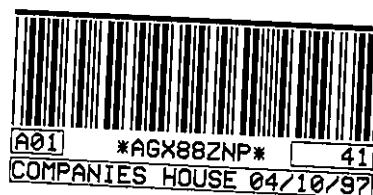


Company Number: 1481054

HOLLAENDER RAINER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997



DIRECTORS AND OFFICERS

DIRECTORS

R. Clover
A.M. Clover

SECRETARY

R.E.M. Powell (resigned 28th July 1996)
P.O. Edwards (appointed 28th July 1996)

AUDITORS

Daw White Murrall
2 Mitre Court
Lichfield Road
Sutton Coldfield B74 2LZ

REGISTERED OFFICE

Leamore Close
Leamore Industrial Estate
Walsall WS2 7NL

BANKERS

Yorkshire Bank Plc
8 Peckingham Street
Halesowen
West Midlands B63 3BP

COMPANY NUMBER

1481054

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31st March 1997.

HOLDING COMPANY

The company is a wholly owned subsidiary of Fox Hollies Properties Limited, a company incorporated in England.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activity of the company during the year was the manufacture and installation of specialist handrail equipment.

The results for the year and the year end financial position were satisfactory, and the level of activity is expected to be maintained for the foreseeable future.

FIXED ASSETS

Changes in the fixed assets are shown in note 9 to the financial statements.

DIRECTORS AND THEIR SHARE INTERESTS

The directors of the company during the year and their beneficial interests in the shares of the company were as follows:

	Ordinary shares of £1.00 each	
	1997	1996
R. Clover	-	-
A.M. Clover	-	-

The beneficial interests of the directors in the shares of the holding company are shown in that company's financial statements.

R. Clover retires in accordance with the company's articles of association and, being eligible, offers himself for re-election.

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

In accordance with section 385 of the Companies Act 1985 a resolution for the reappointment of Messrs Daw White Murrall as auditors of the company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'P.O. Edwards', written over a horizontal line.

P.O. Edwards

SECRETARY

Leamore Close
Leamore Industrial Estate
Walsall WS2 7NL

12th August 1997



DAW WHITE MURRALL
CHARTERED ACCOUNTANTS

1-2 GEORGE STREET
WOLVERHAMPTON
WV2 4DG

2 MITRE COURT
LICHFIELD ROAD
SUTTON COLDFIELD
B74 2LZ

**AUDITORS REPORT TO THE SHAREHOLDERS OF
HOLLAENDER RAINER LIMITED**

PAGE 4

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 8 the companys directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial 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 an 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 by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the companys 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 affairs of the company at 31st March 1997 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

12th August 1997

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

	Notes	1997	1996
Turnover	3	1,043,983	1,300,823
Cost of sales		<u>636,230</u>	<u>928,483</u>
Gross profit		407,753	372,340
Administrative expenses		<u>371,953</u>	<u>282,273</u>
Operating profit		35,800	90,067
Interest payable		<u>(15,726)</u>	<u>(11,132)</u>
Profit on ordinary activities before taxation		20,074	78,935
Tax on ordinary activities	4	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	5	20,074	78,935
Dividends	7	<u>-</u>	<u>16,000</u>
Retained profit for the year		20,074	62,935
Retained profit/loss brought forward		<u>11,715</u>	<u>(51,220)</u>
Retained profit carried forward		<u><u>£31,789</u></u>	<u><u>£11,715</u></u>

There are no recognised gains and losses other than the profit for the year.

Turnover and operating profit derive wholly from continuing operations.

BALANCE SHEET

AS AT 31ST MARCH 1997

	Notes	1997	1996
FIXED ASSETS			
Tangible assets	9	<u>100,349</u>	<u>116,663</u>
CURRENT ASSETS			
Stocks	10	95,380	93,184
Debtors	11	297,798	308,543
Cash at bank and in hand		-	36
		<u>393,178</u>	<u>401,763</u>
CREDITORS - Amounts falling due within one year	12	<u>447,051</u>	<u>469,477</u>
NET CURRENT LIABILITIES		<u>(53,873)</u>	<u>(67,714)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>46,476</u>	<u>48,949</u>
CREDITORS - amounts falling due after more than one year	13	14,587	37,134
NET ASSETS		<u><u>£31,889</u></u>	<u><u>£11,815</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account		<u>31,789</u>	<u>11,715</u>
SHAREHOLDERS FUNDS	16	<u><u>£31,889</u></u>	<u><u>£11,815</u></u>

The financial statements were approved by the directors on 12th August 1997

.....) R. Clover
) A.M. Clover

DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

1 ACCOUNTING POLICIES

- Basis of preparing the financial statements

The company meets part of its day to day working capital requirements through an overdraft facility which, in common with all such facilities, is repayable on demand.

The company is also dependent on the continued financial support of the holding company and creditors generally to meet the balance of its working capital requirements. The directors consider it reasonable to rely on the continuance of financial support for at least 12 months from the date of approval of the financial statements and consider it appropriate to prepare the financial statements on the going concern basis.

- Accounting convention

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

The directors have relied upon the exemption conferred by Financial Reporting Standard 1 to not prepare a cashflow statement.

- Depreciation

Depreciation of fixed assets is provided at rates calculated to write off the cost of the assets over the term of their useful lives. The rates in use for the various classes of assets are as follows :

Fixtures and fittings	20% on a straight line basis
Plant and machinery	16.67% on a straight line basis
Motor vehicles	25% on a straight line basis

- Stocks

Stocks, including work in progress, are stated at the lower of cost and net realisable value, after allowing for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

- 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

Additions to fixed assets purchased under hire purchase and lease purchase contracts are capitalised at cost. Interest payable during the accounting period is charged in the trading account.

