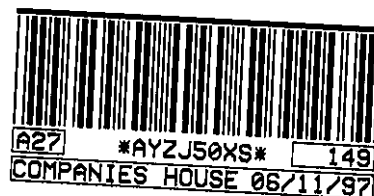


Contractors 600 Limited

Directors' report and financial statements

31 March 1997

Registered number 488802



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1997.

Principal activity and business review

On 1 April 1995 the Company's business, goodwill, assets and liabilities were transferred to 600 UK Limited, a fellow group undertaking. Following the divisionalisation of the business the company has not traded.

Proposed dividend and transfers to reserves

The profit for the year retained in the company of £Nil (1996: £Nil). The directors do not recommend the payment of a dividend (1996: £Nil).

Directors and directors' interests

The directors who held office during the year were as follows:

GP Shrimpton
AR Sweeten
AC Wiseman


AR Sweeten is also a director of The 600 Group PLC and his interests are disclosed in the financial statements of that company.

The following options to subscribe for shares have been granted to directors under The 600 Group Executive and Savings-Related Share Option schemes.

	31 March 1996	Exercised	Granted	Lapsed	31 March 1997
GP Shrimpton	*5,436	-	-	-	*5,436
AC Wiseman	10,000	-	-	-	10,000
	*5,159	-	-	-	*5,159

*Options granted under the Savings Related Share Option Scheme.

By order of the board


AC Wiseman
Director

600 House
Landmark Court
Revie Road
Leeds LS11 8HT

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

Norfolk House
Silbury Boulevard
Central Milton Keynes
Buckinghamshire, MK9 2HA

Report of the auditors to the members of Contractors 600 Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 2 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.

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 other irregularity or error. 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 March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

*Chartered Accountants
Registered Auditor*

3 November 1997

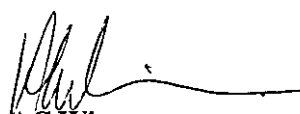
Balance sheet

at 31 March 1997

	<i>Note</i>	1997 £	1996 £
Fixed assets			
Tangible assets	4	1	1
Current assets			
Debtors	5	191,847	191,847
Creditors: amounts falling due within one year	6	(6,208,097)	(6,208,097)
Net current assets		<u>(6,016,250)</u>	<u>(6,016,250)</u>
Net assets		<u>(6,016,249)</u>	<u>(6,016,249)</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account	9	(6,017,249)	(6,017,249)
Equity shareholders' funds		<u>(6,016,249)</u>	<u>(6,016,249)</u>

These financial statements were approved by the board of directors on behalf by:

1997 and were signed on its


AC Wiseman
Director

Notes

(forming part of the financial statements)

1 Profit and loss account

The company did not trade during the current or prior year. It received no income, incurred no expenditure, and consequently made neither a profit nor a loss. Neither are there any recognised gains and losses. Accordingly no profit and loss account is presented.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

3 Remuneration of directors

The emoluments, excluding pension contributions, of the chairman were £Nil (1996: £Nil) and those of the highest paid director were £Nil (1996: £Nil).

4 Tangible fixed assets

	Plant and machinery £
<i>Cost</i>	
At 1 April 1996 and 31 March 1997	9,700
<i>Depreciation</i>	
At 1 April 1996 and 31 March 1997	(9,699)
	<hr/>
<i>Net book value</i>	
At 1 April 1996 and 31 March 1997	1
	<hr/> <hr/>

5 Debtors

	1997 £	1996 £
The amounts owed by group undertakings:		
Parent and fellow subsidiary undertakings	191,847	191,847
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

6 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	270	270
Amounts owed to group undertakings:		
Parent and fellow subsidiary undertakings	6,138,827	6,138,827
Other creditors including taxation and social security:		
Other creditors	69,000	69,000
	<u>6,208,097</u>	<u>6,208,097</u>

7 Called up share capital

	1997 £	1996 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

8 Contingent liabilities

	1997 £	1996 £
Joint and several liability under:		
Performance guarantees and indemnities	3,576,388	3,699,790
Group bank overdraft and cross guarantee	-	9,892,945
	<u>3,576,388</u>	<u>13,592,735</u>
Contract performance	<u>3,576,388</u>	<u>13,592,735</u>

9 Reserves

	Profit & loss account £
At 1 April 1996 and 31 March 1997	(6,017,249)
	<u>(6,017,249)</u>

Notes *(continued)*

10 Ultimate holding company and parent undertaking of larger group of which the company is a member

The company's ultimate parent company is The 600 Group PLC which is registered in England and Wales. No other group accounts include the result of the company.

A copy of the financial statements of The 600 Group PLC may be obtained from:

The 600 Group PLC
600 House
Landmark Court
Revie Road
Leeds
LS11 8HT