Deloitte & Touche

Deloitte Touche Tohmatsu International

Company Registration No. 2369310

REGISTRAR

OF

COMPANIES

PARAMOUNT OFFICE INTERIORS LIMITED

Abbreviated accounts

31 December 1996

Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF2 1TS

A26 *AI1M3V01* 525
COMPANIES HOUSE 14/05/97

Deloitte & Touche

Chartered Accountants

Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff CF2 1TS

Telephone: National 01222 481111
International + 44 1222 481111
Fax (Gp. 3): 01222 482615

AUDITORS' REPORT TO PARAMOUNT OFFICE INTERIORS 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 full financial statements of Paramount Office Interiors Limited for the year ended 31 December 1996. The scope of our work for the purpose of this report was limited to confirming whether the company is entitled to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled to the exemptions claimed in the directors' statement on page 3 and the abbreviated accounts have been properly prepared in accordance with Schedule 8 to the Companies Act 1985.

On 5 May 1997 we reported, as auditors of Paramount Office Interiors Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996 and our audit report was as follows:

"We have audited the financial statements on pages 5 to 15 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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.

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.

Deloitte & Touche

Deloitte Touche Tohmatsu International

AUDITORS' REPORT TO PARAMOUNT OFFICE INTERIORS LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (continued)

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 financial statements.

Opinion

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

The statement of directors' responsibilities referred to in our audit report on the full financial statements, reproduced above, was as follows:

"Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities."

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and
Registered Auditors

5 May 1997

BALANCE SHEET
31 December 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	2	279,651	246,125
CURRENT ASSETS			
Stocks		35,907	45,634
Debtors		275,427	192,106
Cash at bank and in hand		161,092	153,469
		472,426	391,209
CREDITORS: amounts falling due within one year	3	401,596	277,224
NET CURRENT ASSETS		70,830	113,985
TOTAL ASSETS LESS CURRENT LIABILITIES		350,481	360,110
CREDITORS: amounts falling due after more than one year		(158,400)	(173,701)
PROVISIONS FOR LIABILITIES AND CHARGES		-	(110)
		192,081	186,299
CAPITAL AND RESERVES			
Called up share capital	5	1,200	1,200
Profit and loss account		190,881	185,099
TOTAL EQUITY SHAREHOLDERS' FUNDS		192,081	186,299

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247.

Signed on behalf of the Board of Directors

N C Guard FCCA 2/5/97

Director

NOTES TO THE BALANCE SHEET
31 December 1996

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Motor vehicles	20% per annum
Freehold land and buildings	2% per annum
Fixtures, fittings, and office equipment	20% per annum
Leasehold improvements	over the term of the lease

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents suppliers' invoice price.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Assets held under hire purchase and finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Pension costs

The pension costs of defined contribution schemes represent the amount of contributions payable to the pension scheme in respect of the accounting period.

NOTES TO THE BALANCE SHEET
31 December 1996

2 TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 1996	294,405
Additions in year	68,188
At 31 December 1996	362,593
Accumulated depreciation	
At 1 January 1996	48,280
Charge in year	34,662
At 31 December 1996	82,942
Net book value	
At 31 December 1996	279,651
At 31 December 1995	246,125

3 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Creditors, amounts falling due within one year includes:		
Bank loans and overdrafts	43,971	14,784

NOTES TO THE BALANCE SHEET
31 December 1996

4 BORROWINGS

	1996 £	1995 £
Analysis of loan repayments:		
Bank loans		
Within one year or on demand	5,930	5,786
Between one and two years	5,930	11,572
Between two and five years	6,570	6,928
	18,430	24,286
Other loans including finance leases and hire purchase contracts net of future finance charges		
Within one year or on demand	18,170	11,819
Between one and two years	20,170	25,700
Between two and five years	18,810	30,000
After five years	106,920	99,501
	164,070	167,020
Amounts repayable by instalments some of which fall due after five years:		
Other loans		
Total amount	138,270	144,572
Instalments due after five years	106,920	99,501

All borrowings are secured.

5 CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised		
2,000 ordinary shares of £1.00 each	2,000	2,000
Called up, allotted and fully paid		
1,200 ordinary shares of £1.00 each	1,200	1,200