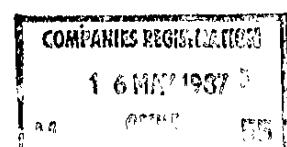


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SIMON HANDLING ENGINEERS LTD

REPORT AND ACCOUNTS 1986

Cheadle Heath
Stockport



SIMON HANDLING ENGINEERS LTDREPORT OF THE DIRECTORSTo be submitted to the Annual General Meeting on Friday 13 March, 1987

The directors present their report and the accounts of the company for the year ended 31 December 1986.

1. Principal activities

The company did not trade during the year.

2. Directors

The directors of the company during the year were:

G H Richardson
A Royle

3. Directors' interests

The directors had no interest at any time during the year in the shares of the company or in the shares or debentures of any other subsidiary in the Simon Engineering group.

The interests of Mr G H Richardson in the shares and debentures of Simon Engineering plc are shown in the report of the directors of that company.

Throughout the year, Mr A Royle directly or indirectly beneficially owned 656 ordinary shares of 25p in Simon Engineering plc and in addition held an interest under the following share options:

<u>Scheme</u>	<u>Granted</u>	<u>No. ordinary shares</u>	<u>Price</u>	<u>Exercisable</u>
Savings related	1.5.85	1,618	228.6p	1990
Executive	30.5.85	11,000	236p	1988
Executive	22.5.86	42,460	245p	1989

Mr A Royle had no interest in the preference shares or debentures of Simon Engineering plc at any time in the year.

4. Auditors

The company is dormant and by special resolution passed on 30 March 1983 is exempt from the obligation to appoint auditors under section 384 of the Companies Act 1985.

By order of the board


A Royle
Company Secretary

9 January 1987

SIMON HANDLING ENGINEERS LTDBALANCE SHEET31 DECEMBER 1986

	<u>1986</u> £	<u>1985</u> £
<u>Current assets:</u>		
<u>Debtors -</u>		
Group company	56,644	56,644
	<u>56,644</u>	<u>56,644</u>
 <u>Capital and reserves</u>		
<u>Called up share capital (note 4)</u>	250	250
<u>Profit and loss account</u>	56,394	56,394
	<u>56,644</u>	<u>56,644</u>

The company was dormant (within the meaning of section 252 of the Companies Act 1985) throughout the year ended 31 December 1986.



G H Richardson - Director



A Royle - Director

9 January 1987

SIMON HANDLING ENGINEERS LTDNOTES ON THE ACCOUNTSYEAR ENDED 31 DECEMBER 19861. Accounting policy

The accounts have been prepared under the historical cost convention.

2. Profit and loss account

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

3. Directors' emoluments

No emoluments were received by the directors in respect of their services to the company.

4. Share capital

	<u>Authorised</u>	<u>Issued and fully paid</u>	
		<u>1986</u>	<u>1985</u>
	£	£	£
Ordinary shares of £1 each 5p paid	5,000	250	250

5. Contingent liabilities

At 31 December 1986 there was a contingent liability in respect of a secured guarantee given in favour of The Prudential Assurance Co Limited in connection with the £4.5 million 9 1/4 per cent debenture stock 1992/97 issued by Simon Engineering plc, the guarantee being secured by a first floating charge on the undertaking, property and assets, present and future, of the company.

6. Holding company

The ultimate holding company is Simon Engineering plc, a company incorporated in England.