

AUDITOR'S REPORT TO THE SHAREHOLDERS OF

MIDLAND GRATINGS (NORTHERN) LIMITED

1681663

I have audited the financial statements on Pages 5 to 6 which have been prepared under the historical cost convention and accounting policies set out in the notes to the accounts.

Respective responsibilities of directors and auditor.
As described on page 2 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

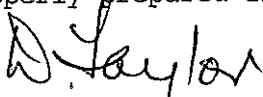
Basis of opinion

I conducted my 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 judgements 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. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and that the Company is entitled to the exemptions claimed in the directors statement. The Accounts are properly prepared in accordance with Schedule 8 of the Act.

D TAYLOR - FAPA



ACCOUNTANT AND REGISTERED AUDITOR

January 1997



MIDLAND GRATINGS (NORTHERN) LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1996

1995				1996	
FIXED ASSETS					
			Cost	Depcn	
780		Plant and Machinery	780		780
4945		Office Equipment	5102		5102
<u>1500</u>	7225	Motor Vehicle	<u>5500</u>	<u>4375</u>	<u>1125</u> 7007
CURRENT ASSETS					
36115		Stock			32600
594		Work in Progress			2174
85314		Debtors and Prepayments			103053
8581		Bank - Current Account			3541
51404		Deposit Account			49069
<u>84</u>		Cash in Hand			<u>89</u>
182092					190526
CURRENT LIABILITIES					
<u>94433</u>	87659	Sundry Creditors		<u>95115</u>	95411
	<u>825</u>	COMPANY FORMATION EXPENSES			<u>825</u>
£95709					£103243
REPRESENTED BY:-					
Authorised Share Capital					
10000		Issued Share Capital			10000
<u>71824</u>		Profit and Loss Account			<u>79358</u>
81824		Shareholders Fund			89358
<u>13885</u>		Loan - Secured			<u>13885</u>
£95709					£103243

The Directors have relied on Sections 247-249 of the Companies Act 1985 as entitling them to deliver modified Accounts and they do so on the grounds that the Company is entitled to the benefit of those sections as a small Company.

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/-s/ - J W STAPELMANN - Director
Dearden - J DEARDEN - Director