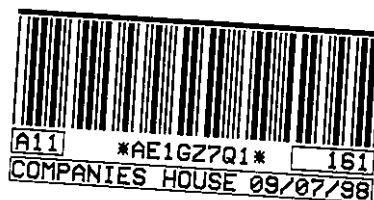


M & W GRAZEBROOK LIMITED

Registered No. 1997380

ACCOUNTS - 31 DECEMBER 1997

TOGETHER WITH DIRECTORS' REPORT



M & W GRAZEBROOK LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and accounts for the year ended 31 December 1997.

BUSINESS REVIEW:

The Company has not traded during the year and accordingly no Profit and Loss Account is presented. There is no current intention that it should trade in the future. Any expenses have been met by the ultimate holding company, Senior Engineering Group plc.

DIRECTORS:

The following Directors have held office during the year:

T B Garthwaite
F H Fermor
N V Turnbull

The directors who held office at 31 December 1997 had no interests in the shares of the Company, other than by virtue of their interests in the shares of Senior Engineering Group plc. The beneficial interests of T B Garthwaite and N V Turnbull are disclosed in the accounts of Senior Engineering Group plc. The beneficial interests of F H Fermor in the 10p ordinary shares of Senior Engineering Group plc are as follows:

	Shares 1997	Shares 1996
F H Fermor	150,000	100,000

At 31 December 1997 F H Fermor had no non-beneficial interests (1996: 150,000 shares). On 14 January 1998 he purchased 50,000 shares and on 29 January 1998 he purchased a further 50,000 shares. In January 1997 F H Fermor was granted Performance Awards in respect of 17,250 shares at 120p per share, with potential release three years after grant.

At 31 December 1997 F H Fermor held the following options to subscribe for shares in Senior Engineering Group plc:

	31 December 1997	31 December 1996	Exercise period	Subscription price (pence)
Executive options	45,192	45,192	7 years to 6 May 2002	78.37
Sharesave options	10,156	10,156	6 months to 30 June 2000	96.00

AUDITORS:

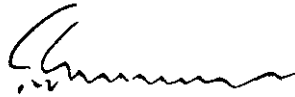
The Directors are of the opinion that the Company satisfies the conditions laid down in Section 250 of the Companies Act 1985 and that it is entitled to the benefits of the exemptions for individual accounts applicable in the case of a small company which has been dormant since the end of the financial year. Accordingly the provisions of Section 384 of the Companies Act 1985 do not apply and no Auditors will be appointed until such time as the Company is no longer dormant.

Registered Office

Senior House
59/61 High Street
Rickmansworth
Herts WD3 1RH

1 April 1998

BY ORDER OF THE BOARD



F H Fermor
Secretary

BALANCE SHEET - 31 DECEMBER 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Due from parent	1	3	3
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	2	3	3
		<u> </u>	<u> </u>

APPROVED ON BEHALF OF THE BOARD ON 1 APRIL 1998.

T B Garthwaite)
) Directors
F H Fermor)

W. B. Allen.
J. B. Allen

NOTES TO THE BALANCE SHEET - 31 DECEMBER 1997

The Company is a wholly-owned subsidiary undertaking of Senior Engineering Investments Ltd registered in England.

The Company's ultimate holding company is Senior Engineering Group plc registered in England.

The share capital comprises 100 authorised shares of £1 each of which 3 are issued and fully paid.

None of the Directors received any emoluments from the Company during the year.

The Company did not trade during either of the last two financial years and accordingly no Profit and Loss Account is presented.