

Sign Page 5

Abbreviated Financial Statements
For The Year Ended 31 August 1996
for
Hobson Paragon (UK) Limited



Hobson Paragon (UK) Limited

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For The Year Ended 31 August 1996**

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Hobson Paragon (UK) Limited

**Company Information
For The Year Ended 31 August 1996**

DIRECTORS: Mrs J Gibney
F J French

SECRETARY: Mrs J Gibney

REGISTERED OFFICE: Chancel House
Commercial Way
Oakengates
Telford
Shropshire
TF2 6SG

REGISTERED NUMBER: 1661663

AUDITORS: Dains
Chartered Accountants
Registered Auditors
The Hollies
Church Street
Rugeley
Staffs WS15 2AB

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 1996.

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 1996, and the abbreviated financial statements on pages four to eight have been properly prepared in accordance with that Schedule.

Other information

On 27/6/1997 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 1996, 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 page six.

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.

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.

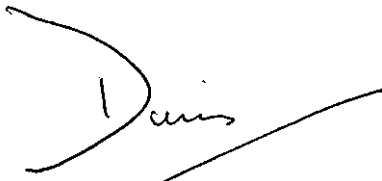
Hobson Paragon (UK) Limited

**Report of the Auditors to
Hobson Paragon (UK) Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985**

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 1996 and of its loss 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
The Hollies
Church Street
Rugeley
Staffs WS15 2AB



Dated: 27th June 1997

Hobson Paragon (UK) Limited

Abbreviated Balance Sheet
31 August 1996

		1996		1995	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	2		900		1,350
Tangible assets	3		243,780		54,639
			<u>244,680</u>		<u>55,989</u>
CURRENT ASSETS:					
Stocks		62,551		78,406	
Debtors		114,746		81,299	
Cash at bank		1,464		24,893	
		<u>178,761</u>		<u>184,598</u>	
CREDITORS: Amounts falling due within one year	4	<u>217,037</u>		<u>154,724</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(38,276)</u>		<u>29,874</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			206,404		85,863
CREDITORS: Amounts falling due after more than one year	4		(151,320)		(11,234)
PROVISIONS FOR LIABILITIES AND CHARGES:			(3,979)		(4,410)
			<u>£51,105</u>		<u>£70,219</u>
CAPITAL AND RESERVES:					
Called up share capital	5		2,000		2,000
Profit and loss account			49,105		68,219
			<u>£51,105</u>		<u>£70,219</u>
Shareholders' funds			<u>£51,105</u>		<u>£70,219</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.

Hobson Paragon (UK) Limited

**Abbreviated Balance Sheet
31 August 1996**

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:

X 

.....
F J French - DIRECTOR

X Approved by the Board on 25-6-97

Notes to the Abbreviated Financial Statements
For The Year Ended 31 August 1996

1. ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard Number 1

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 fifteen 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.

Freehold Property	- not provided
Computer Equipment	- 25% on reducing balance
Fixtures & Fittings	- 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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Depreciation on Freehold Property

Depreciation is not provided on freehold property. The directors consider that taking into account the company's policy of maintaining the property in a good state of repair and of the market value of the property being at least equal to the amount stated in the accounts any future diminution in value will be charged through the profit and loss account as it arises.

Hobson Paragon (UK) Limited

**Notes to the Abbreviated Financial Statements
For The Year Ended 31 August 1996**

2. INTANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 September 1995	
and 31 August 1996	6,750
AMORTISATION:	
At 1 September 1995	5,400
Charge for year	450
At 31 August 1996	5,850
NET BOOK VALUE:	
At 31 August 1996	900
At 31 August 1995	1,350

3. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 September 1995	122,208
Additions	229,596
Disposals	(52,415)
At 31 August 1996	299,389
DEPRECIATION:	
At 1 September 1995	67,569
Charge for year	12,179
Eliminated on disposals	(24,139)
At 31 August 1996	55,609
NET BOOK VALUE:	
At 31 August 1996	243,780
At 31 August 1995	54,639

4. CREDITORS

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

	1996	1995
	£	£
Repayable otherwise than by instalments		
Scottish Widows Loan	6,750	7,750

Hobson Paragon (UK) Limited

Notes to the Abbreviated Financial Statements For The Year Ended 31 August 1996

4. CREDITORS - continued

Repayable by instalments		
Bank loans	74,659	-
	<u> </u>	<u> </u>

5. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	1996	1995
		value:	£	£
10,000	Ordinary	£1	10,000	10,000
			<u> </u>	<u> </u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	1996	1995
		value:	£	£
2,000	Ordinary	£1	2,000	2,000
			<u> </u>	<u> </u>

6. TRANSACTIONS WITH DIRECTORS

No transactions were entered into in which directors had a material interest nor is the company party to any arrangement enabling the directors to acquire benefits through the acquisition of shares in the company.