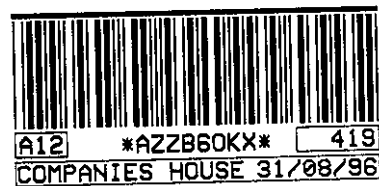


Markflame Electrics Limited
2992000
Report & Accounts
for the Period
1 December 1995 to 31 March 1996



C B Heslop & Co
Chartered Accountants

51 Princes Road
Weybridge
Surrey
KT13 9DA

Markflame Electrics Limited

REPORT AND ACCOUNTS

**For the Period
1 December 1995 to 31 March 1996**

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Markflame Electrics Limited

Period ended
31 March 1996

DIRECTORS REPORT

The Directors have pleasure in presenting their Report to the Members of Markflame Electrics Limited

BUSINESS REVIEW

The Company continued to trade as throughout the Period to 31 March 1996 at which date these Accounts are made up.

The Company made a profit of £1,892 during the Period ended 31 March 1996

The Directors are confident that the Company will continue to increase its trade and they are confident of the Company's profitable future.

DIVIDEND

The Directors do not recommend the payment of a dividend in respect of the Period ended.

FIXED ASSETS

During the Period the Company acquired Tangible Fixed Assets at a cost of £nil

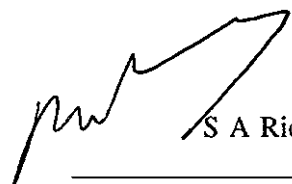
DIRECTORS

The Directors in office during the period and their beneficial shareholdings throughout the Period were:-

	£1 Ordinary Shares	
	1996	1995
M A Richmond (appointed 3 March 1995)	70	70
S A Richmond (appointed 3 March 1995)	-	-

By Order of the Board

29/7/96
Date


S A Richmond
Secretary

Markflame Electrics Limited
Profit & Loss Account
For the Period
1 December 1995 to 31 March 1996

1995 £		Note	1996 £
	Turnover	1	7,105
6,467	Continuing Operations Cost of sales		-
<hr/> 6,467	GROSS PROFIT		<hr/> 7,105
	Net Operating Expenses		
8,117	Administration expenses		5,133
<hr/> (1,650)	Operating profit on continuing operations	2	<hr/> 1,972
-	(Loss)/Profit on disposal of Fixed Assets		-
<hr/> (1,650)	Profit on Ordinary Activities before interest		<hr/> 1,972
-	Interest payable	5	-
<hr/> (1,650)	Profit on Ordinary Activities before taxation	2	<hr/> 1,972
-	Taxation on profit on Ordinary Activities	6	80
<hr/> (1,650)	Profit on Ordinary Activities after taxation		<hr/> 1,892
-	Dividends		-
<hr/> (1,650)	(Deficit)/retained profit for the financial year		<hr/> 1,892
<hr/> nil	EARNINGS PER SHARE		<hr/> £18.92

There were no recognised gains or losses other than the above profits for the Period ended 1996 and 1995

As at 31 March 1996

3

Markflame Electrics Limited
Balance Sheet (Cont)
As at 31 March 1996

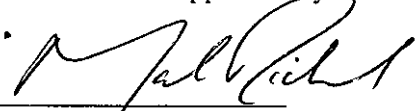
Directors Statement on Unaudited Accounts


- a) For the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985.
- b) No notice has been deposited under subsection (2) of section 249B
- c) The Directors acknowledge their responsibility for:
 - i) ensuring that the company keeps proper accounting records which comply with section 221, and
 - ii) 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 and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

In the opinion of the Directors, the company is entitled to those exemptions on the basis that it qualifies as a small company under section 247

These accounts were approved by the Board on:

29/7/96
Date






Directors

Accountants' Report on the Unaudited Accounts to the Directors of Markflame Electrics Limited

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 1996 set out on pages 2 to 7 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



C B Heslop & Co
Chartered Accountants
The Old School
51 Princes Road
Weybridge
Surrey

