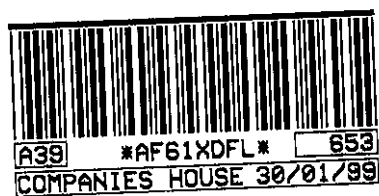


PENN COMMERCIALS LIMITED
COMPANY NUMBER 2097708

ABBREVIATED FINANCIAL STATEMENTS

31 MAY 1998



**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 1998.

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 1998 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, reading "Mazars Neville Russell". The signature is written in a cursive, flowing style.

MAZARS NEVILLE RUSSELL
CHARTERED ACCOUNTANTS
and Registered Auditors

West Midlands

14 December 1998

PENN COMMERCIALS LIMITED

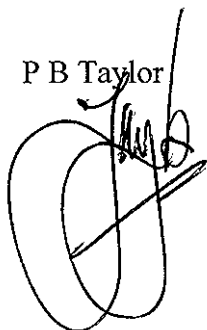
BALANCE SHEET AT 31 MAY 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	2	<u>73,192</u>	<u>85,861</u>
CURRENT ASSETS			
Stocks and work in progress		33,093	50,838
Debtors	3	116,375	109,911
Cash at bank and in hand		<u>148,662</u>	<u>59,872</u>
		298,130	220,621
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		<u>(247,343)</u>	<u>(208,119)</u>
NET CURRENT ASSETS		<u>50,787</u>	<u>12,502</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		123,979	98,363
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	4	<u>(29,405)</u>	<u>(29,851)</u>
		<u>94,574</u>	<u>68,512</u>
CAPITAL AND RESERVES			
Called up share capital		80	80
Capital redemption reserve		40	40
Profit and loss account	5	<u>94,454</u>	<u>68,392</u>
SHAREHOLDERS' FUNDS		<u>94,574</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 14 December 1998
And signed on its behalf by

P B Taylor - Director



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998**

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 1998**

2 TANGIBLE FIXED ASSETS

£

COST

At 1 June 1997	149,558
Additions	40,948
Disposals	(50,061)
At 31 May 1998	140,445

ACCUMULATED DEPRECIATION

At 1 January 1998	63,697
Charge for the year	20,448
Disposal	(16,892)
At 31 May 1998	67,253

NET BOOK VALUE

At 31 May 1998	73,192

At 31 May 1997	85,861

1998
£

1997
£

3 DEBTORS

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

-

-

PENN COMMERCIALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998**

	1998 £	1997 £
4 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)		
Obligations under hire purchase contracts	29,405	29,851
	<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.

	1998 £	1997 £
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	80
	<u> </u>	<u> </u>