SEREN

Company Number: 1989521

AUDITOR'S REPORT TO SEREN LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of the company for the year ended 30 June 1997 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accountsd 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 accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered have been 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 accounts and that the abbreviated accounts 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 financial statements.

Opinion

In our opinion the company is entitled to deliver accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts to be delivered on pages 2 to 4 are properly prepared in accordance with those provisions.

HAZLEWOODS

Gloucester

Registered Auditors

13 January 1998

A36 *ABG375L1* 154
COMPANIES HOUSE 23/04/98

SEREN LIMITED

BALANCE SHEET
30 June 1997

	Note	1997	1996
FIXED ASSETS			
Tangible assets	2	32,124	31,283
CURRENT ASSETS			
Work in progress		48,010	50,210
Debtors		4,049	1,598
Cash at bank and in hand		704,209	565,417
		756,268	617,225
CREDITORS due within one year	3	96,250	125,568
NET CURRENT ASSETS		660,018	491,657
NET ASSETS EMPLOYED		£ 692,142	£ 522,940
CAPITAL AND RESERVES			
Share capital	4	100	100
Profit and loss account		692,042	522,840
		£ 692,142	£ 522,940

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

Approved by the Board on 13 January 1998.

R E OWEN - Director

SEREN LIMITED

BALANCE SHEET
30 June 1997

	Note	1997	1996
FIXED ASSETS			
Tangible assets	2	32,124	31,283
CURRENT ASSETS			
Work in progress		48,010	50,210
Debtors		4,049	1,598
Cash at bank and in hand		704,209	565,417
		756,268	617,225
CREDITORS due within one year	3	96,250	125,568
NET CURRENT ASSETS		660,018	491,657
NET ASSETS EMPLOYED		£ 692,142	£ 522,940
CAPITAL AND RESERVES			
Share capital	4	100	100
Profit and loss account		692,042	522,840
		£ 692,142	£ 522,940

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

Approved by the Board on 13 January 1998.

R E OWEN - Director

NOTES TO THE ACCOUNTS
for the year ended 30 June 1997

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies.

Turnover

Turnover represents the amounts, excluding value added tax, receivable during the year for goods and services supplied.

Depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Plant and equipment	20% of cost per annum
Motor vehicles	25% of cost per annum
Computer equipment	33 1/3% of cost per annum

Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost is represented by an appropriate proportion of administrative expenses. Net realisable value is estimated selling price less further costs to completion and disposal.

Deferred Taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the accounts, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions. Any realised foreign exchange differences are taken to the profit and loss account.

Operating Leases

The cost of operating leases is charged to the profit and loss account on a straight line basis over the lease term.

SEREN LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30 June 1997

2 FIXED ASSETS

	Tangible assets
Cost	
At 1 July 1996	46,540
Additions	40,999
Disposals	(36,963)
At 30 June 1997	50,576
Depreciation	
At 1 July 1996	15,257
Charge for year	12,437
Disposals	(9,241)
At 30 June 1997	18,453
Net book value	
At 30 June 1997	£ 32,124
At 30 June 1996	£ 31,283

3 CREDITORS

Creditors do not include any borrowings.

4 SHARE CAPITAL

	1997	1996
Authorised, allotted and fully paid:		
100 ordinary shares of £1 each	£ 100	£ 100