

HUNTON FIBER (UK) LIMITED

COMPANY REGISTRATION NUMBER:3031606

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

CONTENTS

	<u>PAGE</u>
Auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3 & 4

Phipps Henson McAllister
Chartered Accountants
22-24 Harborough Road
Kingsthorpe
Northampton
NN2 7AZ



HUNTON FIBER (UK) LIMITED

AUDITORS' REPORT TO HUNTON FIBER (UK) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 4 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to 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 2 and whether the abbreviated financial statements 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 financial statements 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 31 December 1996, and the abbreviated financial statements on pages 2 to 4 have been properly prepared in accordance with that Schedule.

Other information

On 10 February 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

continued

HUNTON FIBER (UK) LIMITED

AUDITORS' REPORT TO HUNTON FIBER (UK) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985
(continued)

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.

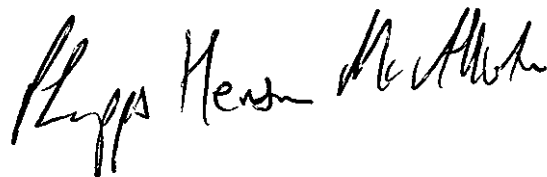
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

10 February 1997

22-24 Harborough Road
Kingsthorpe
Northampton
NN2 7AZ



Phipps Henson McAllister
Chartered Accountants
Registered Auditors

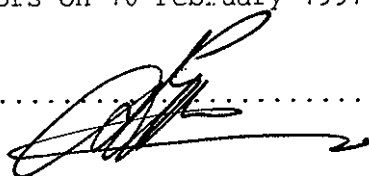
HUNTON FIBER (UK) LIMITEDABBREVIATED BALANCE SHEET AT 31 DECEMBER 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
Fixed assets			
Tangible assets	2	1,961	2,451
Current assets			
Stocks		83,349	66,637
Debtors	3	113,495	76,486
Cash at bank and in hand		189,292	160,826
		<u>386,136</u>	<u>303,949</u>
Creditors: amounts falling due within one year		<u>(407,880)</u>	<u>(342,608)</u>
Net current liabilities		(21,744)	(38,659)
Total assets less current liabilities		<u>(19,783)</u>	<u>(36,208)</u>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		<u>(19,785)</u>	<u>(36,210)</u>
Total shareholders' funds		<u>(19,783)</u>	<u>(36,208)</u>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 10 February 1997.

J.Groom.....Director




HUNTON FIBER (UK) LIMITEDNOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1996**1 Accounting policies****Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 and 247 of the Companies Act 1985 for small companies.

Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Fixtures and fittings	20% reducing balance
-----------------------	----------------------

Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Stocks

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

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Goodwill

Purchased goodwill is written off to the profit and loss account in the period of acquisition.

HUNTON FIBER (UK) LIMITEDNOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1996

2 Fixed assets

	Tangible fixed assets £
Cost or valuation	
At 1 January 1996	
and	
At 31 December 1996	2,941
Depreciation	
At 1 January 1996	490
Charge for year	490
At 31 December 1996	980
Net book amount	
At 31 December 1996	1,961
At 31 December 1995	2,451

3 Debtors

	<u>1996</u> £	<u>1995</u> £
Amounts falling due within one year	113,495	76,486

4 Called up share capital

	<u>1996</u>		<u>1995</u>	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 Ultimate parent undertaking

The company's ultimate parent undertaking at the balance sheet date was Hunton Fiber AS, a company incorporated in Norway.