

H WOODWARD AND SON PLC

REPORT AND FINANCIAL STATEMENTS

for the year ended
31 December 1996



The Directors present their report and the audited financial statements of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The company did not trade during the year.

RESULTS AND DIVIDENDS

The financial position of the company is set out in the appended financial statement.

The profit transferred to reserves is £18,141.

The Directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR BENEFICIAL INTEREST IN SHARES

The Directors who served during the year were as follows:

N P List	(Chairman)
M A Bretherton	

N P List and M A Bretherton are Directors of the holding company, Bridgend Group PLC, and their share interests are disclosed in that company. None of the Directors had any interest in the shares of the Company at any time during the year.

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 of the company and of the profit and loss of the company for that period. In preparing those financial statements, the Directors are required to:

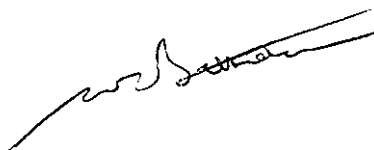
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

The auditors KPMG Audit Plc are willing to continue in office and a resolution for their reappointment as auditors of the company will be submitted to the Annual General Meeting.

By order of the Board



M A Bretherton
Director

15 April 1997



KPMG Audit Plc
 P O Box 695
 8 Salisbury Square
 LONDON EC4Y 8BB

Auditors' report to the members of H Woodward & Son PLC

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

18 June
~~*15 April*~~ 1997

H WOODWARD AND SON PLC
PROFIT AND LOSS ACCOUNT

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for the year ended 31 December 1996

	Notes	1996 £	1995 £
Decrease/(increase) in provision against loan due from subsidiary undertaking	3	150	(26,599)
Sundry recoveries made in year		-	5,695
Provision decrease for deficiency of assets of subsidiary undertaking	6	-	39,727
Provision for closure cost utilised	6	-	19,183
OPERATING PROFIT		150	38,006
Interest receivable and similar income		17,991	-
PROFIT BEFORE & AFTER TAXATION		18,141	38,006
Profit and loss account brought forward		(131,379)	(169,385)
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		(113,238)	(131,379)

No gains or losses were made during the current and preceding years other than those included in the profit and loss account. Consequently, no statement of recognised gains or losses is included in these financial statements. All the company's activities are discontinued.

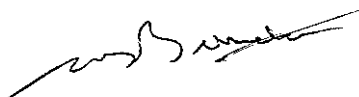
H WOODWARD AND SON PLC
BALANCE SHEET

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for the year ended 31 December 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Investments	3	-	16,176
CURRENT ASSETS			
Debtors: Amounts owed after more than one year	4	250,260	149,000
Cash at bank and in hand		275	244,312
		<u>250,535</u>	<u>393,312</u>
CREDITORS: amounts falling due within one year	5	(22,273)	(199,367)
NET CURRENT ASSETS		<u>228,262</u>	<u>193,945</u>
NET ASSETS		<u>228,262</u>	<u>210,121</u>
CAPITAL AND RESERVES			
Share capital	7	341,500	341,500
Profit and loss account		(113,238)	(131,379)
SHAREHOLDERS' FUNDS		<u>228,262</u>	<u>210,121</u>

The financial statements were approved by the Board on 15 April 1997 and signed on its behalf by:



M A Bretherton
 Director

H WOODWARD AND SON
NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 1996

1 ACCOUNTING POLICY

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

Consolidation accounts have not been prepared because the company is itself a wholly owned subsidiary of Bridgend Group PLC a company registered in England and Wales.

Cashflow Statement

A cashflow statement has not been prepared because the Company is a wholly owned subsidiary of Bridgend Group PLC. A consolidated cashflow statement is included within the financial statements of that company..

2 AUDITORS' AND DIRECTORS' REMUNERATION

No directors received any emoluments during the year in respect of their service to the company. The company's audit fee is born by the company's ultimate parent, Bridgend Group PLC, and is recorded in the profit and loss account of that company.

