

Accountants' Report to the Shareholders of Mac Plant Construction Ltd

We have examined, without carrying out an audit, the accounts for the year ended 30th April 1996 set out on pages 3 - 7.

Respective responsibilities of Directors and Reporting Accountants

As described on page 2, the Company's Director is responsible for the preparation of the Accounts and they believe that the Company is exempt from an audit. It is our responsibility to examine the Accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

Basis of Opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Audit Practices Board. This examination consisted of comparing Accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purpose of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly, we do not express an audit opinion on the Accounts. Therefore our examination does not provide any assurance that the accounting records and the Accounts are free from material misstatement.

Opinion

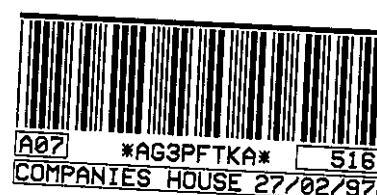
In our opinion:-

1. the Accounts are in agreement with those accounting records kept by the Company under Section 221 of the Companies Act 1985;
2. having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
3. having regard to, and on the basis of, the information contained in those accounting records, the company satisfied the conditions for exemption from an audit of the Accounts for the year specified in Section 249a(4) of the Act and did not, at any time within that year, fall within any of the categories of Companies not entitled to the exemption specified in Section 249B(1) (a) to (f).

20 Western Road,
LAUNCESTON

25th February 1997


POTTER BAKER
Registered Auditor
Chartered Accountants



MACPLANT CONSTRUCTION LTD**DIRECTORS REPORT**

The Director submits his report and Accounts for the year ended 30th April 1996.

RESULTS

The trading Loss for the year after taxation amounted to £625.

DIVIDEND

The Director does not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activities of the Company during the year were those of Civil Engineers.

DIRECTOR

The Director at 30th April 1996 and his interest in the share capital of the Company was as follows:-

	<u>At 30th April 1996</u>	<u>At 30th April 1995</u>
A McIntosh	99 £1 Ord. Shares	99 £1 Ord. Shares

DIRECTOR'S RESPONSIBILITIES

Company Law requires the Director to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the Profit or Loss of the Company for that period. In preparing those Accounts, the Director is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 Accounts comply with the Companies Act. 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.

In preparing the above Report, the Director has taken advantage of the special exemptions applicable to small companies.

AUDITORS

A resolution to reappoint Messrs Potter Baker as Auditors will be put to the members at the Annual General Meeting.

By Order of the Board  Secretary

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BALANCE SHEET AS AT 30TH APRIL 1996

	<u>NOTES</u>	<u>1996</u>	<u>1995</u>
Fixed Assets			
Tangible Assets	(4)	37,876	40,317
Investments		<u>1,350</u>	<u> </u>
		39,226	40,317
Current Assets			
Stock		750	750
Work in Progress		75	21,640
Debtors	(6)	16,829	35,140
Bank and Cash		<u>81,994</u>	<u>36,969</u>
		99,648	94,499
<u>Less Creditors - Amounts Falling Due</u>			
<u>Within One year</u>	(5)	<u>131,150</u>	<u>126,467</u>
Net Current Liabilities		<u>(31,502)</u>	<u>(31,968)</u>
Total Assets Less Current Liabilities		<u>7,724</u>	<u>8,349</u>
<u>Net Assets</u>		<u>£7,724</u>	<u>£8,349</u>
Capital and Reserves			
Called up Share Capital	(2)	100	100
Profit and Loss Account		<u>7,624</u>	<u>8,249</u>
		<u>£7,724</u>	<u>£8,349</u>

DIRECTORS STATEMENTS


For the year in question, the Company was entitled to exemption from an audit under Section 249A(1) of the Companies Act 1985. No notice has been deposited under Section 249B(2) of the Act in relation to the Accounts for the financial year. The Directors acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- preparing Accounts which give a true and fair view of the state of affairs of the Company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of that Act relating to Accounts, so far as applicable to the Company.

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985, on the grounds that, in the Directors' opinion, the Company qualifies as a small Company under s246 and s247 of the Companies Act 1985.

Advantage has been taken, in the preparation of the Accounts, of special exemptions applicable to small Companies on the grounds that, in the Directors opinion, the Company qualifies as a small Company under s246 and s247 of the Companies Act 1985.

The financial statements on pages 3 - 7 were approved by the Board of Directors on the date shown below and were signed on its behalf by:

Directors  , Date 21/2/97

MACPLANT CONSTRUCTION LTD**Page 5****NOTES TO ACCOUNTS****1. Accounting Policies****i Basis of Accounting**

These Accounts have been prepared under the historical cost accounting rules.

ii Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives as follows:-

Vehicles	25% Written Down Value
Equipment	20% Written Down Value

No Depreciation is provided on Freehold Land, in accordance with generally accepted accounting practices. No Depreciation is provided on Freehold Properties or on integral fixed plant and improvements. It is the Company's Practice to maintain these assets in a continual state of sound repair and to extend and make improvements thereto, as considered necessary, and accordingly the Director considers that the lives of these assets are so long and residual values are so high that depreciation is insignificant.

iii Stock and Work in Progress

Has been valued at the lower of cost and net realisable value.

iv Deferred Tax

Provision for deferred taxation is made at current rates of taxation on all timing differences, except where no liability to taxation is expected to arise in the foreseeable future.

v Finance and Operating Leases

The capital cost of equipment under finance leases has been capitalised and depreciated over the estimated economic life or the finance lease period which ever is the shorter. The interest element is charged against profit over the period of the lease.

Rental costs arising under operating leases are charged against profit in the year they are incurred.

(vi) Cash Flow Statement

The Company has taken advantage of the exemption in financial reporting standard number 1 from producing a cash flow statement on the grounds that it is a small Company.

2. Share Capital

	<u>1996</u>	<u>1995</u>
(i) Authorised	<u>£100</u>	<u>£100</u>
(ii) Allotted, Called Up and Fully Paid	<u>£100</u>	<u>£100</u>

3. Directors Loan Account

During the year a loan was made to Mr and Mrs A McIntosh. The maximum balance outstanding during the year was £15,880.

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NOTES TO ACCOUNTS**4. Tangible Fixed Assets Cost or Valuation**

	Opening Balance	Additions	Disposals	Closing Balance
Freehold Property	20,000			20,000
Plant and Machinery	30,346	2,807	165	32,988
Motor Vehicles	11,328		2,000	9,328
Fixtures, Fittings and Equipment	2,736	287	558	2,465
	<u>64,410</u>	<u>3,094</u>	<u>2,723</u>	<u>64,781</u>

Depreciation

	Opening Balance	Provision for Year	Provision on Disposals	Closing Balance
Plant and Machinery	17,380	2,957	143	20,194
Motor Vehicles	5,372	1,292	1,212	5,452
Fixtures, Fittings and Equipment	1,341	249	331	1,259
	<u>24,093</u>	<u>4,498</u>	<u>1,686</u>	<u>26,905</u>

NET BOOK VALUES£40,317£37,876

The Freehold Property was purchased by the Company from Mr A McIntosh in May 1994. However the conveyance of this land has not yet been formally completed.

5. Creditors: Amounts Falling Due Within One Year

	<u>1996</u>	<u>1995</u>
Trade Creditors	107,708	108,802
Corporation Tax	252	288
Taxations and Social Security	<u>23,190</u>	<u>17,377</u>
	<u>£131,150</u>	<u>£126,467</u>

6. Debtors

Trade Debtors	11,184	21,557
Director's Loan Account	953	7,144
Prepayments	<u>4,692</u>	<u>6,439</u>
	<u>£16,829</u>	<u>£35,140</u>