

IML (LABELS & SUPPLIES) LIMITED
(REGISTERED NUMBER 1247237)

DIRECTORS' REPORT AND ACCOUNTS

31 December 1995



IML (LABELS & SUPPLIES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 1995.

PRINCIPAL ACTIVITY AND RESULTS

The principal activity of the company is to hold investments. The company did not trade during the year and consequently made neither a profit nor a loss.

CHANGE OF NAME

On 19 January 1996 the company changed its name to HEH Investments Limited.

DIRECTORS AND DIRECTORS' INTERESTS

Mr RNC Hall and Mr AM Smith served as directors throughout the year.

Mr RNC Hall retires by rotation and, being eligible, offers himself for re-appointment.

Neither of the directors had any beneficial interest in the shares of the company at any time during the year. The interests of Mr RNC Hall and Mr AM Smith in the shares of the ultimate parent company, Hall Engineering (Holdings) PLC, of which they are also directors, are dealt with in the Directors' Report of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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;
- 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 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.

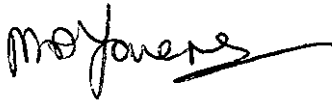
IML (LABELS & SUPPLIES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

AUDITORS

On 10 May 1995 Touche Ross & Co resigned as auditors and Price Waterhouse were appointed in their place. Price Waterhouse have expressed their willingness to be re-appointed.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Ma Youens', with a long horizontal flourish extending to the right.

MA YOUENS
Company Secretary

19 March 1996

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF IML (LABELS & SUPPLIES) LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and 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.

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 mis-statement, 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 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse
PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

19 March 1996

IML (LABELS & SUPPLIES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

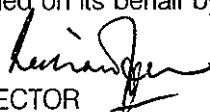
During the current financial year and the preceding financial year the company did not trade and therefore made neither a profit nor a loss or any other recognised gains or losses.

BALANCE SHEET - 31 DECEMBER 1995

	Notes	1995	1994
FIXED ASSETS			
Investments	3	2,850,280	-
CURRENT ASSETS			
Amounts owed by group company		1,500	1,500
NET CURRENT ASSETS		1,500	1,500
TOTAL ASSETS LESS CURRENT LIABILITIES		2,851,780	1,500
CREDITORS (amounts falling due after more than one year)			
Amounts due to group undertakings		(2,850,280)	-
		£1,500	£1,500
CAPITAL AND RESERVES			
Called-up equity share capital	4	£1,500	£1,500

Approved by the Board on 19 March 1996

Signed on its behalf by


DIRECTOR

RNC Hall

IML (LABELS & SUPPLIES) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995

1 ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

At 31 December 1995 the company was a wholly owned subsidiary of Hall Engineering (Holdings) plc, a company incorporated in England and therefore under Section 228 (2) of the Companies Act 1985, is exempt from producing group accounts.

2 STAFF COSTS AND DIRECTORS' REMUNERATION

No staff costs or directors' remuneration were paid during the year.

3 INVESTMENTS

	Shares in group companies	Shares in associated companies	Total
<u>Cost</u>			
At 1 January 1995	-	-	-
Transferred from other group undertakings	<u>1,872,626</u>	<u>977,654</u>	<u>2,850,280</u>
At 31 December 1995	<u>£1,872,626</u>	<u>£977,654</u>	<u>£2,850,280</u>

The above investment in group companies represents 100% of the issued share capital of Hall Holdings (PTY) Limited, a company incorporated in South Africa. The main activity of this company is steel stockholding and heat treatment which is undertaken through Hall and Pickles acting as an agent for the company.

The investment in associated companies represents 27% of Williams Industries Inc, a company incorporated in Barbados. The primary business activity of this company is the manufacture and distribution of steel related products and the provision of electrical engineering services to the construction industry.

IML (LABELS & SUPPLIES) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1995

4 CALLED UP EQUITY SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised, allotted and fully paid: 1,500 Ordinary shares of £1 each	£1,500	£1,500
	<u> </u>	<u> </u>

5 ULTIMATE PARENT COMPANY

The ultimate parent company is Hall Engineering (Holdings) PLC, a company incorporated in Great Britain. A copy of the group accounts can be obtained from that company's registered office at Harlescott Lane, Shrewsbury, SY1 3AS.