

Company No: 1728913

ORWIN (NORTH EAST) LIMITED

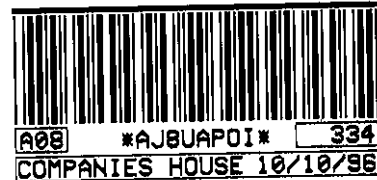
ABBREVIATED

ACCOUNTS

- for the year ended -

31st MAY 1996

RECEIVED



JENNINGS JOHNSON
Chartered Accountants
19 Borough Road
Sunderland, SR1 1LA

ORWIN (NORTH EAST) LIMITED

INDEX TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st MAY 1996

Page

1	Auditors' report
3	Balance sheet
4	Notes to the accounts

ORWIN (NORTH EAST) LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO ORWIN (NORTH EAST) LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of Orwin (North East) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st May 1996.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 director's statement on page 3 and whether the abbreviated accounts 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 accounts 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, Part III of Schedule 8 to that Act, in respect of the year ended 31st May 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 19th August 1996 we reported, as auditors of Orwin (North East) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st May 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described on the Director's Report 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.

ORWIN (NORTH EAST) LIMITED

AUDITORS' REPORT (Continued)

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 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.

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 full financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



JENNINGS JOHNSON
Registered Auditors
Chartered Accountants

19 Borough Road
Sunderland
SR1 1LA

Date: 19th August 1996

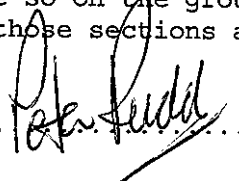
ORWIN (NORTH EAST) LIMITED

ABBREVIATED BALANCE SHEET AT 31st MAY 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	2	250,796	220,100
CURRENT ASSETS			
Stocks		611,481	134,784
Debtors		747,518	385,210
Cash at bank and in hand		446,829	176,716
		<u>1,805,828</u>	<u>696,710</u>
CREDITORS: Amounts falling due within one year		<u>(1,431,718)</u>	<u>(486,619)</u>
NET CURRENT ASSETS		<u>374,110</u>	<u>210,091</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>624,906</u>	<u>430,191</u>
CREDITORS: Amounts falling due after more than one year		(30,537)	(40,849)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(23,344)</u>	<u>(20,752)</u>
		<u>571,025</u>	<u>368,590</u>
CAPITAL AND RESERVES			
Called up share capital	3	4,000	4,000
Profit and loss account		567,025	364,590
		<u>571,025</u>	<u>368,590</u>

In preparing these abbreviated accounts:-

- i) We have relied upon the exemptions for individual financial statements under sections 246 and 247 of the Companies Act 1985.
- ii) We have done so on the grounds that the company is entitled to the benefit of those sections as a small company.

P.S. RUDD.....  Director Date: 19th August 1996

The notes on pages 4 to 6 form part of these abbreviated accounts.

ORWIN (NORTH EAST) LIMITED

ABBREVIATED ACCOUNTS

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st MAY 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Leasehold properties	Straight line over the life of the lease
Plant and machinery	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Work in progress - cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.7 PENSIONS

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. These contributions are invested separately from the company's assets.

ORWIN (NORTH EAST) LIMITED

ABBREVIATED ACCOUNTS

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st MAY 1996

2. **FIXED ASSETS**

	Tangible assets £
<u>Cost</u>	
At 1st June 1995	348,416
Additions	73,034
Disposals	(3,650)
At 31st May 1996	417,800
<u>Depreciation</u>	
At 1st June 1995	128,317
Charge for year	38,687
At 31st May 1996	167,004
<u>Net book value at 31st May 1996</u>	250,796
<u>Net book value at 31st May 1995</u>	220,099

Included above are assets held under finance leases or hire purchase contracts as follows:-

	1996 £	1995 £
Net book value	100,611	123,330
Depreciation charge for the year	14,488	18,767

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

ORWIN (NORTH EAST) LIMITED

ABBREVIATED ACCOUNTS

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st MAY 1996

3. SHARE CAPITAL	1996 £	1995 £
<u>Authorised</u>		
Equity interests:		
4,000 Ordinary shares of £1 each	4,000	4,000
<u>Allotted, called up and fully paid</u>		
Equity interests:		
4,000 Ordinary shares of £1 each	4,000	4,000

4. TRANSACTIONS WITH DIRECTORS

During the year the company made loans totalling £342,729 to Pentmere Limited, the parent company in which both P.S. Rudd and A.D. Doran have a material interest.

5. ULTIMATE PARENT COMPANY

The ultimate parent company is Pentmere Limited, a company registered in England.