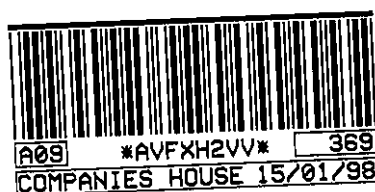


DISTEC LIMITED
ABBREVIATED FINANCIAL STATEMENTS
30th JUNE 1997

TEASDALES

Chartered Accountants & Registered Auditors
Charlton House
Chester Road
Manchester
M16 0GW



DISTEC LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 1997

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DISTEC LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5, together with the financial statements of the company for the year ended 30th June 1997 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 3 to 5 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On ~~3 September 1997~~ we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30th June 1997, and the full text of our audit report is reproduced on page 2 of these financial statements.

Charlton House
Chester Road
Manchester
M16 0GW


TEASDALES
Chartered Accountants
& Registered Auditors

~~3 September 1997~~

DISTEC LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30th JUNE 1997

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the 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 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 company's state of affairs as at 30th June 1997 and of its loss for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Charlton House
Chester Road
Manchester
M16 0GW

3 September 1997

Teasdales
TEASDALES
Chartered Accountants
& Registered Auditors

DISTEC LIMITED**ABBREVIATED BALANCE SHEET****30th JUNE 1997**

		1997		1996	
	Note	£	£	£	£
FIXED ASSETS	3				
Tangible assets			7,845		17,155
CURRENT ASSETS					
Stocks		25,941		24,340	
Debtors		127,611		219,624	
Cash at bank and in hand		106,364		141,950	
		<u>259,916</u>		<u>385,914</u>	
CREDITORS: Amounts falling due within one year		<u>(157,493)</u>		<u>(260,154)</u>	
NET CURRENT ASSETS			<u>102,423</u>		<u>125,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>110,268</u>		<u>142,915</u>
CAPITAL AND RESERVES					
Called-up share capital	4		100		100
Profit and loss account			110,168		142,815
SHAREHOLDERS' FUNDS			<u>110,268</u>		<u>142,915</u>

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

These financial statements were approved by the directors on the 3 September 1997 and are signed on their behalf by:

W. J. Sheppard
MR N F SHEPPARD

A. J. Swindells
MR A J SWINDELLS

The notes on pages 4 to 5 form part of these financial statements.

DISTEC LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 1997

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings	15-33% on reducing balance
Motor vehicles	25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

DISTEC LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 1997

3. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1st July 1996	30,076
Additions	1,385
Disposals	(12,374)
At 30th June 1997	<u>19,087</u>
DEPRECIATION	
At 1st July 1996	12,921
Charge for year	3,468
On disposals	(5,147)
At 30th June 1997	<u>11,242</u>
NET BOOK VALUE	
At 30th June 1997	<u>7,845</u>
At 30th June 1996	<u>17,155</u>

4. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
2,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>100</u>	<u>100</u>