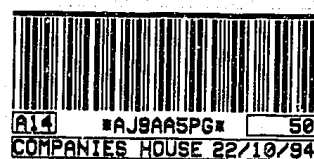


Registered Company Number 710603

TILBURY (CITY) LIMITED

REPORT AND ACCOUNTS

31st December 1993



REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st December 1993.

ACTIVITIES

The principal activities of the Company are the provision of mechanical and electrical services to the construction industry.

REVIEW OF THE BUSINESS

The loss before taxation was £200,414 for the year to 31st December 1993 compared with a profit of £1,563 for the year to 31st December 1992.

RESULTS

The results of the Company are as set out in the accounts on pages 5 to 12. The directors do not recommend the payment of a dividend (1992 - nil). The loss for the year of £139,947 (1992 - £847) has been transferred from reserves.

FIXED ASSETS

Information relating to changes in fixed assets is given in note 8 to the accounts.

DIRECTORS

The directors who served during the year together with details of changes since 31st December 1993 are set out below :-

M.E. Bond	(appointed 1st November 1993)
D. Cannan	
D.L. Cooper	(appointed 17th September 1993 resigned 18th March 1994)
S.J. Hallett	(appointed 12th March 1993, resigned 20th November 1993)
N.G. Johnston	(resigned 12th March 1993)
J.B. Robertson	(resigned 17th September 1993)
E.T. Paradise	(resigned 2nd March 1994)

Mr. M.E. Bond has been appointed a director since the last Annual General Meeting and, being eligible, offers himself for re-election at the next Annual General Meeting

None of the directors has any beneficial interest in the shares of the Company.

REPORT OF THE DIRECTORS(continued)

DIRECTORS(continued)

The interests of the directors at 31st December 1993 in the capital of the ultimate parent undertaking are as stated below.

	<u>Shares of 25p each</u>		<u>Options over</u> <u>Shares of 25p each</u>	
	<u>31.12.93</u>	<u>31.12.92</u>	<u>31.12.93</u>	<u>31.12.92*</u>
Mr M.E. Bond	Nil	Nil	10,000	10,000
Mr E.T. Paradise	100	3,274	Nil	Nil

* or later date of appointment

No options to subscribe for shares of 25p each in the ultimate parent undertaking were granted to or exercised by directors during the year to 31st December 1993. The directors have no other interest in any other group undertaking (1992 - None)

AUDITORS

Touche Ross & Co. are willing to be re-appointed as auditors in accordance with section 385 of the Companies Act 1985 pursuant to section 119 of the Companies Act 1989. Resolutions will be proposed at the Annual General Meeting to re-appoint them and to authorise the directors to fix their remuneration.

Tilbury House
Ruscombe Park
Twyford
Reading
Berkshire
RG10 9JU

Approved by the Board of Directors and
signed on behalf of the Board by



D.L. Cooper, Secretary

25th April 1994

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 or loss 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 reasonably prudent;

state whether applicable accounting standards have been followed (subject to any material departures disclosed and explained in the financial statements);

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 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.

AUDITORS' REPORT TO THE MEMBERS OF TILBURY (CITY) LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 affairs of the Company as at 31st December 1993 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

TOUCHE ROSS & CO.
Chartered Accountants and
Registered Auditors

26th April 1994

63 High Street
Crawley
West Sussex
RH10 1BQ

PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1993

	Note	1993 £	1992 £
TURNOVER	1b), 2	2,782,301	3,007,337
Cost of sales		(2,589,291)	(2,612,560)
GROSS PROFIT		193,010	394,777
Administrative expenses		(407,713)	(457,138)
OPERATING LOSS	3	(214,703)	(62,361)
Interest receivable	6	<u>14,289</u>	<u>63,924</u>
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(200,414)	1,563
Tax on (loss)/ profit on ordinary activities	7	<u>60,467</u>	(2,410)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS		(<u>139,947</u>)	(<u>847</u>)
LOSS TRANSFERRED FROM RESERVES	15	(<u>139,947</u>)	(<u>847</u>)

All activities are continuing as defined under FRS 3: Reporting Financial Performance.

A statement of Total Recognised Gains and Losses is not presented as there have been no recognised gains or losses other than the profit for the year set out above.