30/7/96
Date

Markflame Electrics Limited
For the Period
1 December 1995 to 31 March 1996*

STATEMENT OF ACCOUNTING POLICIES

- | | | | | | | | | |
|-----------------------|---------------------|---|----------------|-----|-----------------------|-----|---------------------|-----|
| a) | Basis of Accounting | The financial statements have been prepared under the historical cost convention. | | | | | | |
| b) | Turnover | Turnover is the value of goods supplied or services rendered in the normal course of business and is exclusive of Value Added Tax. | | | | | | |
| c) | Depreciation | Depreciation has been provided on all fixed assets to spread the cost over the estimated useful lives of the relevant assets at the following rates: <table border="0" style="margin-left: 100px;"><tr><td>Motor vehicles</td><td>25%</td></tr><tr><td>Fixtures and fittings</td><td>25%</td></tr><tr><td>Plant and equipment</td><td>25%</td></tr></table> | Motor vehicles | 25% | Fixtures and fittings | 25% | Plant and equipment | 25% |
| Motor vehicles | 25% | | | | | | | |
| Fixtures and fittings | 25% | | | | | | | |
| Plant and equipment | 25% | | | | | | | |
| d) | Hire purchase | Fixed assets held under hire purchase are capitalised at the commencement of the agreement. Depreciation has been provided on these assets in accordance with the policy above. Hire purchase interest is charged to the profit and loss account on a straight line basis. | | | | | | |
| e) | Stocks | Stocks are valued consistently at the lower cost and net realisable value. | | | | | | |
| f) | Deferred Taxation | Deferred taxation is provided for by the Liability Method on timing differences expected to crystallise in the foreseeable future. | | | | | | |
| g) | Foreign Currencies | Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. All exchange differences arising are included in the profit and loss account for the year. | | | | | | |

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- d) 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Markflame Electrics Limited
For the Period
1 December 1995 to 31 March 1996
NOTES TO THE ACCOUNTS

1. TURNOVER

The company's turnover was based on its principal activity of letting agents.

2. OPERATING PROFIT ON CONTINUING OPERATIONS

The profit on ordinary activities is after charging the following items:

	1996 £	1995 £
Depreciation	-	-
Operating lease rentals	-	-
Bank interest payable	-	-
Hire purchase charges	-	-
Staff costs	3,600	7,200
Bad debts	-	-
	<hr/>	<hr/>

3. INTEREST PAYABLE

Interest payable on bank overdraft	-	-
	<hr/>	<hr/>

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge for taxation comprises:

Corporation tax charge on the taxable profit on ordinary activities for the year at 25%

80	nil
<hr/>	<hr/>

No provision is needed for deferred taxation

Total
£

5. INTANGIBLE ASSETS

Cost

At beginning of year	-
Additions	-
Disposals	-
	<hr/>
At end of year	-
	<hr/>

Depreciation

At beginning of year	-
Charge for year	-
Disposals	-
	<hr/>
At end of year	-
	<hr/>

Net book value

At beginning of year	-
	<hr/>
At end of year	-
	<hr/>

Markflame Electrics Limited
For the Period
1 December 1995 to 31 March 1996
NOTES TO THE ACCOUNTS (Continued)

		1996 £	1995 £
6.	DEBTORS DUE WITHIN ONE YEAR		
	Trade debtors	-	-
	Other debtors	-	-
	Prepayments	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
7.	CREDITORS:		
	Amounts falling due within one year		
	Bank overdraft (secured)	-	-
	Trade creditors	1,800	3,100
	Other creditors	235	117
	Corporation tax	80	-
		<hr/>	<hr/>
		2,115	3,217
		<hr/>	<hr/>
8.	CREDITORS:		
	Amounts falling due after more than one year		
	Bank loan (secured)	-	-
	Hire purchase loans	-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
9.	SHARE CAPITAL		
	Ordinary shares of £1 each		
	Authorised	10,000	10,000
	Issued and fully paid	<hr/>	<hr/>
		100	100
		<hr/>	<hr/>
10.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS		
	Profit/(loss) for the period/year	1,892	(1,650)
	Share Capital	-	100
		<hr/>	<hr/>
	Net (reduction)/addition to shareholders funds	1,892	(1,550)
	Opening Shareholders funds	(1,550)	-
		<hr/>	<hr/>
	Closing shareholders funds	342	(1,550)
		<hr/>	<hr/>

Markflame Electrics Limited
Detailed Profit & Loss Account
For the Period
1 December 1995 to 31 March 1996

	1996	
	£	£
COMMISSIONS EARNED		7,105
LESS EXPENSES		
Commission Paid	148	
Salaries	3,600	
General	295	
Accountancy	1,042	
Bank charges	48	
		<hr/>
		5,133
PROFIT BEFORE TAXATION		<hr/>
		1,972
		<hr/>