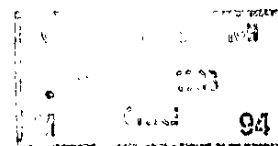


459356

ACCOUNTS

CAWTHRAW & COMPANY LIMITED

31st December 1987



REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1987.

ACTIVITIES

The principal activity of the company is to act as public work contractors.

REVIEW OF THE BUSINESS

On 1st January 1987, the business was transferred to Tilbury Construction Limited. The company ceased trading on the transfer of business

RESULTS AND DIVIDENDS

The results of the company are as set out in the accounts on pages 4 to 11. The directors do not recommend the payment of a dividend (1986 - nil).

DIRECTORS

The following have served as directors during the year:

M.C. Bottjer	(chairman)
K.L. Elder	(resigned 30th November 1987)
J.B. Robertson	
C.J. Cook	

None of the directors has any beneficial interests in the shares of the company.

Directors' interests in the capital of the ultimate holding company are as stated below:

	Shares of 25p each			
	31st December 1987		1st January 1987	
	Shares	Options	Shares	Options
J.B. Robertson	nil	9,439	nil	9,439
C.J. Cook	nil	13,500	nil	nil

Mr M.C. Bottjer is also a director of the ultimate holding company and his interests are disclosed in the accounts of that company.

REPORT OF THE DIRECTORS (continued)

AUDITORS

Spicer and Pegler changed their name on 18th January 1988 to Spicer & Oppenheim and, accordingly, have signed their audit report in the new name. It is proposed to submit for approval a special resolution at the forthcoming Annual General Meeting of the company that auditors shall not be appointed by the company in that it is a dormant company and meets the other requirements of Section 252 of the Companies Act 1985.

Tilbury House
Rusper Road
Horsham
West Sussex
RH12 4BB

By order of the board


J.B. Robertson

Secretary

29th March 1988

AUDITORS' REPORT TO THE MEMBERS OF CAWTHRAW & COMPANY LIMITED

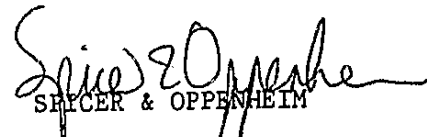
We have audited the financial statements on pages 4 to 11 in accordance with approved Auditing Standards.

The financial statements have been prepared under the historical cost convention on a going concern basis and assume the continued support of the holding company.

Subject to the foregoing, in our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1987 and source and application of funds for the year then ended and comply with the Companies Act 1985.

Uxbridge, Middlesex, UB8 2UB

29th March 1988


SPICER & OPPENHEIM
Chartered Accountants

PROFIT AND LOSS ACCOUNT
31st December 1987

	Note	1987	1986
TURNOVER	1(b)	-	2,010,520
Cost of sales		<u>-</u>	<u>(1,739,618)</u>
GROSS PROFIT		-	270,902
Administrative expenses		-	<u>(262,424)</u>
OPERATING PROFIT	2	-	8,478
Interest payable	5	-	<u>(27,523)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(19,045)
Tax on loss on ordinary activities	6	<u>-</u>	<u>96,000</u>
RETAINED PROFIT FOR THE YEAR		£ <u>-</u> =====	£ 76,955 =====

The notes on pages 7 to 11 and the funds statement on page 6 form an integral part of these accounts

BALANCE SHEET
31st December 1987

	Note	1987	1986
FIXED ASSETS			
Tangible assets	7	-	147,830
CURRENT ASSETS			
Debtors	8	490,875	
Cash at bank and in hand		<u>903</u>	
		491,778	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdraft		38,299	
Trade creditors		311,140	
Sundry creditors	9	<u>473,645</u>	<u>436,831</u>
		473,645	786,270
NET CURRENT LIABILITIES		<u>(473,645)</u>	<u>(294,492)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(473,645)	(146,662)
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	-	(8,735)
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>-</u>	<u>(318,248)</u>
		£(473,645)	£(473,645)
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	13	250,000	250,000
RESERVES			
Profit and loss account deficit	14	(723,645)	(723,645)
APPROVED BY THE BOARD OF DIRECTORS			
<i>M. C. Bottjer</i> M. C. Bottjer			
<i>J. B. Robertson</i> J. B. Robertson			
29th March 1988			
		<u>£(473,645)</u>	<u>£(473,645)</u>
		=====	=====

