOUNTS

for the year ended 31 December 1996

### 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.

#### 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 1996

### 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 operating leases is charged 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

|                     | <b>Tangible Assets</b> |
|---------------------|------------------------|
| <b>Cost</b>         |                        |
| At 1 January 1996   | 740,850                |
| Additions           | 69,412                 |
| Disposals           | (40,559)               |
|                     | —                      |
| At 31 December 1996 | 769,703                |
|                     | —                      |
| <b>Depreciation</b> |                        |
| At 1 January 1996   | 266,848                |
| Charge for year     | 36,173                 |
| Disposals           | (28,127)               |
|                     | —                      |
| At 31 December 1996 | 274,894                |
|                     | —                      |

# STANWAY SCREENS LIMITED

## NOTES TO THE ACCOUNTS

for the year ended 31 December 1996

### 2 FIXED ASSETS (continued)

#### Net Book Value

|                     |                   |
|---------------------|-------------------|
| At 31 December 1996 | £ 494,809         |
|                     | <u>          </u> |
| At 31 December 1995 | £ 474,002         |
|                     | <u>          </u> |

### 3 CREDITORS

|  | 1996 | 1995 |
|--|------|------|
|--|------|------|

Creditors include the following borrowings:-

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Hire purchase obligations | 21,793            | 16,167            |
| Bank overdraft            | 127,586           | 197,005           |
| Other loan                | 90,000            | 90,000            |
|                           | <u>          </u> | <u>          </u> |
|                           | £ 149,379         | £ 213,172         |
|                           | <u>          </u> | <u>          </u> |

The overdraft is secured by way of a fixed and floating charge over the assets of the company.

### 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 £38,535 (1995 - £20,682) from and sold goods for resale with a value of £256,866 (1995 - £137,837) to Stanway Productions Limited a company under the common control of the directors. All goods were sold under normal trading terms.