

COMPANIES HOUSE

SHRINKWRAP MACHINERY COMPANY LIMITED

ABBREVIATED ACCOUNTS

31 OCTOBER 1997

LAWRENCE & CO

Chartered Accountants & Registered Auditors

Suite 6, Pine Court

36 Gervis Road

Bournemouth

Dorset



SHRENKWRAP MACHINERY COMPANY LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the accounts of the company for the year ended 31 October 1997 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 report our opinion to you.

BASIS OF OPINION

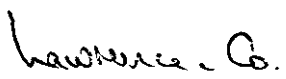
We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include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

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Suite 6, Pine Court
36 Gervis Road
Bournemouth
Dorset

31 March 1998

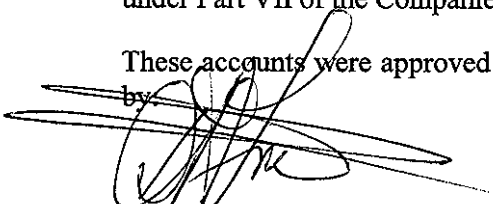

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SHRENKWRAP MACHINERY COMPANY LIMITED**ABBREVIATED BALANCE SHEET****31 OCTOBER 1997**

		1997	1996
	Note	£	£
FIXED ASSETS	2		
Tangible assets		68,419	37,477
CURRENT ASSETS			
Stocks and work in progress		35,926	25,908
Debtors		88,369	84,923
Cash at bank		28,420	22,100
		<u>152,715</u>	<u>132,931</u>
CREDITORS: Amounts falling due within one year	3	<u>(95,680)</u>	<u>(120,604)</u>
NET CURRENT ASSETS		<u>57,035</u>	<u>12,327</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>125,454</u>	<u>49,804</u>
CREDITORS: Amounts falling due after more than one year	4	(38,610)	(14,167)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(201)</u>	<u>(989)</u>
		<u>86,643</u>	<u>34,648</u>
CAPITAL AND RESERVES			
Called-up equity share capital	5	6,000	6,000
Other reserves		1,203	1,203
Profit and loss account		79,440	27,445
SHAREHOLDERS' FUNDS		<u>86,643</u>	<u>34,648</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These accounts were approved by the directors on the 31 March 1998 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 1997****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
Copying equipment	5 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 1997****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 1996	85,530
Additions	50,744
At 31 October 1997	<u>136,274</u>
DEPRECIATION	
At 1 November 1996	48,053
Charge for year	19,802
At 31 October 1997	<u>67,855</u>
NET BOOK VALUE	
At 31 October 1997	<u>68,419</u>
At 31 October 1996	<u>37,477</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:

	1997 £	1996 £
Hire purchase/finance lease agreements	<u>13,917</u>	<u>3,194</u>

SHRINKWRAP MACHINERY COMPANY LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 OCTOBER 1997****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:

	1997 £	1996 £
Hire purchase/finance lease agreements	<u>38,610</u>	<u>14,167</u>

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

	1997 £	1996 £
6,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>6,000</u>	<u>6,000</u>