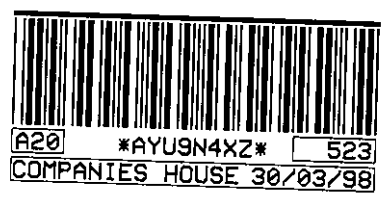


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02694271 (England and Wales)

Townley Dyestuffs Limited
Abbreviated Accounts
for the year ended 31 May 1997



Townley Dyestuffs Limited

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Townley Dyestuffs Limited

Auditors' Report to Townley Dyestuffs Limited Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 4 together with the financial statements of Townley Dyestuffs Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1997.

Respective responsibilities of directors and auditors

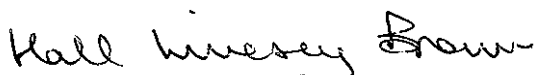
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated accounts 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 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 of Part III of Schedule 8 to that Act, in respect of the year ended 31 May 1997, and the abbreviated accounts on pages 3 to 4 have been properly prepared in accordance with that Schedule.



Hall Livesey Brown

12th March 1998

**Chartered Accountants
Registered Auditor**

68 High Street
Tarporley
Cheshire CW6 0AT

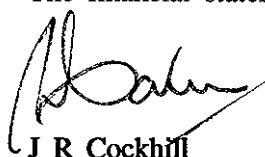
Townley Dyestuffs Limited

**Abbreviated Balance Sheet
as at 31 May 1997**

	Notes	1997 £	£	1996 £	£
Fixed Assets					
Tangible assets	7		114,301		97,201
Current Assets					
Stocks		24,324		12,052	
Debtors	8	95,021		89,545	
Cash at bank and in hand		35,657		-	
		<u>155,002</u>		<u>101,597</u>	
Creditors: amounts falling due within one year	9	<u>(229,415)</u>		<u>(174,027)</u>	
Net Current Liabilities			<u>(74,413)</u>		<u>(72,430)</u>
Total Assets Less Current Liabilities			39,888		24,771
Creditors: amounts falling due after more than one year	10		<u>(7,322)</u>		<u>-</u>
			<u>£ 32,566</u>		<u>£ 24,771</u>
Capital and Reserves					
Called up share capital	13		100		100
Profit and loss account	14		32,466		24,671
Shareholders' Funds	15		<u>£ 32,566</u>		<u>£ 24,771</u>

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

The financial statements were approved by the Board on 11th March 1998



J R Cockhill

Director

Townley Dyestuffs Limited

Notes to the Abbreviated Accounts for the year ended 31 May 1997

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	-	1% Straight line
Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	15% Straight line
Computer equipment	-	33% Straight line
Motor vehicles	-	25% Reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Townley Dyestuffs Limited

Notes to the Abbreviated Accounts for the year ended 31 May 1997

2. Tangible Assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 June 1996	83,738	20,684	104,422
Additions	-	24,681	24,681
At 31 May 1997	83,738	45,365	129,103
Depreciation			
At 1 June 1996	1,462	5,759	7,221
Charge for year	837	6,744	7,581
At 31 May 1997	2,299	12,503	14,802
Net book values			
At 31 May 1997	£ 81,439	£ 32,862	£ 114,301
At 31 May 1996	£ 82,276	£ 14,925	£ 97,201

3. Creditors

The aggregate amount of creditors for which security has been given amounted to £0 (1996 £50,000).

4. Share Capital

	1997 £	1996 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100