The notes on pages 7 to 11 and the funds statement on page 6 form an integral part of these accounts

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
31st December 1987

	1987	1986
SOURCE OF FUNDS		
Loss before taxation	-	(19,045)
Depreciation	-	117,316
DISPOSAL OF FIXED ASSETS		
Gross proceeds	147,830	17,568
Less loss on disposal	<u>-</u>	<u>9,718</u>
	<u>147,830</u>	<u>27,286</u>
TOTAL GENERATED FROM OPERATIONS	147,830	125,557
FUNDS FROM OTHER SOURCES		
Group relief	-	96,000
Transfer of investment to group company	<u>-</u>	<u>24,664</u>
	<u>-</u>	<u>120,664</u>
	147,830	246,221
APPLICATION OF FUNDS		
Purchase of fixed assets	<u>-</u>	<u>4,706</u>
WORKING CAPITAL INCREASE	£147,830	£241,515
	=====	=====
Represented/(funded) by:		
(Decrease) in stocks and work in progress	-	(23,225)
(Decrease) in debtors	(490,875)	(311,112)
Decrease in creditors and provisions	601,309	84,908
Increase in cash balances	<u>37,396</u>	<u>490,944</u>
	<u>147,830</u>	<u>241,515</u>
	£147,830	£241,515
	=====	=====

NOTES TO THE ACCOUNTS
31st December 1987

1. ACCOUNTING POLICIES**a) CONVENTION**

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

b) TURNOVER

This represents the value of work executed.

c) DEFERRED TAXATION

Provision is made at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes, unless the taxation liabilities are expected to be deferred for some considerable period.

d) TANGIBLE FIXED ASSETS AND DEPRECIATION

The costs of short leasehold property are written off over the period of the lease.

All other fixed assets are shown at cost and are depreciated over the anticipated life of the assets on a straight line basis at rates varying as follows:

Outside plant and machinery	25% - 33 1/3%
Fixtures and equipment	10%
Furniture and fittings	10% - 20%
Motor vehicles	25%
Loose tools	33 1/3%

e) GOING CONCERN

These accounts have been prepared on the assumption that the holding company will continue to provide financial support during the forthcoming year.

f) FINANCE LEASES

Assets held under finance leases are included as tangible assets at purchase price and depreciated over the asset lives applicable to purchased assets. The obligations under finance leases are included as appropriate under creditors due within or after one year.

NOTES TO THE ACCOUNTS (continued)
31st December 1987

	1987	1986
2. OPERATING PROFIT		
Operating profit is arrived at after charging:		
Depreciation	-	117,316
Hire of plant and machinery	-	182,565
Auditors' remuneration	-	3,000
	=====	=====
3. EMPLOYEES		
The average number employed by the company (including directors) within each category of persons was:	<u>Number</u>	<u>Number</u>
Production staff	-	82
Administration staff	-	12
	-	94
	==	==
The costs incurred in respect of these employees were:		
Wages and salaries	-	569,637
Social security costs	-	72,553
	-----	-----
£	-	£642,190
	=====	=====
4. DIRECTORS		
Emoluments of directors of the company included in staff costs were as follows:		
Management remuneration, including pension contributions	-	22,550
Compensation for loss of office	-	33,835
	-----	-----
£	-	£ 56,385
	=====	=====
The emoluments, excluding pension contributions of directors were as follows:		
Chairman	£ nil	£ nil
Highest paid director	£ nil	£ 9,583
	=====	=====
	<u>Number</u>	<u>Number</u>
Other directors		
£0 - £ 5,000	2	5
£ 5,001 - £10,000	-	1
	==	==
Details of the emoluments of a director who is also a director of the holding company are reflected in the group accounts.		

