

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1994**

1. *The company has not traded during the year and has made neither profits nor losses in the year. The company continues to act as an agent for UES (UK) Limited.*
2. *The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss and total recognised gains and losses of the company for that period.*

*The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.*

*The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.*

3. *The following directors have held office during the whole of the year ended 31 December 1994, except as otherwise stated:-*

*Mr K Allen  
Mr P W Crabb*

4. *None of the directors had any interest in the shares of the company or its ultimate parent undertaking, UES Holdings Limited.*
5. *The company is not a close company within the definition of Section 414 of the Income and Corporation Taxes Act 1988 and there has been no change in this respect since the end of the financial year.*
6. *UES Holdings Limited, the ultimate parent undertaking, maintains insurance for the directors and officers in respect of their duties as directors and officers of the company.*
7. *If the company is not legally a dormant company at the time of the annual general meeting, a resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.*

*By order of the Board*



*P-W Crabb  
Director  
20 January 1995*



**REPORT OF THE AUDITORS TO THE MEMBER OF**  
**BELL & HARWOOD LIMITED**

*We have audited the financial statements on page 3.*

***Respective responsibilities of directors and auditors***

*As described in the report of the directors, 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 to you.*

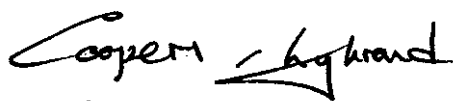
***Basis of opinion***

*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 affairs of the company at 31 December 1994 and have been properly prepared in accordance with the Companies Act 1985.*



Coopers & Lybrand  
Chartered Accountants and Registered Auditors  
Sheffield

24 February 1995

**BELL & HARWOOD LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1994**

	<u>1994</u>		<u>1993</u>	
	£	£	£	£
<u>Current Liabilities</u>				
Creditors falling due after one year				
Amount owed to group undertakings		(1,262,955)		(1,262,955)
		=====		=====
<u>Capital Employed</u>				
Share capital				
Ordinary shares of £1 each	100		100	
Authorised	==		==	
Allotted, called up and fully paid up		2		2
Profit and loss account		(148,957)		(148,957)
Goodwill write-off reserve		(1,114,000)		(1,114,000)
		-----		-----
Shareholder's funds		(1,262,955)		(1,262,955)
		=====		=====

**NOTES TO THE ACCOUNTS - 31 DECEMBER 1994**

1. The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

2. Directors' Remuneration

No director received any remuneration during the period in respect of services to the company.

3. Ultimate Parent Undertaking

The directors regard UES Holdings Limited, a company registered in England and Wales, as the company's ultimate parent undertaking.

These financial statements were approved by the board of directors on 20 January 1995 and are signed on its behalf by



P W CRABB (DIRECTOR)