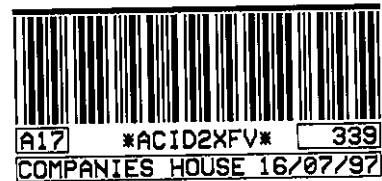


M & S PROCESS ENGINEERS LIMITED

COMPANY NUMBER 3113006

FINANCIAL STATEMENTS

31ST MARCH 1997



Murgatroyd & Co
Chartered Accountants
Premier House
Holmes Road
Sowerby Bridge
HX6 3LD

M & S PROCESS ENGINEERS LIMITED

FINANCIAL STATEMENTS

31st March 1997

CONTENTS

	Page
Company details	1
Directors' report	2-3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6-7

M & S PROCESS ENGINEERS LIMITED

1

COMPANY DETAILS

Director	Mr S.M. Smith
Secretary	Mrs M. Smith
Registered office	20 Sandhall Drive Highroad Well Halifax HX2 0DL
Registered number	3113006
Accountants	Murgatroyd & Co Chartered Accountants Premier House Holmes Road Sowerby Bridge HX6 3LD

M & S PROCESS ENGINEERS LIMITEDDIRECTOR'S REPORT

The director presents his annual report and financial statements of the company for the year ended 31st March 1997.

DIRECTOR'S RESPONSIBILITIES

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

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for take reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of provision of chemical engineering services to the chemical industry.

REVIEW OF BUSINESS

The company made a profit for the year before taxation and dividends of £21,908. The profit and loss account balance carried forward is £1,708.

DIVIDENDS

A dividend of £15,000 was proposed on 28th March 1997.

DIRECTOR'S REPORT
(Continued)

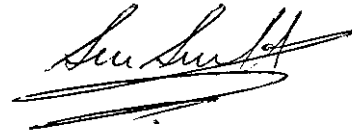
DIRECTOR

The director of this company in office during the year and his beneficial interests in the issued ordinary share capital was as follows:-

	Class of Capital	31.3.97
Mr S.M. Smith	Ordinary share of £1 each	99

The Director being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



10th July. 1997

S.M. SMITH
Director

M & S PROCESS ENGINEERS LIMITEDPROFIT AND LOSS ACCOUNTfor the year ended 31st March 1997

	Notes	1997	1996
Fee income	2	39,688	30,023
Administration expenses	3	18,039	8,512
Interest received	4	(259)	-
		17,780	8,512
Net profit for the year		21,908	21,511
Dividends	5	15,000	16,000
Taxation	6	5,258	5,453
Net profit after dividend and taxation		1,650	58
Profit brought forward		58	-
Profit and loss carried forward		£ 1,708	£ 58

There were no recognised gains and losses for 1997 or 1996 other than those included in the Revenue account. Profits are a result of the principal activity.

M & S PROCESS ENGINEERS LIMITEDBALANCE SHEET AS AT 31ST MARCH 1997

	Notes	1997	1996
CURRENT ASSETS		-	1,700
Work in progress		1,704	5,761
Debtors		17,309	10,824
		<hr/>	<hr/>
		19,013	18,285
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(17,205)	(18,127)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,808	158
		<hr/>	<hr/>
TOTAL ASSETS LESS NET CURRENT LIABILITIES		£ 1,808	£ 158
		<hr/>	<hr/>
REPRESENTED BY:			
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		1,708	58
		<hr/>	<hr/>
		£ 1,808	£ 158
		<hr/>	<hr/>

Director's Statement

In the preparation of these accounts an advantage has been taken of special regulations exempting certain small companies from audit.

In the director's opinion:-


- The company was entitled to exemption from audit for the year under S249A(1) of the Companies Act 1985.
- No notice has been deposited under S249B(2) of the Act in relation to the accounts for the year.

The director acknowledges his responsibilities for:-

- Ensuring that the company keeps accounting records which comply with S221 of the Act.
- Preparing accounts which give a true and fair view of the company's affairs as at the end of the accounting period in accordance with the requirements S226 of the Act and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

These financial statements were approved by the Board of Directors on 10th July 1997.

Signed on behalf of the Board of Directors


S.M. SMITH

Director

M & S PROCESS ENGINEERS LIMITEDNOTES TO THE ACCOUNTSfor the year ended 31st March 1997

1. ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards. Exemption has been taken from preparing a cash flow statement because the company qualifies as a small company.

(b) Turnover

Turnover represents provision of services.

(c) Deferred taxation

Deferred taxation is provided at the current rate of tax on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, except where the tax reduction is expected to continue for the future.

Provision is made at the current rates for taxation deferred in respect of all mentioned timing differences except to the extent that in the director's opinion there is a reasonable possibility that the liability will not arise in the foreseeable future.

(d) Repairs and renewals

All expenditure is charged against income as it is incurred.

2. TURNOVER

1997

1996

Turnover represents:-

Fees invoiced	41,388	28,323
Work in progress	(1,700)	1,700
	£ 39,688	£ 30,023

3. ADMINISTRATION EXPENSES

1997

1996

Director's salary	12,500	5,600
NIC re director	1,274	541
Director's pension scheme	2,161	-
Printing, post and stationery	27	35
Motor expenses	1,246	1,104
Accommodation expenses	52	537
Sundry expenses	248	95
Accountancy	520	300
Formation expenses	-	300
Bank charges	11	-
	£ 18,039	£ 8,512

M & S PROCESS ENGINEERS LIMITEDNOTES TO THE ACCOUNTSfor the year ended 31st March 1997

4. INTEREST RECEIVED	1997	1996
Interest received from bank deposit account	259	-
	<u> </u>	<u> </u>
5. DIVIDENDS		
A dividend of £15,000 was proposed on 28th March 1997.		
6. TAXATION COMPRISES		
ACT re dividend	3,750	4,000
Corporation tax provision - current year	<u>1,508</u>	<u>1,453</u>
	£ 5,258	£ 5,453
	<u> </u>	<u> </u>
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Accruals	526	624
Corporation tax	1,508	1,453
Director's loan accounts	50	50
Proposed dividend unpaid	14,850	16,000
Bank overdraft	<u>71</u>	<u>-</u>
	£ 17,205	£ 18,127
	<u> </u>	<u> </u>
8. SHARE CAPITAL		
Authorised - ordinary shares of £1 each	£ 1,000	£ 1,000
	<u> </u>	<u> </u>
Issued and fully paid up - ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>