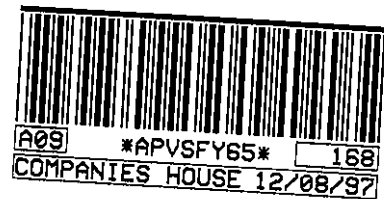


Reilly Construction Limited
Abbreviated Statutory Accounts for the Period Ended
31 JANUARY 1997



**AUDITORS' REPORT TO REILLY CONSTRUCTION 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 period ended 31 January 1997, prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing 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 (5) and (6) of the Act to the Registrar of Companies and whether the accounts are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. 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 financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts 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.



Thomas & Co
Chartered Accountants
Registered Auditor

Walker House
Market Place
Somerton
Somerset

4 July 1997

Reilly Construction Limited

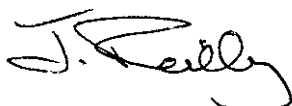
ABBREVIATED BALANCE SHEET

at 31 January 1997

	Notes	1997 £	31 August 1995 £
FIXED ASSETS			
Tangible assets	2	16,077	-
CURRENT ASSETS			
Stocks		38,079	-
Debtors		147,693	-
Cash at bank and in hand		202,505	-
		388,277	-
CREDITORS: amounts falling due within one year		357,881	8,393
NET CURRENT ASSETS/(LIABILITIES)		30,396	(8,393)
TOTAL ASSETS LESS CURRENT LIABILITIES		46,473	(8,393)
CREDITORS: amounts falling due after more than one year		-	-
NET ASSETS		46,473	(8,393)
CAPITAL AND RESERVES			
Called up share capital	3	60	60
Profit and loss account		46,413	(8,453)
SHAREHOLDERS' FUNDS		46,473	(8,393)

The financial statements which have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 4 July 1997 and signed on its behalf.

J. Reilly
Director



K. M. Gearing
Director



The notes on pages 3 and 4 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 January 1997

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The accounts 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 accounts are prepared in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard Number 1, from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long-term contracts where turnover represents the value of work carried out during the year, including amounts not invoiced.

Depreciation

Depreciation is charged at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Motor vehicles	- 25 % per annum, reducing balance basis
Plant & equipment	- 25 % - 50 % per annum, straight line basis

Long term contracts

Amounts recoverable on contracts (other than small works) are valued at anticipated net sales value of work done after provision for contingencies and anticipated future losses on contracts.

Small works are valued at the lower of cost plus attributable overheads and net sale value.

Cash received on account of contracts is deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.

Stocks

Stocks and work in progress are valued at the lower of cost or net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Hire purchase commitments

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that tax will be payable.

Reilly Construction Limited

NOTES TO THE ABBREVIATED ACCOUNTS

at 31 January 1997

2. TANGIBLE FIXED ASSETS

	<i>Total</i> £
Cost:	
At 1 September 1995	-
Additions	21,079
Disposals	-
At 31 January 1997	21,079
Depreciation:	
At 1 September 1995	-
Charge for the year	5,002
Disposals	-
At 31 January 1997	5,002
Net book value:	
At 31 January 1997	16,077
At 31 August 1995	-

3. SHARE CAPITAL

	<i>31 January</i> <i>1997</i> £	<i>31 August</i> <i>1995</i> £
Authorised:		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
60 ordinary shares of £1 each	60	60