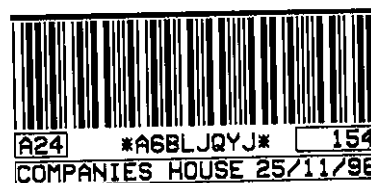


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PAWLE & CO. LIMITED

**DIRECTORS REPORT AND FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31st. MARCH 1996**

Company No. 2740708 [England & Wales]



PAWLE & CO. LIMITED

COMPANY INFORMATION

DIRECTORS	G. J. Arnold C. P. Ashby
SECRETARY	C. P. Ashby
REGISTERED NUMBER	2740708
REGISTERED OFFICE	30B, Lychgate Farm Estate Arterial Road Rayleigh Essex. SS6 7TZ
REPORTING ACCOUNTANTS	Owen Whittington Chartered Accountants 118b High Street Billericay Essex CM12 9BY

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The following pages do not form part of the Statutory Accounts:-

Trading and Profit and Loss Account and Summaries Pages 10 & 11

PAWLE & CO LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 31st. MARCH 1996**

The directors present their Report and Financial Statements for the year ended 31st. March 1996.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial accounts for each year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal Activity

The company's principal activity continues to be that of steel fabrication work.

Directors

The directors who have served during the year and their beneficial interests in the company's issued share capital were as follows:-

	<u>Ordinary Shares</u>
G. J. Arnold	50
C. P. Ashby	50

Auditors

In the directors' opinion, the company was entitled, under Section 249[2] of the Companies Act 1985, to exemption of the audit of its accounts for the year ended 31st. March 1996. No member of the company has requested an audit.

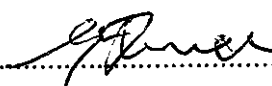
PAWLE & CO. LIMITED

REPORT OF THE DIRECTORS

(CONTINUATION)

In the preparation of the directors report, advantage has been taken of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985.

This report was approved by the Board on 22nd. November 1996

..........Director

PAWLE & CO. LIMITED**ACCOUNTANT'S REPORT TO THE SHAREHOLDERS**

The following reproduces the text of the Accountants' Report prepared for the purposes of section 249A(2) Companies Act 1985 in respect of the company's annual accounts, from which the abbreviated accounts set out in pages 4 to 9 have been prepared:-

We report on the accounts for the year ended 31st. March 1996 set out on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 6, the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquires of the officers of the company as we considered necessary for the purpose of the report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:-

(a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:-

(i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

(ii) the company satisfied the conditions for the exemption from the audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).


Owen Whittington,
Chartered Accountants,
118b, High Street,
Billericay,
Essex. CM12 9BY

22nd. November 1996

Reporting Accountants

PAWLE & CO. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st. MARCH 1996

		1996	[1995]
	[NOTE]	£	£
Turnover	[1,2]	130,892	104,012
Cost of Sales		<u>49,366</u>	<u>44,195</u>
Gross Profit		81,526	59,817
Production & Establishment Costs		38,264	20,220
Administration Costs		<u>36,266</u>	<u>25,300</u>
		<u>74,530</u>	<u>45,520</u>
Profit on ordinary activities	[3]		
before interest		6,996	14,297
Interest Payable		<u>841</u>	<u>1,375</u>
Profit on ordinary activities			
before taxation		6,155	12,922
Taxation on Profit on ordinary			
activities	[4]	<u>1,889</u>	<u>3,462</u>
Profit on ordinary activities			
after taxation		4,266	9,460
Dividend		<u>7,500</u>	<u>7,540</u>
Retained [Loss] / Profit for the year		[3,234]	1,920
Retained Profit brought forward		<u>4,732</u>	<u>2,812</u>
Retained Profit carried forward		<u>1,498</u>	<u>4,732</u>

Continuing Operations

None of the Company's activities were acquired or discontinued during the above two financial years.

Total Recognised Gains and Losses

There were no recognised gains or losses other than those included in the Profit and Loss Account for the above two financial years.

