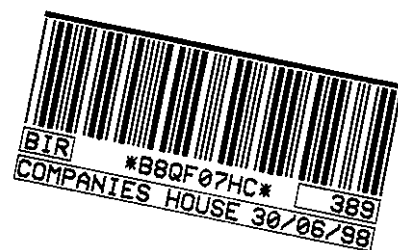


Abbreviated Financial Statements
For The Year Ended 31 August 1997
for
Hobson Paragon (UK) Limited



Hobson Paragon (UK) Limited

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For The Year Ended 31 August 1997**

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Hobson Paragon (UK) Limited
Company Information
For The Year Ended 31 August 1997

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
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the year ended 31 August 1997 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to six are properly prepared in accordance with those provisions.

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



Dated:



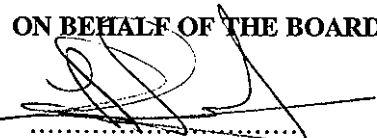
Hobson Paragon (UK) Limited

Abbreviated Balance Sheet
31 August 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	2		450		900
Tangible assets	3		226,434		243,780
			<u>226,884</u>		<u>244,680</u>
CURRENT ASSETS:					
Stocks		55,735		62,551	
Debtors		92,285		114,746	
Cash at bank		12,256		1,464	
		<u>160,276</u>		<u>178,761</u>	
CREDITORS: Amounts falling due within one year	4	128,796		126,344	
		<u></u>		<u></u>	
NET CURRENT ASSETS:			31,480		52,417
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>258,364</u>		<u>297,097</u>
CREDITORS: Amounts falling due after more than one year	4		(220,700)		(242,013)
PROVISIONS FOR LIABILITIES AND CHARGES:			-		(3,979)
			<u>£37,664</u>		<u>£51,105</u>
CAPITAL AND RESERVES:					
Called up share capital	5		2,000		2,000
Profit and loss account			35,664		49,105
			<u>£37,664</u>		<u>£51,105</u>
Shareholders' funds			<u>£37,664</u>		<u>£51,105</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


F J French - DIRECTOR

Approved by the Board on 14.4.98

The notes form part of these financial statements

Hobson Paragon (UK) Limited

Notes to the Abbreviated Financial Statements For The Year Ended 31 August 1997

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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 1997**

2. INTANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 September 1996	
and 31 August 1997	6,750
AMORTISATION:	
At 1 September 1996	5,850
Charge for year	450
At 31 August 1997	6,300
NET BOOK VALUE:	
At 31 August 1997	450
At 31 August 1996	900

3. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 September 1996	299,389
Disposals	(8,926)
At 31 August 1997	290,463
DEPRECIATION:	
At 1 September 1996	55,609
Charge for year	10,652
Eliminated on disposals	(2,232)
At 31 August 1997	64,029
NET BOOK VALUE:	
At 31 August 1997	226,434
At 31 August 1996	243,780

4. CREDITORS

The following secured debts are included within creditors:

	1997	1996
	£	£
Bank loans	139,744	151,893

Hobson Paragon (UK) Limited

**Notes to the Abbreviated Financial Statements
For The Year Ended 31 August 1997**

4. CREDITORS - continued

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

	1997 £	1996 £
Repayable otherwise than by instalments		
Scottish Widows Loan	4,300	6,750
	<u> </u>	<u> </u>
Repayable by instalments		
Bank loans	60,644	74,659
	<u> </u>	<u> </u>

5. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1997 £	1996 £
10,000	Ordinary	£1	10,000	10,000
			<u> </u>	<u> </u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1997 £	1996 £
2,000	Ordinary	£1	2,000	2,000
			<u> </u>	<u> </u>

6. TRANSACTIONS WITH DIRECTORS

No contracts significant to the company's business were entered into in which any director had a material interest, nor is the company party to any arrangement enabling directors to acquire benefits through the acquisition of shares in the company.