NOTES TO THE ACCOUNTS (continued)
31st December 1987

	1987	1986			
5. INTEREST PAYABLE					
On bank overdrafts	-	23,859			
On hire purchase loans and finance leases	-	<u>3,664</u>			
	£ -	£ 27,523			
	=====	=====			
6. TAX ON LOSS ON ORDINARY ACTIVITIES					
The 1986 taxation credit at 35% based on the loss before taxation comprises:					
Amounts receivable for losses surrendered to other group companies	£ -	£(96,000)			
	=====	=====			
7. TANGIBLE FIXED ASSETS					
	Leasehold Land and Buildings	Contractors Plant	Motor Vehicles	Furniture and Equipment	<u>TOTAL</u>
COST					
1st January 1987	4,624	603,715	548,753	95,926	1,253,018
Group transfers	<u>(4,624)</u>	<u>(603,715)</u>	<u>(548,753)</u>	<u>(95,926)</u>	<u>(1,253,018)</u>
31st December 1987	-	-	-	-	-
	=====	=====	=====	=====	=====
DEPRECIATION					
1st January 1987	1,702	520,223	508,866	74,397	1,105,188
Group transfers	<u>(1,702)</u>	<u>(520,223)</u>	<u>(508,866)</u>	<u>(74,397)</u>	<u>(1,105,188)</u>
31st December 1987	-	-	-	-	-
	=====	=====	=====	=====	=====
NET BOOK VALUE					
31st December 1987	£ -	£ -	£ -	£ -	£ -
	=====	=====	=====	=====	=====
NET BOOK VALUE					
31st December 1986					
Owned assets	2,922	76,775	39,887	7,976	127,560
Assets under finance leases	-	<u>6,717</u>	-	<u>13,553</u>	<u>20,270</u>
	<u>£2,922</u>	<u>£ 83,492</u>	<u>£ 39,887</u>	<u>£21,529</u>	<u>£ 147,830</u>
	=====	=====	=====	=====	=====

NOTES TO THE ACCOUNTS (continued)
31st December 1987

8. DEBTORS	1987	1986
Trade debtors		
Amounts owed by group companies	-	342,004
Other debtors	-	120,197
Prepayments	-	13,231
	-	<u>15,443</u>
	£ -	£490,875
	=====	=====
9. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amounts owed to group companies	473,645	276,414
Other creditors	-	20,424
Other taxation and social security	-	98,107
Accruals and deferred income	-	13,806
Hire purchase loans and finance leases	-	<u>28,080</u>
	£473,645	£436,831
	=====	=====
10. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Hire purchase loans and finance leases (note 11)	£ -	£ 8,735
	=====	=====
11. HIRE PURCHASE LOANS AND FINANCE LEASES		
Amount falling due in the second to fifth years inclusive	£ -	£ 8,735
	=====	=====
12. PROVISIONS FOR LIABILITIES AND CHARGES		
Closure costs	-	22,000
Contract and warranty provisions	-	<u>296,248</u>
	£ -	£318,248
	=====	=====
13. SHARE CAPITAL		
Authorised: 500,000 shares of £1 each	£500,000	£500,000
	=====	=====
Allotted and fully paid: 250,000 shares of £1 each	£250,000	£250,000
	=====	=====

NOTES TO THE ACCOUNTS (continued)
31st December 1987

	1987	1986
14. PROFIT AND LOSS ACCOUNT		
Balance at 1st January 1987	(723,645)	(800,600)
Retained profit for the period	<u> -</u>	<u>76,955</u>
Balance at 31st December 1987	£(723,645) =====	£(723,645) =====

15. CONTINGENT LIABILITIES

There are contingent liabilities at 31st December 1987 in respect of guarantees given in the ordinary course of business and guarantees covering bank overdrafts in other group companies. These overdrafts amounted to £1,093,000 at 31st December 1987 (1986 - £248,0

16. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Tilbury Group Public Limited Company, which is registered in England.