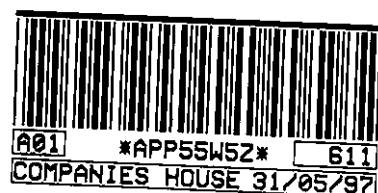


**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996**

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## E. J. ARNOLD & SON LTD

### DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31st December 1996.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is a Division of Nottingham Group Ltd and sells, as an Agent, Educational products on behalf of Nottingham Group Ltd.

### RESULT FOR THE YEAR

The Company did not trade during the period and, accordingly, it made neither a profit nor a loss. Therefore, no profit and loss account is attached.

### DIRECTORS

The following persons served as Directors of the Company during the year :-

D. Mansfield ACMA

P. J. Isherwood

M. C. Beard (resigned 16 May 1996)

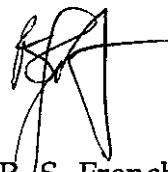
### DIRECTORS INTEREST

Mr. D. Mansfield and Mr. P.J. Isherwood were Directors of the ultimate Holding Company, Nottingham Group Holdings Plc during the year and their interests will be, therefore, shown in the Directors' report of that Company.

### AUDITORS

In the opinion of the Directors, the Company qualifies for audit exemption available to dormant Companies in accordance with the provision of Section 250 of the Companies Act 1985.

By order of the Board



R. S. French  
Secretary

Nottingham  
15 April 1997

## E. J. ARNOLD & SON LTD

### ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The Company prepares its accounts on the historical cost basis of accounting.