3063521

GIFT WRAP DIRECT LIMITED

ABBREVIATED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 1997



GIFT WRAP DIRECT LIMITED

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997

Contents **Pages**

Company information	1
Auditors' report	2 - 3
Balance sheet	4
Notes to the abbreviated financial statements	5 - 6

'GIFT WRAP DIRECT LIMITED

COMPANY INFORMATION
AS AT 30 JUNE 1997

DIRECTOR

I. Coughlin

SECRETARY

K.A. Coughlin

REGISTERED OFFICE

Furness House,
71/73 Hoghton Street,
Southport.
PR9 0PR

REGISTERED NUMBER

3063531

AUDITORS

Jones Harris
Chartered Accountants
and Registered Auditors
Furness House
71/73 Hoghton Street
Southport
PR9 0PR

GIFT WRAP DIRECT LIMITED

AUDITORS' REPORT
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 6, together with the financial statements of the company for the year ended 30 June 1997 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND AUDITORS
The director is 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 section 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 section 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 6, are properly prepared in accordance with those provisions.

On 16 September 1998 we reported on the full Financial Statements as follows:

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convension and on the basis of accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS
As descibed in the director's report, the company's director is 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, except that the scope of our audit work was limited as explained below. An audit includes examination, on a test basis, of evidence relavant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 as to whether the financial statements are free from material missatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because there was a breakdown in the book-keeping system early in the financial year following the sudden illness of the book-keeper, there was therefore limited audit evidence available to us concerning the company's recorded inter-company

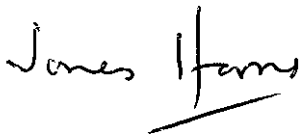
trading with Embassy Greeting Card Company Limited and the value of sales and purchases with this company. There was no other satisfactory audit procedure that we could adopt to confirm the inter-company trading position was properly recorded.

OPINION: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its results for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to inter-company sales and purchases:

- we have not obtained all the information and explanations that we considered necessary for the purpose of audit; and
- we were unable to determine whether proper accounting records had been maintained.



Jones Harris
Chartered Accountants
and Registered Auditors
Furness House
71/73 Hoghton Street
Southport
PR9 0PR

16 September 1998

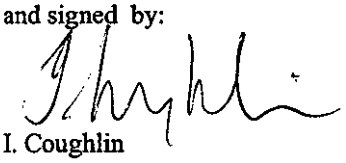
GIFT WRAP DIRECT LIMITED

ABBREVIATED BALANCE SHEET
AT 30 JUNE 1997

	Notes	1997 £	1997 £	1996 £	1996 £
FIXED ASSETS	2				
Intangible assets			2,850		3,000
Tangible assets			29,680		33,892
			32,530		36,892
CURRENT ASSETS					
Stocks		91,874		37,500	
Debtors		108,355		32,099	
Cash at bank and in hand		14,026		8,708	
		214,255		78,307	
CREDITORS: amounts falling due within one year		(252,313)		(113,605)	
NET CURRENT LIABILITIES			(38,058)		(35,298)
TOTAL ASSETS LESS CURRENT LIABILITIES			(5,528)		1,594
CAPITAL AND RESERVES					
Called up share capital	4		2		2
Profit and loss account			(5,530)		1,592
TOTAL SHAREHOLDERS' FUNDS			(5,528)		1,594

The director has taken advantage of the exemptions conferred by Part VII of the Companies Act 1985 and has done so on the grounds that, in his opinion, the company is entitled to those exemptions as a small company.

The financial statements were approved on 16 September 1998
and signed by:



I. Coughlin
Director

The notes on pages 5 to 6 form part of these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Cash flow
The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Turnover
Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Goodwill
Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Depending on the circumstances of each acquisition, goodwill is either set off directly against reserves or amortised through the profit and loss account over the directors' estimate of its estimated economic life.

Depreciation of tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its useful life on a reducing balance basis:

Freehold land and buildings	2%
Leased assets	Over the term of the lease
Equipment, fixtures and fittings	15%

Stocks
Stocks are stated at the lower of cost and net realisable value.

2. FIXED ASSETS

	Intangible assets	Tangible fixed assets	Total
	£	£	£
Cost:			
1 July 1996 and at 30 June 1997	3,000	38,749	41,749
Depreciation:			
At 1 July 1996	-	4,857	4,857
Charge for year	150	4,212	4,362
At 30 June 1997	150	9,069	9,219
Net book value:			
At 30 June 1997	2,850	29,680	32,530
At 30 June 1996	3,000	33,892	36,892

3. NOTE ON INSOLVENCY

The director acknowledges the insolvent position at the year end however assurances have been given by Embassy Greeting Card Company Limited that the debt of £174,047 owed at the year end will not be called in until solvency is restored.

4. SHARE CAPITAL

	1997	1996
	£	£
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
Equity interests:		
2 Ordinary shares of £1 each	2	2