

ARTHUR
ANDERSEN

ARTHUR ANDERSEN & CO SC

Senior Control Engineering Limited

Accounts - 31 December 1995

together with directors' and auditors' reports

Registered number: 440221



Directors' report

For the year ended 31 December 1995

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1995.

Principal activity and business review

During 1994 the company had no trading activities other than the realisation of outstanding debts and the settlement of closure costs relating to the disposal of its manufacturing divisions in 1993.

During 1995 the only activity was the payment of a dividend.

Results and dividends

Results and transfers to reserves are as follows:

	£'000
Profit and loss account, 1 January 1995	597
Dividend paid	(597)
Profit and loss account, 31 December 1995	<hr/> - <hr/>

Directors and their interests

The following directors held office during the year:

A.J. Bell

T.B. Garthwaite

F.H. Fermor

Directors' report (continued)

Directors and their interests (continued)

The directors who held office at 31 December 1995 had no interests in the shares of the company, other than by virtue of their interests in the shares of Senior Engineering Group plc. The beneficial interests of directors who are also directors of the ultimate parent company are disclosed in the accounts of that company (see note 10). The beneficial interests of other directors in the 10p shares of Senior Engineering Group plc are as follows:

	Shares		Options	
	31 December 1995	31 December 1994	31 December 1995	31 December 1994
F.H. Fermor	100,000	80,000	45,192	45,192

At 31 December 1995 the following options to subscribe for shares were outstanding:

	Subscription price (pence)
Date of grant	
7 May 1992	78.37p

The subscription price and numbers of shares have been adjusted to reflect the dilution effects of a rights issue subsequent to the grant date.

Directors' responsibilities

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

Directors' responsibilities (continued)

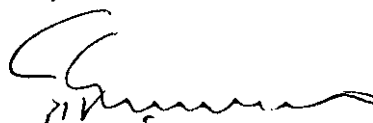
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The directors are of the opinion that the company satisfies the conditions laid down in Section 250 of the Companies Act 1985 and that it is entitled to the benefits of the exemptions for individual accounts applicable in the case of a small company which has been dormant since the end of the financial year. Accordingly the provisions of Section 384 of the Companies Act 1985 do not apply and a special resolution that no auditors be appointed until such time as the company is no longer dormant will be proposed at the annual general meeting.

Senior House
59/61 High Street
Rickmansworth
Hertfordshire
WD3 1RH

By order of the Board



F.H. Fermor

Secretary

28 March 1996

Auditors' report

London

To the Shareholders of Senior Control Engineering Limited:

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on pages 2 and 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion, the accounts give a true and fair view of the company's state of affairs as at 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen

Chartered Accountants and Registered Auditors

1 Surrey Street

London

WC2R 2PS

28 March 1996

Profit and loss account

For the year ended 31 December 1995

	Notes	1995 £'000	Discontinued operations 1994 £'000
Profit on disposal of discontinued operations	2	-	67
Operating profit		-	67
Interest receivable		-	16
Profit on ordinary activities before taxation	3	-	83
Tax on profit on ordinary activities	4	-	(31)
Profit for the financial year		-	52
Dividend paid	5	(597)	-
Retained (deficit) surplus for the financial year		(597)	52

All recognised gains and losses of the company are dealt with in the profit and loss account presented above.

The accompanying notes are an integral part of these accounts.

Balance sheet

31 December 1995

	Notes	1995 £'000	1994 £'000
Current assets			
Debtors			
- amounts falling due outside one year	6	1,788	2,393
- amounts falling due within one year	6	-	6
		<u>1,788</u>	<u>2,399</u>
Creditors: Amounts falling due within one year	7	-	(14)
Net current assets		<u>1,788</u>	<u>2,385</u>
Net assets		<u>1,788</u>	<u>2,385</u>
Capital and reserves			
Called-up share capital	8	1,494	1,494
Share premium account	9	294	294
Profit and loss account	9	-	597
Equity shareholders' funds	9	<u>1,788</u>	<u>2,385</u>

Signed on behalf of the Board

T.B. Garthwaite  Director

F.H. Fermor  Director

28 March 1996

The accompanying notes are an integral part of these accounts.

Notes to the accounts

31 December 1995

1 Statement of accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable financial reporting and accounting standards.

No cash flow statement has been prepared as the company's ultimate parent company prepares a consolidated cash flow statement in accordance with Financial Reporting Standard No. 1.

b) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

2 Profit on disposal of discontinued operations

In 1994, the profit on disposal of discontinued operations reflected the excess of closure provisions released during the year over costs incurred relating to the disposal of the company's manufacturing divisions in 1993.

3 Profit on ordinary activities before taxation

Directors' remuneration for services provided to the company was £nil in both 1994 and 1995. The company has no other employees.

Auditors' remuneration was borne by the ultimate parent company (see note 10).

Notes to the accounts (continued)

4 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	1995 £'000	1994 £'000
UK corporation tax at 33% (1994 - 33%)	-	5
Adjustment to current tax in respect of prior years	-	26
	<u>-</u>	<u>31</u>

5 Dividends

	1995 £'000	1994 £'000
Dividend paid	<u>597</u>	<u>-</u>

6 Debtors

	1995 £'000	1994 £'000
Amounts falling due within one year:		
Current tax recoverable	<u>-</u>	<u>6</u>
Amounts falling due after more than one year:		
Due from other group undertakings	<u>1,788</u>	<u>2,393</u>
Total debtors	<u>1,788</u>	<u>2,399</u>

7 Creditors: Amounts falling due within one year

	1995 £'000	1994 £'000
Accruals and deferred income	<u>-</u>	<u>14</u>
	<u>-</u>	<u>14</u>

Notes to the accounts (continued)

8 Called-up equity share capital

	1995 £'000	1994 £'000
<i>Authorised</i>		
3,300,000 ordinary shares of 50p each	1,650	1,650
<i>Allotted, called-up and fully-paid</i>		
2,988,211 ordinary shares of 50p each	1,494	1,494

9 Reconciliation of movement in equity shareholders' funds

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 1995	1,494	294	597	2,385
Dividends paid	-	-	(597)	(597)
At 31 December 1995	1,494	294	-	1,788

10 Ultimate parent company

The company's immediate parent company is Senior Engineering Investments Limited, a company registered in England.

The company's ultimate parent company, which prepares consolidated accounts incorporating the company's results, is Senior Engineering Group plc, a company registered in England and Wales, whose registered office is at Senior House, 59/61 High Street, Rickmansworth, Hertfordshire, WD3 1RH. The consolidated accounts of the group are available to the public and may be obtained from the aforementioned address.