

Abbreviated Copy to be signed on page 5

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1995

FOR

HOBSON PARAGON (UK) LIMITED



HOBSON PARAGON (UK) LIMITED

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HOBSON PARAGON (UK) LIMITED

COMPANY INFORMATION

DIRECTORS: Mrs Jean Gibney
Mr Francis John French

SECRETARY: Mrs Jean Gibney

REGISTERED OFFICE: Chancel House
Unit B1
Stafford Park 15
Telford

REGISTERED NUMBER: 1661663

AUDITORS: Dains
Chartered Accountants
Registered Auditors
29/31 Upper Brook Street
Rugeley
Staffs
WS15 2DP

HOBSON PARAGON (UK) LIMITED

**REPORT OF THE AUDITORS TO
HOBSON PARAGON (UK) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages four to eight together with the full financial statements of HOBSON PARAGON (UK) LIMITED prepared under Section 226 of the Companies Act 1985 for the year ended 31 August 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 four and whether the abbreviated financial statements 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 financial statements 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 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 August 1995, and the abbreviated financial statements on pages four to eight have been properly prepared in accordance with that Schedule.

Other information

On 19-2-1996 we reported, as auditors of HOBSON PARAGON (UK) LIMITED, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 August 1995, and our audit report was as follows:

"We have audited the financial statements on pages four to thirteen which have been prepared under the historical cost convention and the accounting policies set out on pages seven and eight.

Respective responsibilities of directors and auditors

As described on page two 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 judgments 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.

HOBSON PARAGON (UK) LIMITED

REPORT OF THE AUDITORS TO
HOBSON PARAGON (UK) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 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 31 August 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."

Dains
Chartered Accountants
Registered Auditors
29/31 Upper Brook Street
Rugeley
Staffs
WS15 2DP

Dated:

Dains
19.2.96

HOBSON PARAGON (UK) LIMITED

ABBREVIATED BALANCE SHEET
As at 31 August 1995

		1995		1994	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible Assets	2		1,350		1,800
Tangible Assets	3		54,639		63,504
			<u>55,989</u>		<u>65,304</u>
CURRENT ASSETS:					
Stocks		78,406		53,728	
Debtors		81,299		91,193	
Cash at Bank		24,893		29,428	
		<u>184,598</u>		<u>174,349</u>	
CREDITORS: Amounts falling due within one year	4	<u>154,724</u>		<u>157,687</u>	
NET CURRENT ASSETS:			<u>29,874</u>		<u>16,662</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			85,863		81,966
CREDITORS: Amounts falling due after more than one year	4		(11,234)		(14,342)
PROVISION FOR LIABILITIES AND CHARGES:			(4,410)		(4,825)
			<u>£70,219</u>		<u>£62,799</u>
CAPITAL AND RESERVES:					
Called Up Share Capital	5		2,000		2,000
Profit & Loss Account			68,219		60,799
Shareholders' Funds			<u>£70,219</u>		<u>£62,799</u>

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

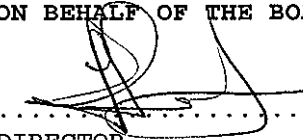
The notes form part of these financial statements

HOBSON PARAGON (UK) LIMITED

ABBREVIATED BALANCE SHEET
As at 31 August 1995

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

y 
.....
DIRECTOR

x Approved by the Board on ... 16. Feb - 1996

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 August 1995

1. ACCOUNTING POLICIES

Accounting Convention

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

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 1982, is being written off evenly over its estimated useful life of 15 years.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Equipment	- 15% on reducing balance
Motor Vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire Purchase and Leasing Commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

HOBSON PARAGON (UK) LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 August 1995**

Pension Costs

The amount of contributions payable to the pension scheme in respect of the accounting period are charged against the Profit & Loss Account. Any outstanding or prepaid contributions at the year end are shown in the balance sheet as liabilities or assets respectively.

2. INTANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
As at 1 September 1994	
and 31 August 1995	6,750
	<u> </u>
AMORTISATION:	
As at 1 September 1994	4,950
Charge for Year	450
	<u> </u>
As at 31 August 1995	5,400
	<u> </u>
NET BOOK VALUE:	
As at 31 August 1995	£1,350
	<u> </u>
As at 31 August 1994	£1,800
	<u> </u>

3. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
As at 1 September 1994	127,016
Additions	17,700
Disposals	(22,508)
	<u> </u>
As at 31 August 1995	122,208
	<u> </u>
DEPRECIATION:	
As at 1 September 1994	63,513
Charge for Year	9,934
Eliminated on Disposals	(5,878)
	<u> </u>
As at 31 August 1995	67,569
	<u> </u>
NET BOOK VALUE:	
As at 31 August 1995	£54,639
	<u> </u>
As at 31 August 1994	£63,504
	<u> </u>

HOBSON PARAGON (UK) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 August 1995

4. CREDITORS

Creditors include the following debts falling due in more than five years:

	1995	1994
	£	£
Repayable otherwise than by instalments		
Scottish Widows Loan	7,750	7,750

5. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	1995	1994
			£	£
10,000	Ordinary	£1	10,000	10,000

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	1995	1994
			£	£
2,000	Ordinary	£1	2,000	2,000