

BRITISH CONTRACTS COMPANY LIMITED

REPORT AND FINANCIAL STATEMENT

31 OCTOBER 1998



Registered in England and Wales No. 168655

BRITISH CONTRACTS COMPANY LIMITED

REPORT OF THE DIRECTORS

Directors: V W Christie C.Eng., FICE, F.C.I.O.B.
B R Cowen B.Com., CA(SA)
P H Walker-Taylor FCA, MCT

Secretary: B R Cowen B.Com., CA(SA)

The directors present their annual report and the financial statements for the year ended 31 October 1998.

1. REVIEW OF THE BUSINESS

The company did not trade during the year and has no immediate plans to resume trading.

2. DIRECTORS

The directors, as set out above, served throughout the year and remain in office.

The beneficial interests of the directors in the shares of group companies as recorded in the register kept in accordance with S.325, Companies act 1985, were as follows:

	31 October 1998	31 October 1997
Shares of this company:	None	None
Ordinary shares of Newarthill p.l.c.: B R Cowen	None	None

Mr V W Christie is also a director of Sir Robert M°Alpine Limited and his interests are shown in the directors' report of that company.

Mr P H Walker-Taylor is also a director of Newarthill p.l.c. and his interests are shown in the directors' report of that company.

3. AUDITORS

In accordance with S.250 (1)(b) Companies Act 1985, a resolution that auditors need not be reappointed was passed at an extraordinary meeting of the company held on 11 December 1997.

By Order of the Board



B R COWEN
Secretary

Registered Office:
Eaton Court
Maylands Avenue
Hemel Hempstead
Herts HP2 7TR

16 December 1998

BRITISH CONTRACTS COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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.

BRITISH CONTRACTS COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 October 1998

	<u>Note</u>	<u>1998</u>	<u>1997</u>
		£	£
Administrative expenses:			
Auditors remuneration		-	118
		<hr/>	<hr/>
Operating loss - discontinued operations		-	(118)
Exceptional items:-			
Profit on disposal of subsidiary company		-	199,828
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	199,710
Tax on profit on ordinary activities	2	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		-	199,710
Profit and loss account brought forward		196,552	(3,158)
		<hr/>	<hr/>
Profit and loss account carried forward		196,552	196,552
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses (1997 - £Nil) other than the profit on ordinary activities after taxation and therefore no statement of recognised gains or losses is given.

BRITISH CONTRACTS COMPANY LIMITED

BALANCE SHEET AS AT 31 OCTOBER 1998

	<u>Note</u>	<u>1998</u>	<u>1997</u>
		£	£
CURRENT ASSETS			
Debtors:			
Amounts owed by parent company	200,662		200,780
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Accruals - audit fee	-		118
	-		118
NET CURRENT ASSETS		200,662	200,662
TOTAL ASSETS LESS CURRENT LIABILITIES		200,662	200,662
CAPITAL AND RESERVES			
Called up share capital	3	4,110	4,110
Profit and loss account		196,552	196,552
Equity shareholders' funds		200,662	200,662

The company was dormant (within the meaning of S.250(3), Companies Act 1985) throughout the year ended 31 October 1998.

The financial statements were approved by the Board of Directors on 16 December 1998.

Signed on behalf of the Board of Directors

V W CHRISTIE

B R COWEN



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) Directors
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BRITISH CONTRACTS COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 October 1998

1. ACCOUNTING POLICY

The financial statements have been prepared in accordance with applicable accounting standards. The particular policy adopted is described below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

2. TAXATION

There is no tax charge for the year (1997: £Nil).

3. CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised		
50,000 ordinary shares of £1 each	50,000	50,000
	=====	=====
Allotted and fully paid		
4,110 ordinary shares of £1 each	4,110	4,110
	=====	=====

4. ULTIMATE PARENT COMPANY

The ultimate parent company and ultimate controlling party is Newarthill p.l.c. which is incorporated in Great Britain and registered in England and Wales. Copies of the group accounts can be obtained from Newarthill p.l.c., 40 Bernard Street, London, WC1N 1LG.