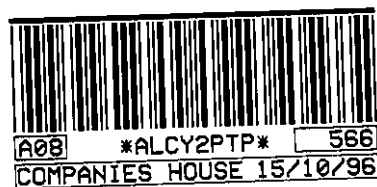


LEMON STEEL SERVICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 1996

Registered number: 2615708

BLAND REYNOLDS
CERTIFIED ACCOUNTANTS AND REGISTERED AUDITORS



LEMON STEEL SERVICES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31st March 1996 .

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LEMON STEEL SERVICES LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to the directors
of Lemon Steel Services Limited

pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of Lemon Steel Services Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March 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 3 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 31st March 1996, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 1996, we reported, as auditors of Lemon Steel Services Limited to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1996, and our audit report was as follows:

'We have audited the financial statements on pages 3 to 8 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, 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

LEMON STEEL SERVICES LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to the directors of
Lemon Steel Services Limited

pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

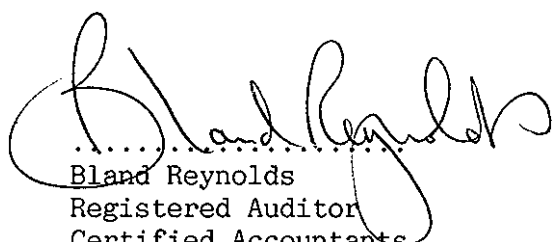
Basis of opinion

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 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'


.....
Bland Reynolds
Registered Auditor
Certified Accountants
Cumberland House
24-28 Baxter Avenue
Southend on Sea
Essex SS2 6HZ

.....11/10/1996.

LEMON STEEL SERVICES LIMITED

ABBREVIATED BALANCE SHEET

at 31st March 1996

	Note	£	1996	£	1995	£
Fixed assets						
Tangible assets	2		128,919		111,019	
Current assets						
Stocks			9,398		6,886	
Debtors			167,274		89,678	
Cash at bank and in hand			46,551		29,460	
			<u>223,223</u>		<u>126,024</u>	
Creditors: amounts falling due within one year			<u>(184,933)</u>		<u>(92,842)</u>	
Net current assets			38,290		33,182	
Total assets less current liabilities			167,209		144,201	
Creditors: amounts falling due after more than one year	3		<u>(5,457)</u>		<u>(2,703)</u>	
			<u>161,752</u>		<u>141,498</u>	
Capital and reserves						
Called up share capital	4		2		2	
Profit and loss account			161,750		141,496	
Total shareholders' funds			<u>161,752</u>		<u>141,498</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.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements were approved by the board of directors on10.....10.....1996.

Signed on behalf of the board

.....
Mr. K.R. Childs
Director

LEMON STEEL SERVICES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st March 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared 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 to 247 of the Companies Act 1985 for small companies.

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:

Freehold land	nil
Freehold buildings	nil
Plant and machinery	15% p.a. (reducing balance method)
Motor vehicles	25% p.a. (reducing balance method)

The company's freehold property is regularly maintained by the company. As a result the directors are of the opinion that the residual value of the freehold property is not materially different to its original cost and hence any charge to depreciation would be immaterial.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pension costs

Pension costs are charged to the profit and loss account in the year in which they fall due, in respect of contributions under a self administered defined contribution scheme.

LEMON STEEL SERVICES LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st March 1996

2 Fixed assets

Cost or valuation	Tangible fixed assets £
1st April 1995	120,368
Additions	31,359
Disposals	(5,569)
31st March 1996	<u>146,158</u>
Depreciation	
1st April 1995	9,350
Charge for year	9,235
Disposals	(1,346)
31st March 1996	<u>17,239</u>
Net book amount	
31st March 1996	<u><u>128,919</u></u>
1st April 1995	<u><u>111,019</u></u>

3 Creditors: amounts falling due
after more than one year

	1996 £	1995 £
Other creditors	<u><u>5,457</u></u>	<u><u>2,703</u></u>

4 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised ordinary equity shares of £1 each	1,000	<u><u>1,000</u></u>	1,000	<u><u>1,000</u></u>
Allotted called up and fully paid ordinary equity shares	2	<u><u>2</u></u>	2	<u><u>2</u></u>

The company is an associated company of W.B. Lemon & Company Limited, which owns 50% of the issued share capital. One half of the issued share capital is unpaid.