The notes on pages 7 to 9 form part of these financial statements.

PAWLE & CO. LIMITED

BALANCE SHEET AS AT 31st. MARCH 1996

		1996	[1995]
	[NOTE]	£	£
Fixed Assets			
Book Value	[5]	7,246	7,438
Current Assets			
Stock		598	524
Trade Debtors	[6]	40,874	32,654
Cash in Hand and at Bank		0	6,172
		<u>41,472</u>	<u>39,350</u>
Creditors			
Amounts falling due within one year	[7]	<u>47,120</u>	<u>41,956</u>
Net Current Liabilities		<u>5,648</u>	<u>2,606</u>
Net Assets		<u>1,598</u>	<u>4,832</u>
Capital and Reserves			
Called Up Share Capital	[8]	100	100
Profit and Loss Account		<u>1,498</u>	<u>4,732</u>
Shareholders' Funds	[9]	<u>1,598</u>	<u>4,832</u>
Represented by:-			
Equity Interests		<u>1,598</u>	<u>4,832</u>

The notes on pages 7 to 9 form part of these financial statements

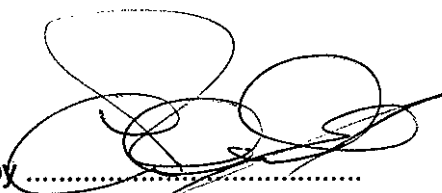
PAWLE & CO. LIMITED**BALANCE SHEET AS AT 31st. MARCH 1996
[CONTINUATION]**

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249[2] of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st. March 1996 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

Approved by the Board on 22nd. November 1996

and signed on their behalf by



Director

PAWLE & CO. LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. MARCH 1996****[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 Standard No. 1 of the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:-

Plant & Machinery	25% straight line basis
Fixtures, Fittings & Equipment	25% straight line basis

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant

PAWLE & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. MARCH 1996
[CONTINUATION]

[2] TURNOVER

In the year to 31st. March 1996, 0% of the company's turnover was to markets outside the United Kingdom [1995 - 0%].

[3] OPERATING PROFIT

The operating profit is stated after charging:-

	1996 £	[1995] £
Depreciation of tangible assets:-		
owned by the company	4,223	3,346
Accountants remuneration	775	775
Directors' emoluments	19,811	18,560

[4] TAXATION

U. K. Current Year Taxation

U. K. Corporation Tax at 25%	1889	3462
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[5] TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures Fittings & Equipment	Total
Cost			
As at 1st. April 1995	12,897	1,591	14,488
Additions	3,814	217	4,031
As at 31st. March 1996	16,711	1,808	18,519
Depreciation			
As at 1st. April 1995	6,470	580	7,050
Charge for period	3,813	410	4,223
As at 31st. March 1996	10,283	990	11,273
Net Book Values			
As at 1st. April 1995	6,427	1,011	7,438
As at 31st. March 1996	6,428	818	7,246

PAWLE & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. MARCH 1996
[CONTINUATION]

	1996 £	[1995] £
[6] DEBTORS		
Due within one year		
Trade debtors	<u>40,874</u>	<u>32,654</u>
 [7] CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank Overdraft	7,363	0
Hire Purchase	0	683
Trade Creditors	6,716	10,930
Corporation Tax	1,889	3,462
Other Creditors	<u>31,152</u>	<u>26,881</u>
	<u>47,120</u>	<u>41,956</u>
Included with other creditors is an amount of £4,600 [1995 - £3,311] relating to social security and other taxes.		
 [8] SHARE CAPITAL		
Authorised		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued		
Fully Paid Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
 [9] MOVEMENT ON SHAREHOLDERS FUNDS		
[Loss] / Profit for the year	[3,234]	1,920
Opening shareholders funds	<u>4,832</u>	<u>2,912</u>
Closing shareholders funds	<u>1,598</u>	<u>4,832</u>