2 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 and profit or loss of the company. In preparing these financial statements the directors were required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- 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 maintaining 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 required to safeguard the assets of the company and hence to take reasonable steps for the prevention and detection of fraud and other irregularities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 TURNOVER

Turnover represents the amounts derived from the provision of goods and services within the company's ordinary activities after deducting value added tax.

Turnover arose in the following geographical locations:

	1997	1996
United Kingdom	1,001,090	1,197,198
Middle East	38,841	103,625
Other EEC countries	4,052	-
	<u>£1,043,983</u>	<u>£1,300,823</u>

4 TAXATION

No provision is required for corporation tax based on the results for the year.

5 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1997	1996
This is stated after the following amounts:		
Depreciation and amortisation	23,007	26,322
Profit on disposals of fixed assets	(2,546)	(39,557)
Auditors remuneration	3,000	4,494
Staff costs:		
Wages and salaries	321,568	281,858
Social Security costs	<u>31,635</u>	<u>27,512</u>

6 EMPLOYEE INFORMATION

The average weekly number of employees, including directors, employed by the company during the year was 23 (1996 23), made up as follows:

	1997	1996
Production	17	17
Administrative	4	4
Directors	2	2
	<u>23</u>	<u>23</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 DIVIDENDS

	1997	1996
Dividends paid during the year - £Nil (1996 £160) per ordinary share	<u>Nil</u>	<u>£16,000</u>

8 TRANSACTIONS WITH RELATED PARTIES

During the year the company:

- incurred management charges as follows:

Fox Hollies Properties Limited	£48,000	£39,653
Surespan Limited	<u>£1,000</u>	<u>-</u>

- paid rent to R. Clover and A.M. Clover of	<u>£12,000</u>	<u>£12,000</u>
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and the following balances were due to:

Fox Hollies Properties Limited	£36,915	£40,608
Surespan Limited	<u>£3,169</u>	<u>£8,179</u>

Other than the above there were no transactions with related parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
Cost				
At 1st April 1996	47,574	37,428	142,370	227,372
Additions	-	4,072	8,327	12,399
Disposals	-	-	(8,299)	(8,299)
At 31st March 1997	<u>47,574</u>	<u>41,500</u>	<u>142,398</u>	<u>231,472</u>
Depreciation				
At 1st April 1996	43,773	24,897	42,039	110,709
Charge for year	1,668	5,023	16,316	23,007
On disposals	-	-	(2,593)	(2,593)
At 31st March 1997	<u>45,441</u>	<u>29,920</u>	<u>55,762</u>	<u>131,123</u>
Net book value				
At 31st March 1997	<u>£2,133</u>	<u>£11,580</u>	<u>£86,636</u>	<u>£100,349</u>
At 31st March 1996	<u>£3,801</u>	<u>£12,531</u>	<u>£100,331</u>	<u>£116,663</u>
The net book value at 31st March 1997 of assets held under hire purchase and finance lease contracts was:	<u>Nil</u>	<u>Nil</u>	<u>£80,635</u>	<u>£80,635</u>
The depreciation charged during the year on assets held under hire purchase and finance lease contracts was:	<u>Nil</u>	<u>Nil</u>	<u>£14,965</u>	<u>£14,965</u>

10 STOCKS

	1997	1996
Raw materials	53,908	53,734
Work in progress	41,472	39,450
	<u>£95,380</u>	<u>£93,184</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 DEBTORS

	1997	1996
Trade debtors	267,258	299,969
Other debtors	4,020	4,030
Prepayments and accrued income	26,520	4,544
	<u>£297,798</u>	<u>£308,543</u>

12 CREDITORS:- Amounts falling due within one year

	1997	1996
Bank loans and overdrafts	124,513	179,260
Trade creditors	183,603	194,774
Amounts owed to group companies	40,084	48,787
Taxation and Social Security	59,361	21,506
Other creditors	2,656	36
Obligations due under hire purchase and finance leases	23,235	21,898
Accruals and deferred income	13,599	3,216
	<u>£447,051</u>	<u>£469,477</u>

13 CREDITORS:- Amounts falling due after more than one year

	1997	1996
Obligations due under hire purchase and finance leases	<u>£14,587</u>	<u>£37,134</u>

14 PROVISION FOR LIABILITIES AND CHARGES

There is no liability to deferred tax, potential or otherwise.

15 CALLED UP SHARE CAPITAL

	Authorised	Allotted issued and fully paid
Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 SHAREHOLDERS FUNDS

Reconciliation of movement on shareholders funds

	1997	1996
Profit for the financial year after taxation	20,074	78,935
Dividends	-	(16,000)
	<u>20,074</u>	<u>62,935</u>
Opening shareholders funds	11,815	(51,120)
Closing shareholders funds	<u>£31,889</u>	<u>£11,815</u>

17 CAPITAL COMMITMENTS

There were no capital commitments at 31st March 1997 (1996 £Nil).

18 CONTINGENT LIABILITIES

The company is a member of the Fox Hollies Properties Limited VAT group registration. At 31st March 1997 the joint and several liability was £47,674 (1996 £6,617).

19 SECURED CREDITORS

The debts due to Yorkshire Bank Plc have been secured by the creation of fixed and floating charges over the companys assets and personal guarantees from the directors.