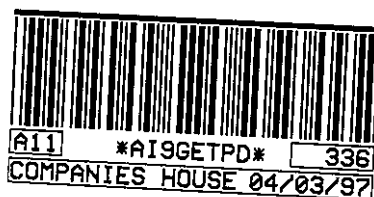


DISTEC LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1996



Company No. 2718521 (England and Wales)

DISTEC LIMITED

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FOR THE YEAR ENDED 30TH JUNE 1996

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AUDITORS REPORT TO THE DIRECTORS OF DISTEC LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 8 together with the financial statements of Distec Limited prepared under s226 of the Companies Act 1985 for the year ended 30th June 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

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 30th June 1996, and the abbreviated accounts on pages 3 to 8 have been properly prepared in accordance with that Schedule.

Other information

On we reported, as auditors of Distec Limited, to the shareholders on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th June 1996 and our report was as follows:

"We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 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.

We planned and performed our audit so as to obtain all the information and explanations 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.

AUDITORS' REPORT TO THE DIRECTORS OF

DISTEC LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its profit for the year then ended and have been properly prepared in accordance with those provisions of the Companies Act 1985 that are applicable to small companies.

Teasdales 11 September 1996

Teasdales
Chartered Accountants
& Registered Auditors
Manchester

DISTEC LIMITED**BALANCE SHEET**
AS AT 30TH JUNE 1996

	<u>Notes</u>	£	<u>1996</u> £	£	<u>1995</u> £
FIXED ASSETS					
Tangible assets	2		17,155		22,112
CURRENT ASSETS					
Stocks		24,340		23,986	
Debtors		219,624		294,717	
Cash at bank and in hand		141,950		58,134	
		<u>385,914</u>		<u>376,837</u>	
CREDITORS - amounts falling due within one year	3	(260,155)		(313,605)	
NET CURRENT ASSETS			<u>125,759</u>		<u>63,232</u>
ASSETS LESS CURRENT LIABILITIES			142,914		85,344
CREDITORS - amounts falling due after more than one year	4		-		(2,423)
NET ASSETS			<u>£ 142,914</u>		<u>£ 82,921</u>

CAPITAL AND RESERVES

Called up share capital	5	100	100
Profit and loss account		142,814	82,821
		<u>£ 142,914</u>	<u>£ 82,921</u>

In preparing these abbreviated financial statements:

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 11 September 1996

N.F. Sheppard

Mr. N.F. Sheppard
Director

A.J. Swindells

Mr. A.J. Swindells
Director

DISTEC LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold land and buildings, and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

1.2 Turnover

This represents the invoiced amounts of goods sold and provided, net of value added tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Provision is made for depreciation on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings: 15%-33% on a reducing balance basis
Motor vehicles: 25% on a reducing balance basis

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their estimated useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

DISTEC LIMITED

NOTES TO THE ACCOUNTS - continued

1. ACCOUNTING POLICIES

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.6 Pensions

The company operates a defined contributions pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

DISTEC LIMITED

NOTES TO THE ACCOUNTS - continued

2. TANGIBLE FIXED ASSETS

	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£
Cost:			
At 1st January 1996	18,505	9,465	27,970
Additions	816	-	816
At 30th June 1996	19,321	9,465	28,786
Depreciation:			
At 1st January 1996	4,859	1,000	5,859
Charge for year	3,656	2,116	5,772
At 30th June 1996	8,515	3,116	11,631
Net book value at 30th June 1996	10,806	6,349	17,155
Net book value at 30th June 1995	13,646	8,465	22,111

Included in the amounts for motor vehicles above are the following amounts relating to leased assets and assets which are subject to hire purchase contracts:

	<u>Net Book Value</u>	<u>Depreciation charge</u>
Motor vehicles	£ 8,465	£ 1,896

DISTEC LIMITED

NOTES TO THE ACCOUNTS - continued

**3. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>1996</u> £	<u>1995</u> £
Obligations under finance lease and hire purchase contracts	2,240	3,803
Trade creditors	155,869	205,644
Other creditors	102,046	104,158
	<u>260,155</u>	<u>313,605</u>

**4. CREDITORS - AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	<u>1996</u> £	<u>1995</u> £
Obligations under lease and hire purchase contracts	-	2,423
	<u>£ -</u>	<u>£ 2,423</u>

4.2 Total amounts repayable by instalments:

Obligations under finance lease and hire purchase contracts	2,240	6,226
	<u>£ 2,240</u>	<u>£ 6,226</u>

DISTEC LIMITED

NOTES TO THE ACCOUNTS - continued

5. SHARE CAPITAL

Allotted, Issued
Authorised and Fully Paid

	£	<u>1996</u> £	<u>1995</u> £
Ordinary Shares at £1 each	2,000	100	100
	<u> </u>	<u> </u>	<u> </u>

6. OTHER COMMITMENTS

At 30th June 1996 the company had annual commitments under non-cancellable leases as follows:

	Other		Land and Buildings	
Expiry date:	<u>1996</u> £	<u>1995</u> £	<u>1996</u> £	<u>1995</u> £
Within one year	-	-	12,144	-
Between two and five years	14,790	14,790	-	12,144
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>14,790</u>	<u>14,790</u>	<u>12,144</u>	<u>121,144</u>