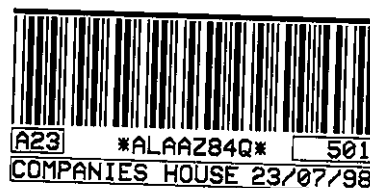


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MURPHY & SON LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 1998



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**REPORT OF THE AUDITORS TO THE DIRECTORS OF
MURPHY & SON LIMITED**

We have examined the abbreviated accounts on pages 3 to 6, together with the full financial statements of the company for the year ended 31st March 1998 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 are properly prepared in accordance with those provisions and to report our opinion to you.

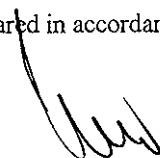
Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, 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 financial statements

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

1 Nelson Street
Southend on Sea
Essex



Wilkins Kennedy
Chartered Accountants
and Registered Auditor

28th May 1998

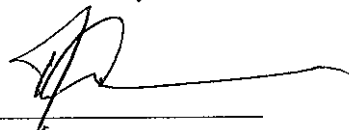
BALANCE SHEET
AT 31ST MARCH 1998

		1998		1997	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	2		1,535,661		1,214,527
Investment properties	3		932,558		836,098
Investments	4		85,972		77,204
			<u>2,554,191</u>		<u>2,127,829</u>
CURRENT ASSETS					
Stocks		126,317		166,697	
Debtors		354,369		338,671	
Investments		465,286		465,396	
Cash at bank and in hand		52,380		381,500	
		<u>998,352</u>		<u>1,352,264</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year		<u>344,896</u>		<u>385,281</u>	
NET CURRENT ASSETS			<u>653,456</u>		<u>966,983</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,207,647</u>		<u>3,094,812</u>
PROVISION FOR LIABILITIES AND CHARGES					
			<u>(689)</u>		<u>(3,400)</u>
			<u>3,206,958</u>		<u>3,091,412</u>
CAPITAL AND RESERVES					
Called-up share capital	5		40,000		40,000
Distributable reserves			3,012,105		2,896,559
Non-distributable reserves			154,853		154,853
SHAREHOLDERS' FUNDS			<u>3,206,958</u>		<u>3,091,412</u>

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

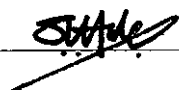
Approved by the Board on 28th May 1998.

J.A. CARMICHAEL



DIRECTORS

S.L. HALE



The notes on pages 4 to 6 form part of these accounts.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1998

1. ACCOUNTING POLICIES**(a) Basis of preparation of accounts**

The accounts have been prepared under the historical cost convention and incorporate the results of the principal activity, which is described in the Directors' Report and which is continuing.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and properties held for investment purposes at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:-

Freehold buildings	- over 50 or 30 years
Plant and machinery	- 20% or 10% of cost
Motor vehicles	- 25% net book value
Furniture and equipment	- 20% or 10% of cost

No depreciation is provided in respect of uncompleted construction and development works.

(c) Investment property

Investment property is included in the balance sheet at open market value reflecting tenancy. Surpluses and deficits on revaluation are taken to the revaluation reserve.

(d) Stocks

Stock are stated at the lower of cost and net realisable value.

(e) Research and development

Research and development expenditure is written off as incurred.

(f) Deferred taxation

Provision is made for deferred taxation at the rate of 21% (1997 24%) only to the extent that a liability is expected to arise in the foreseeable future.

(g) Foreign currencies

All differences are taken to the profit and loss account.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 1998

2. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Furniture and equipment £	Laboratory apparatus £	Total £
COST						
At 1.4.1997	1,046,670	555,057	247,169	61,448	48,428	1,958,772
Additions	406,073	20,107	6,250	1,493	4,696	438,619
Disposals	-	-	(3,600)	-	-	(3,600)
At 31.3.1998	<u>1,452,743</u>	<u>575,164</u>	<u>249,819</u>	<u>62,941</u>	<u>53,124</u>	<u>2,393,791</u>
DEPRECIATION						
At 1.4.1997	171,676	379,342	106,275	48,527	38,425	744,245
Provided during the year	26,197	45,508	35,446	4,442	4,437	116,030
Disposals	-	-	(2,145)	-	-	(2,145)
At 31.3.1998	<u>197,873</u>	<u>424,850</u>	<u>139,576</u>	<u>52,969</u>	<u>42,862</u>	<u>858,130</u>
NET BOOK VALUE						
At 31.3.1998	<u>1,254,870</u>	<u>150,314</u>	<u>110,243</u>	<u>9,972</u>	<u>10,262</u>	<u>1,535,661</u>
At 31.3.1997	<u>874,994</u>	<u>175,715</u>	<u>140,894</u>	<u>12,921</u>	<u>10,003</u>	<u>1,214,527</u>

3. INVESTMENT PROPERTIES

	Freehold land and buildings £
At 1st April 1997	836,098
Additions	96,460
Disposals	-
Revaluation	-
At 31st March 1998	<u>932,558</u>

The investment properties were valued in May 1996 by Messrs. Nattrass Giles, Chartered Surveyors in respect of properties in the Nottingham area, and by Stimpson, Black Horse Agencies, Chartered Surveyors in respect of properties in the Wheathampstead area. All properties are valued at open market value after reflecting existing tenancy agreements.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH 1998

4. FIXED ASSETS - INVESTMENTS (UNLISTED)

The company owns more than 10% of the share capital of the following companies:-

Name	Nature of business	Country of registration	Shares held Class	%
Subsidiary:				
Micro Audit Limited	Non-trading	England	Ordinary	100%
Associated:				
Sutton & Phillips Limited	Manufacturing and consulting chemists	England	Ordinary	30.54%

1998 **1997**
£ **£**

COST:

At 1st April 1997	78,791	78,791
Additions	<u>-</u>	<u>-</u>
At 31st March 1998	78,791	78,791

AMOUNTS WRITTEN OFF:

At 1st April 1997	(1,587)	(12,179)
Group share of post acquisition retained profit in related company	<u>8,768</u>	<u>10,592</u>
	<u>85,972</u>	<u>77,204</u>

5. SHARE CAPITAL

	Authorised		Allotted, called-up and fully paid	
	1998	1997	1998	1997
	No.	No.	No.	No.
Preference shares of £1 each	20,000	20,000	20,000	20,000
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>