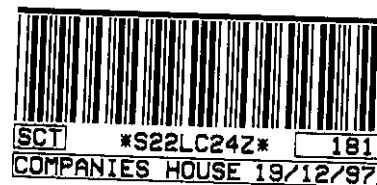


PERMAG LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1997

Company number - SC077253

2



PERMAG LIMITED

INDEX TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1997

Page No.

1	Auditors' Report
2	Abbreviated Balance Sheet
3 - 4	Notes to the Abbreviated Accounts

AUDITORS' REPORT TO PERMAG LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of the company for the year ended 31st May 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and 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 to 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 Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Wm H Jack & Co
Chartered Accountants
and Registered Auditors
21 Academy Street
Coatbridge
ML5 3AW

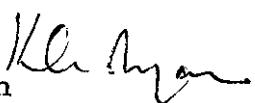
17th November 1997

PERMAG LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31ST MAY 1997

	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
FIXED ASSETS					
Tangible assets	2		125,535		121,183
CURRENT ASSETS					
Stocks		99,712		58,800	
Debtors		187,301		228,754	
Cash at bank and in hand		191,319		123,103	
		<u>478,332</u>		<u>410,657</u>	
CREDITORS - amounts falling due within one year		(66,067)		(74,940)	
NET CURRENT ASSETS			<u>412,265</u>		<u>335,717</u>
NET ASSETS			<u>£ 537,800</u>		<u>£ 456,900</u>
Financed by:					
CAPITAL AND RESERVES					
Called up share capital	3		10,000		10,000
Profit and loss account			<u>527,800</u>		<u>446,900</u>
SHAREHOLDERS' FUNDS - ALL EQUITY			<u>£ 537,800</u>		<u>£ 456,900</u>

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 17th November 1997 and signed on its behalf.


Mr Kenneth Ryan
Director

The notes on pages 3 and 4 form part of these abbreviated accounts.

PERMAG LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and 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

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

1.3 Depreciation of tangible assets

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

Heritable property:	2% per annum on cost
Fixtures and fittings:	15% per annum on cost
Plant and machinery:	20% per annum on cost
Motor vehicles:	25% per annum on written down value

1.4 Stocks

Stock 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.

1.5 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.6 Pensions

The company operates defined contribution pension schemes and the pension charge represents the amounts payable by the company to the funds in respect of the year.

PERMAG LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 31ST MAY 1997

2. FIXED ASSETS

Tangible
fixed
assets
£

Cost:

At 1st June 1996

156,364

Additions

12,500

Disposals

(2,033)

At 31st May 1997

166,831

Depreciation:

At 1st June 1996

35,181

Charge for year

7,290

Disposals

(1,175)

At 31st May 1997

41,296

Net book value at
31st May 1997

£ 125,535

Net book value at
31st May 1996

£ 121,183

3. SHARE CAPITAL

Authorised

Allotted, Issued
and fully paid

£

1997
£

1996
£

Ordinary shares of £1 each

£ 20,000

£ 10,000

£10,000