3 FIXED ASSET INVESTMENTS

Unlisted Investments	£
Cost at 1 January 1996	16,176
Disposals	(16,176)
	<hr/>
Cost at 31 December 1996	-
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Details of investment in subsidiaries are as follows:

	Shares £	Loans £	Total £
Cost			
At 1 January 1996	100	1,234,775	1,234,875
Repayments	-	(150)	(150)
At 31 December 1996	<hr/> 100 <hr/>	<hr/> 1,234,625 <hr/>	<hr/> 1,234,725 <hr/>
Provisions			
At 1 January 1996	100	1,234,775	1,234,875
Credited to profit and loss account	-	(150)	(150)
At 31 December 1996	<hr/> 100 <hr/>	<hr/> 1,234,625 <hr/>	<hr/> 1,234,725 <hr/>
Net investment			
At 31 December 1996	-	-	-
At 31 December 1995	<hr/> - <hr/>	<hr/> - <hr/>	<hr/> - <hr/>

H WOODWARD AND SON
NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 1996

continued

The investment in subsidiaries at 31 December 1996 represents the company's interest of 100 £1 ordinary shares in Woodward's Contract Hire Limited, which is wholly owned and has not traded throughout the year.

In the opinion of Directors, the investments in and amounts due from the company's subsidiary undertakings are worth £Nil and have been provided against accordingly.

4 DEBTORS: Amounts owed after more than one year

	1996 £	1995 £
Loan debtor	149,000	149,000
Other debtor	3,161	-
Amount due from parent undertaking	98,099	-
	<u>250,260</u>	<u>149,000</u>

The loan debtor of £149,000 (1995: £149,000) is due from Heatons Transport (St Helens) Ltd and shall be repayable to H Woodward & Son Plc on 15 March 2000. The loan accrues interest at a rate of 2.5% over base paid quarterly in arrears on every 31 March, 30 June, 30 September and 31 December in respect of the then preceding quarter. The loan is secured by a Deed of Debenture creating fixed and floating charges over certain of the assets of Heatons Transport (St Helens) Ltd on the basis that such security ranks behind any security granted in favour of that company's bankers.

5 CREDITORS

	1996 £	1995 £
Amounts falling due within one year		
Corporation Tax	6,697	6,697
Accruals (Note 6)	15,576	15,576
Amount due to Parent Undertaking	-	177,094
	<u>22,273</u>	<u>199,367</u>

6 ACCRUALS

	1996 £	1995 £
Closure cost provision		
At 1 January	15,576	34,759
Amount utilised	-	(19,183)
At 31 December	<u>15,576</u>	<u>15,576</u>

H WOODWARD AND SON
NOTES TO THE FINANCIAL STATEMENTS

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for the year ended 31 December 1996

continued

7 SHARE CAPITAL

	1996 and 1995	
	Number	£
Authorised		
4.55% cumulative preference shares	25,000	25,000
Ordinary shares of 1p each	5,000,000	50,000
Deferred shares of 12.5p each	<u>2,400,000</u>	<u>300,000</u>
		<u>375,000</u>
Allotted and fully paid		
4.55% cumulative preference shares	17,500	17,500
Ordinary shares of 1p each	2,400,000	24,000
Deferred share of 12.5p each	<u>2,400,000</u>	<u>300,000</u>
		<u>341,500</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996	1995
	£	£
Profit for the financial year	18,141	38,006
Opening shareholders' funds	<u>210,121</u>	<u>172,115</u>
Closing shareholders funds	<u>228,262</u>	<u>210,121</u>

9 ULTIMATE PARENT UNDERTAKING

Bridgend Group PLC, a company registered in England and Wales, is the Company's ultimate parent undertaking.

Bridgend Group PLC is the parent undertaking of the group of which H Woodward and Son PLC is a member and for which group accounts are drawn up. Copies of those accounts have been delivered to and are available from: Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.