

PENN COMMERCIALS LIMITED
COMPANY NUMBER 2097708

ABBREVIATED FINANCIAL STATEMENTS

31 MAY 1997



**AUDITORS' REPORT TO THE DIRECTORS OF
PENN COMMERCIALS LIMITED
PURSUANT TO SECTION 247b OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of Penn Commercials Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1997.

Respective responsibilities of directors and auditors

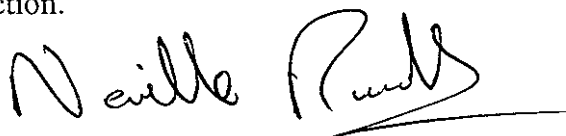
The directors are responsible for preparing the abbreviated accounts in accordance with Section 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company entitlement to prepare abbreviated accounts and whether they have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions claimed in the directors statement on page 3 and that the abbreviated accounts have been properly prepared from those 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 246(5) and (6) of that Act in respect of the year ended 31 May 1997 and the abbreviated on pages 2 to 5 have been properly prepared in accordance with the provisions of that Section.

A handwritten signature in black ink, appearing to read 'Neville Russell', with a horizontal line underneath.

NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

West Midlands

3 March 1998

PENN COMMERCIALS LIMITED

BALANCE SHEET AT 31 MAY 1997

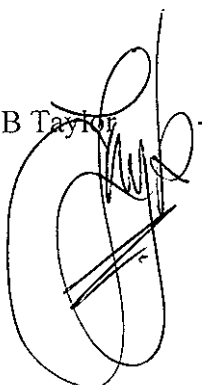
	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	2	<u>85,861</u>	<u>72,275</u>
CURRENT ASSETS			
Stocks and work in progress		50,838	25,188
Debtors	3	109,911	159,574
Cash at bank and in hand		59,872	40,326
		<u>220,621</u>	<u>225,088</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		(208,119)	(212,689)
NET CURRENT ASSETS		<u>12,502</u>	<u>12,399</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		98,363	87,674
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	4	(29,851)	(20,034)
		<u>68,512</u>	<u>68,512</u>
CAPITAL AND RESERVES			
Called up share capital		80	80
Capital redemption reserve		40	40
Profit and loss account	5	66,392	67,520
SHAREHOLDERS' FUNDS		<u>68,512</u>	<u>68,512</u>

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

Approved by the board on 3 March 1997
And signed on its behalf by

P B Taylor

Director



PENN COMMERCIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1997

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Depreciation

Depreciation is calculated to write off the cost or revalued amount less estimated residual value of fixed assets on a reducing balance basis over their estimated useful lives.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost consist of material and direct labour costs.

Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future.

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

Pension costs

Contributions payable in respect of the directors' pension arrangements are charged to the profit and loss account in the period to which they relate.

PENN COMMERCIALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1997

2 TANGIBLE FIXED ASSETS

£

COST

At 1 June 1996	140,012
Additions	85,336
Disposals	(75,790)

At 31 May 1997	149,558

ACCUMULATED DEPRECIATION

At 1 January 1997	64,737
Charge for the year	28,484
Disposal	(29,524)

At 31 May 1997	63,697

NET BOOK VALUE

At 31 May 1997	85,861

At 31 May 1996	72,275

1997
£

1996
£

3 DEBTORS

The aggregate amount of debtors falling due after more than one year is

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PENN COMMERCIALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997**

	1997 £	1996 £
4 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)		
Obligations under hire purchase contracts	29,851	20,034
	<u> </u>	<u> </u>

Amounts due under hire purchase contracts are secured by related assets, bear finance charges at fixed commercial rates and are repayable by instalments within five years.

	1997 £	1996 £
5 SHARE CAPITAL		
Authorised:		
Ordinary shares of £1 each	5,000	5,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	80	120
	<u> </u>	<u> </u>