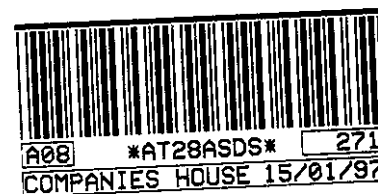


Report of the Directors and
Financial Statements
for the Year Ended 30 June 1996
for
G.Howell & Son Limited



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for the Year Ended 30 June 1996

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G. Howell & Son Limited

Company Information
for the Year Ended 30 June 1996

DIRECTORS:

R G Howell
Mrs N P Howell
M Howell

SECRETARY:

N P Howell

REGISTERED OFFICE:

Units 3 & 4
The Forge
Palgrave
Diss
Norfolk
IP22 1AP

REGISTERED NUMBER:

651093 (England and Wales)

AUDITORS:

Newman Sumpter
Registered Auditors
Chartered Accountants
104 Victoria Road
Diss
Norfolk
IP22 3JG

Report of the Directors
for the Year Ended 30 June 1996

The directors present their report with the financial statements of the company for the year ended 30 June 1996.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of structural engineering, and the fabrication, construction and letting of industrial units.

DIRECTORS

The directors during the year under review were:

R G Howell

Mrs N P Howell

M Howell

- appointed 31.8.95

The beneficial interests of the directors holding office on 30 June 1996 in the issued share capital of the company were as follows:

	30.6.96	1.7.95 or date of appointment if later
Ordinary £1 shares		
R G Howell	3,780	3,790
Mrs N P Howell	10	10
M Howell	10	-

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 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 judgments 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 to 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.

AUDITORS

The auditors, Newman Sumpter, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

G. Howell & Son Limited

Report of the Directors
for the Year Ended 30 June 1996

In preparing this report, the directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

Norma Howell

N P Howell SECRETARY

Dated: 10/1/97

Report of the Auditors to the Shareholders of
G. Howell & Son Limited

We have audited the financial statements on pages five to thirteen which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page two 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 judgments 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 30 June 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Newman Sumpter
Registered Auditors
Chartered Accountants
104 Victoria Road
Diss
Norfolk
IP22 3JG

Dated: 14.1.97.

Profit and Loss Account
for the Year Ended 30 June 1996

		30.6.96	30.6.95
	Notes	£	£
TURNOVER	2	368,806	305,466
Cost of sales		269,598	228,680
GROSS PROFIT		99,208	76,786
Administrative expenses		146,950	110,036
		(47,742)	(33,250)
Other operating income	3	89,594	71,120
OPERATING PROFIT	5	41,852	37,870
Interest receivable and similar income	6	2,266	1,209
		44,118	39,079
Interest payable and similar charges	7	5,175	5,341
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		38,943	33,738
Tax on profit on ordinary activities	8	13,297	9,809
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		25,646	23,929
Retained profit brought forward		557,533	533,604
RETAINED PROFIT CARRIED FORWARD		£583,179	£557,533

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

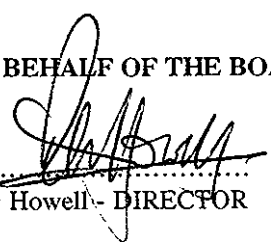
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

Balance Sheet
30 June 1996

		30.6.96		30.6.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	9		671,560		608,256
CURRENT ASSETS:					
Stocks	10	12,679		22,076	
Debtors	11	81,507		99,805	
Cash at bank		98,514		47,397	
		192,700		169,278	
CREDITORS: Amounts falling due within one year	12	166,009		118,842	
NET CURRENT ASSETS:			26,691		50,436
TOTAL ASSETS LESS CURRENT LIABILITIES:			698,251		658,692
CREDITORS: Amounts falling due after more than one year	13		(43,787)		(35,000)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		(66,285)		(61,159)
			£588,179		£562,533
CAPITAL AND RESERVES:					
Called up share capital	17		5,000		5,000
Profit and loss account			583,179		557,533
Shareholders' funds	19		£588,179		£562,533

ON BEHALF OF THE BOARD:


 R G Howell - DIRECTOR

Approved by the Board on 10/1/97

Notes to the Financial Statements
for the Year Ended 30 June 1996

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & Machinery	- 15% on reducing balance
Office Equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Freehold Property Depreciation

Depreciation has not been charged on freehold property as the market value of the property at 30th June 1996 exceeded the written down value in the financial statements. If the market value was less than the written down value, then the depreciation would be charged to bring the accounts value in line with the market value.

2. **TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the company.

Notes to the Financial Statements
for the Year Ended 30 June 1996

3. **OTHER OPERATING INCOME**

	30.6.96	30.6.95
	£	£
Rents Received	<u>89,594</u>	<u>71,120</u>

4. **STAFF COSTS**

	30.6.96	30.6.95
	£	£
Wages and salaries	111,022	86,857
Social security costs	9,924	8,211
Other pension costs	15,509	10,671
	<u>136,455</u>	<u>105,739</u>

The average monthly number of employees during the year was as follows:

	30.6.96	30.6.95
Directors	3	2
Production	5	3
Administration	1	1
	<u>9</u>	<u>6</u>

5. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	30.6.96	30.6.95
	£	£
Hire of plant and machinery	12,461	11,040
Depreciation - owned assets	5,725	6,831
Loss/(Profit) on disposal of fixed assets	285	(1,473)
Auditors' remuneration	1,875	2,075
	<u>86,622</u>	<u>70,636</u>

Directors' emoluments (see below)

Details of individual emoluments, excluding pension contributions, were as follows:

	30.6.96	30.6.95
	£	£
Chairman	43,101	35,131

These emoluments are included in the information which follows.

