

CHARLES MUDDLE LIMITED

COMPANY REGISTRATION NUMBER 1646981

AUDITORS REPORT TO CHARLES MUDDLE LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

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

Respective responsibilities of directors and auditors

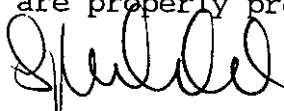
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (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 procedures we considered necessary to confirm, by reference to the accounts, 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 accounts.

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 2 to 4 are properly prepared in accordance with those provisions.



Spofforths

Chartered Accountants and Registered Auditor

20 Old Mill Square

Storrington

PULBOROUGH

West Sussex.

Date: 10th February 1998



CHARLES MUDDLE LIMITED

BALANCE SHEET AS AT 31st JULY 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	3		410,735		443,227
CURRENT ASSETS					
Stocks		32,419		40,213	
Debtors		32,539		46,668	
Cash at bank and in hand		3,888		15,451	
		<u>68,846</u>		<u>102,332</u>	
CURRENT LIABILITIES					
Creditors-amounts falling due within one year		<u>150,121</u>		<u>186,587</u>	
NET CURRENT (LIABILITIES)			<u>(81,275)</u>		<u>(84,255)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			329,460		358,972
Creditors-amounts falling due after more than one year	4		<u>66,500</u>		<u>68,972</u>
NET ASSETS			<u>£ 262,960</u>		<u>£ 290,000</u>
CAPITAL AND RESERVES					
Called up share capital	2		100		100
Profit and loss account			<u>262,860</u>		<u>289,900</u>
SHAREHOLDERS FUNDS			<u>£ 262,960</u>		<u>£ 290,000</u>

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

These accounts were approved by the board on 9th February 1998 and signed on its behalf.


Mr S J Muddle

CHARLES MUDDLE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JULY 1997

1. ACCOUNTING POLICIES

a) Accounting convention

These financial statements have been prepared in accordance with historical cost convention.

b) Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

c) Depreciation of tangible assets

Depreciation is calculated so as to write down the cost or valuation of fixed assets to their estimated residual values over the period of their estimated useful economic lives.

The depreciation rates applied are as follows:-

Freehold buildings	:	10% straight line
Tools and equipment	:	20% reducing balance
Plant for hire	:	20% reducing balance
Motor vehicles	:	25% reducing balance

d) Leased assets

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue.

e) Stocks

Stocks and work in progress are valued at the lower of cost, including related overheads, and net realisable value.

2. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, issued</u>	
		<u>1997</u>	<u>1996</u>
	£	£	£
Ordinary shares of £1 each	100	100	100

CHARLES MUDDLE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st JULY 1997 (continued)

3. FIXED ASSETS

	<u>Total</u>
Cost:	£
At 1st August 1996	749,055
Additions	134,983
Disposals	(288,779)
At 31st July 1997	<u>595,259</u>
Depreciation:	
At 1st August 1996	305,828
Charge for year	53,631
Disposals	(174,935)
At 31st July 1997	<u>184,524</u>
Net book value at 31st July 1997	<u>£ 410,735</u>
Net book value at 31st July 1996	<u>£ 443,227</u>

4. SECURED CREDITORS

1997	1996
£	£

Included in the amounts for creditors are the following:

Creditors due within one year-		
Hire purchase agreements	22,408	19,241
Mortgage	22,852	21,456
Creditors due after more than one year-		
Hire purchase agreements	32,963	12,641
Mortgage	33,537	56,331
	<u>£ 111,760</u>	<u>£ 109,669</u>

The mortgage is secured on the freehold property.
The bank overdraft of £22,616 (1996 - £49,985) is secured on the directors' personal guarantees.