

COMPANIES HOUSE

SHRINKWRAP MACHINERY COMPANY LIMITED

ABBREVIATED ACCOUNTS

31 OCTOBER 1996

LAWRENCE & CO

Chartered Accountants & Registered Auditors

9 Parkstone Road

Poole

Dorset



SHRINKWRAP MACHINERY COMPANY LIMITED

AUDITORS' REPORT TO THE COMPANY

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 accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1996.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing 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' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

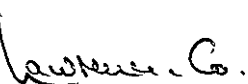
We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

OPINION

In our opinion the company is entitled under sections 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 October 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

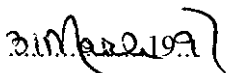
OTHER INFORMATION

On 21 March 1997 we reported, as auditors of the company, to the shareholders on the accounts prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1996, and the full text of our audit report is reproduced on page 2 of these accounts.



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SHRINKWRAP MACHINERY COMPANY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 OCTOBER 1996

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

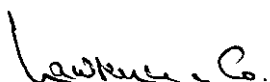
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

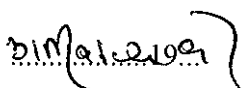
OPINION

In our opinion the accounts give a true and fair view of the the company's state of affairs as at 31 October 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.



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SHRINKWRAP MACHINERY COMPANY LIMITED

ABBREVIATED BALANCE SHEET

31 OCTOBER 1996

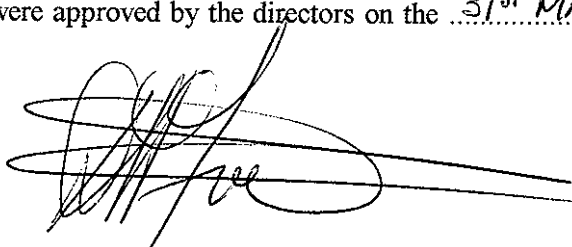
	Note	1996		1995	
		£	£	£	£
FIXED ASSETS	2				
Tangible assets			37,477		19,596
CURRENT ASSETS					
Stocks and work in progress		25,908		30,201	
Debtors		84,923		66,297	
Cash at bank		22,100		-	
		<u>132,931</u>		<u>96,498</u>	
CREDITORS: Amounts falling due within one year	3	(120,604)		(92,311)	
NET CURRENT ASSETS			<u>12,327</u>		<u>4,187</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>49,804</u>		<u>23,783</u>
CREDITORS: Amounts falling due after more than one year	4		(14,167)		-
PROVISIONS FOR LIABILITIES AND CHARGES			(989)		(1,442)
NET ASSETS			<u>34,648</u>		<u>22,341</u>
CAPITAL AND RESERVES					
Equity share capital	6		6,000		6,000
Other reserves			1,203		1,203
Profit and loss account			27,445		15,138
SHAREHOLDERS' FUNDS			<u>34,648</u>		<u>22,341</u>

The directors have taken advantage of the abbreviated disclosure exemptions conferred by section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In preparing the annual accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in the opinion of the directors, the company qualifies as a small company.

These accounts were approved by the directors on the 31st MARCH 1997 and are signed on their behalf by:

MR D A FRITH
Director



SHRINKWRAP MACHINERY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 OCTOBER 1996

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the accounts on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and machinery	25% reducing balance
Furniture and equipment	15% reducing balance
Computer equipment	3 years straight line
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 after making due allowance for obsolete and slow moving stocks. Costs include all direct costs and an appropriate proportion of factory overheads.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

SHRINKWRAP MACHINERY COMPANY LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 OCTOBER 1996****1. ACCOUNTING POLICIES** *(continued)***Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1 November 1995	70,620
Additions	27,675
Disposals	(12,765)
At 31 October 1996	<u>85,530</u>
DEPRECIATION	
At 1 November 1995	51,024
Charge for year	6,345
On disposals	(9,316)
At 31 October 1996	<u>48,053</u>
NET BOOK VALUE	
At 31 October 1996	<u>37,477</u>
At 31 October 1995	<u>19,596</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1996 £	1995 £
Bank loans and overdrafts	-	31,083
Hire purchase/finance lease agreements	3,194	3,000
	<u>3,194</u>	<u>34,083</u>

SHRINKWRAP MACHINERY COMPANY LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 OCTOBER 1996****4. CREDITORS: Amounts falling due after more than one year**

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1996 £	1995 £
Hire purchase/finance lease agreements	<u>14,167</u>	<u>-</u>

5. TRANSACTIONS WITH THE DIRECTORS

The directors have guaranteed the bank overdraft which is additionally secured by a charge on the directors' private residence.

6. SHARE CAPITAL**Authorised share capital:**

	1996 £	1995 £
6,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

Allotted, called up and fully paid:

	1996 £	1995 £
Ordinary share capital	<u>6,000</u>	<u>6,000</u>