Notes to the Financial Statements
for the Year Ended 30 June 1996

The directors' emoluments, excluding pension contributions, fell within the following ranges:

	30.6.96	30.6.95
£Nil - £5,000	1	-
£25,001 - £30,000	1	1
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	30.6.96	30.6.95
	£	£
Deposit Account Interest	2,266	1,209

7. **INTEREST PAYABLE AND SIMILAR CHARGES**

	30.6.96	30.6.95
	£	£
Loan Interest	4,973	5,341
Hire Purchase	202	-
	<u>5,175</u>	<u>5,341</u>

8. **TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.6.96	30.6.95
	£	£
UK Corporation Tax	8,171	4,698
(Over) Prov'n in Previous Year	-	(509)
Deferred taxation	5,126	5,620
	<u>13,297</u>	<u>9,809</u>

UK Corporation Tax has been charged at 25% (1995 - 25%).

Financial Year 1995 - 25%

Financial Year 1996 - 24%

Notes to the Financial Statements
for the Year Ended 30 June 1996

9. **TANGIBLE FIXED ASSETS**

	Freehold property	Plant & Machinery	Office Equipment	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 July 1995	577,446	86,995	33,683	17,559	715,683
Additions	25,814	1,040	2,312	62,364	91,530
Disposals	-	-	-	(22,500)	(22,500)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1996	603,260	88,035	35,995	57,423	784,713
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION:					
At 1 July 1995	-	74,793	23,966	8,669	107,428
Charge for year	-	1,958	1,543	2,224	5,725
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1996	-	76,751	25,509	10,893	113,153
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:					
At 30 June 1996	603,260	11,284	10,486	46,530	671,560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 1995	577,447	12,202	9,717	8,890	608,256
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Motor vehicles
	£
COST:	
Additions	39,864
	<hr/>
At 30 June 1996	39,864
	<hr/>
NET BOOK VALUE:	
At 30 June 1996	39,864
	<hr/>

10. **STOCKS**

	30.6.96	30.6.95
	£	£
Stock	5,329	19,126
Work in Progress	7,350	2,950
	<hr/>	<hr/>
	12,679	22,076
	<hr/>	<hr/>

Notes to the Financial Statements
for the Year Ended 30 June 1996

11. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.96 £	30.6.95 £
Trade Debtors	76,277	94,970
Employees Loan	450	200
Prepayments	4,780	4,635
	<u>81,507</u>	<u>99,805</u>

12. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30.6.96 £	30.6.95 £
Bank loans and overdrafts (see note 14)	4,369	-
Hire purchase contracts and finance leases (see note 15)	10,708	-
Trade Creditors	26,661	30,232
Directors Current Accounts	50,078	16,303
Other Creditors	4,088	7,070
V.A.T.	10,582	9,023
Social Security & Other Taxes	16,810	12,000
Taxation	8,171	4,698
Accrued Expenses	34,542	39,516
	<u>166,009</u>	<u>118,842</u>

13. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	30.6.96 £	30.6.95 £
Directors Loan	35,000	35,000
Hire purchase contracts and finance leases (see note 15)	8,787	-
	<u>43,787</u>	<u>35,000</u>

14. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	30.6.96 £	30.6.95 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>4,369</u>	<u>-</u>

Notes to the Financial Statements
for the Year Ended 30 June 1996

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	30.6.96	30.6.95	30.6.96	30.6.95
	£	£	£	£
Gross obligations repayable:				
Within one year	8,791	-	2,725	-
Between one and five years	6,668	-	2,725	-
	<u>15,459</u>	<u>-</u>	<u>5,450</u>	<u>-</u>
Finance charges repayable:				
Within one year	808	-	-	-
Between one and five years	606	-	-	-
	<u>1,414</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net obligations repayable:				
Within one year	7,983	-	2,725	-
Between one and five years	6,062	-	2,725	-
	<u>14,045</u>	<u>-</u>	<u>5,450</u>	<u>-</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

	30.6.96	30.6.95
	£	£
Deferred taxation	<u>66,285</u>	<u>61,159</u>
Deferred taxation		
£		
Balance at 1 July 1995	61,159	
Charge for Year	<u>5,126</u>	
Balance at 30 June 1996	<u>66,285</u>	

Deferred taxation for which provision has been made in the financial statements and the amounts for which no provision has been made, are as follows:

	Provided		Not provided	
	30.6.96	30.6.95	30.6.96	30.6.95
	£	£	£	£
Charge For Year	<u>66,285</u>	<u>61,159</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements
for the Year Ended 30 June 1996

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.6.96 £	30.6.95 £
5,000	Ordinary	£1	<u>5,000</u>	<u>5,000</u>

18. TRANSACTIONS WITH DIRECTORS

During the year the company traded with another company "Croftbrook Services Ltd" of which, the two directors of the company are shareholder s and directors. The level of trading relating to "Croftbrook Services Ltd" amounted to purchases of £922.38. In April 1996 the directors sold their cars (BMW 325i and Renault Clio) back to the company at the market value, which was obtained from third party garages.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30.6.96 £	30.6.95 £
Profit for the financial year	<u>25,646</u>	<u>23,929</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	25,646	23,929
Opening shareholders' funds	<u>562,533</u>	<u>538,604</u>
CLOSING SHAREHOLDERS' FUNDS	<u>588,179</u>	<u>562,533</u>
Equity interests	<u>588,179</u>	<u>562,533</u>