

AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MIDLAND GRATINGS (NORTHERN) LIMITED

168/66 3

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.

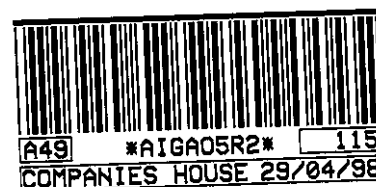
Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1997 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

March 1998



MIDLAND GRATINGS (NORTHERN) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1997

1996				1997
FIXED ASSETS				
		Cost	Depcn	
780	Plant & Machinery	8578	1716	6862
5102	Office Equipment	7160	1432	5728
<u>1125</u>	7007 Motor Vehicle	<u>-</u>	<u>-</u>	<u>-</u>
				12590
CURRENT ASSETS				
32600	Stock			23986
2174	Work in Progress			1282
103053	Debtors and Prepayments			92752
3541	Bank - Current Account			13294
49069	Deposit Account			44127
<u>89</u>	Cash in Hand			<u>60</u>
190526				175501
CURRENT LIABILITIES				
<u>95115</u>	95411 Sundry Creditors		<u>72579</u>	102922
	825 COMPANY FORMATION EXPENSES			<u>825</u>
<u>£103243</u>				<u>£116337</u>
REPRESENTED BY:-				
	Authorised Share Capital		£10000	
10000	Issued Share Capital			10000
<u>79358</u>	Profit and Loss Account			<u>92452</u>
89358	Shareholders Fund			102452
<u>13885</u>	Loan - Secured			<u>13885</u>
<u>£103243</u>				<u>£116337</u>

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.

1-s/lu -
J. Dearden

J W STAPELMANN - Director

J DEARDEN - Director