Movements in reserves are shown in note 15

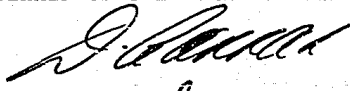
BALANCE SHEET
at 31st December 1993

	Note	1993		1992	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		16,781		24,040
CURRENT ASSETS					
Stocks	10	26,683		25,179	
Debtors	11	899,603		739,465	
Cash at bank and in hand		997		33,882	
		<u>927,283</u>		<u>798,526</u>	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR					
Bank loans and overdrafts		12,647		-	
Trade creditors		506,146		238,990	
Sundry creditors	12	<u>276,405</u>		<u>287,765</u>	
		<u>795,198</u>		<u>526,755</u>	
NET CURRENT ASSETS			<u>132,085</u>		<u>271,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			148,866		295,811
PROVISIONS FOR LIABILITIES AND CHARGES	13		(<u>25,483</u>)		(<u>32,481</u>)
NET ASSETS			<u>123,383</u>		<u>263,330</u>
CAPITAL AND RESERVES					
Called up share capital	14		40,000		40,000
Profit and loss account	15		<u>83,383</u>		<u>223,330</u>
SHAREHOLDERS' FUNDS	16		<u>123,383</u>		<u>263,330</u>

These financial statements were approved by the Board of Directors on
25th April 1994

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

D Cannan
Director



M E Bond
Director



NOTES ON THE ACCOUNTS
for the year ended 31st December 1993

1. ACCOUNTING POLICIES

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

a) CONVENTION

The financial statements have been prepared in accordance with the historical cost convention.

b) TURNOVER

This represents the value of work executed excluding value added tax.

c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided on a straight line basis calculated to write down the cost over the estimated useful economic lives at the following annual rates:

Contractor's plant	-	20%
Motor vehicles	-	25%
Furniture and equipment	-	20%

d) LEASED ASSETS

Operating lease costs are charged to the profit and loss account as they accrue.

e) STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value.

Contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is included when the outcome of a contract can be assessed with reasonable certainty. The value of contract work in progress is accounted for within turnover and in accordance with Statement of Standard Accounting Practice No.9 (Revised) - Stocks and Long-term Contracts. The excess of the book value over payments receivable is included in debtors as "Amounts recoverable on contracts". Payments receivable in excess of book value on an individual contract basis are included in creditors.

f) PENSIONS

The Company participates in the Tilbury Douglas Pension Scheme, which covers all employees who are permanent members of the staff who have elected to join. Actuarial valuations are carried out every three years by independent qualified actuaries. The surplus in the Tilbury Douglas Pension Scheme, after off-setting regular pension costs and allowing for accruing interest, will, in accordance with Statement of Standard Accounting Practice No. 24 - Accounting for Pension Costs, be released to the profit and loss account of Tilbury Douglas Plc over the average remaining service life of employees. No charge will be made to the profit and loss account of the Company until the surplus has been extinguished.

NOTES ON THE ACCOUNTS
for the year ended 31st December 1993(continued)

g) DEFERRED TAXATION

Provision is made and relief is taken at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes to the extent that liabilities or assets are likely to crystallise in the foreseeable future. Advance corporation tax which is available to reduce the corporation tax payable on future profits is deducted from the provision for deferred taxation.

2. SEGMENTAL ANALYSIS

The Company's turnover and loss arises in the U.K. from its activity as a mechanical and electrical installation contractor.

	1993 £	1992 £
3. OPERATING LOSS		
Operating loss is arrived at after charging:		
Depreciation		
On owned assets	10,092	15,062
Rentals under operating leases		
Hire of plant and machinery	2,571	5,971
Other lease rentals	56,708	64,463
Remuneration payable to auditors		
Audit fees	7,700	5,800
Non-audit fees	Nil	2,447

4. EMPLOYEES

The average number employed by the Company (including directors) within each category of persons was:

	<u>Number</u>	<u>Number</u>
Production staff	17	21
Sales staff	1	1
Administration staff	<u>11</u>	<u>11</u>
	<u>29</u>	<u>33</u>

The costs incurred in respect of these employees (including directors) were:

	£	£
Wages and salaries	429,176	487,077
Social security costs	37,922	44,359
Other pension costs	-	-
	<u>467,098</u>	<u>531,436</u>

The Tilbury Douglas Pension Scheme is a defined benefit funded scheme. The last valuation of the Scheme was carried out at 5th April 1992. The results of this valuation and details of the main actuarial assumptions adopted for this purpose are disclosed in the accounts of Tilbury Douglas Plc, the ultimate parent undertaking. As stated in Note 1 f) above, there is no pension credit or cost for the year.

NOTES ON THE ACCOUNTS
for the year ended 31st December 1993(continued)

	1993 £	1992 £
5. DIRECTORS		
Emoluments including pension contributions of directors of the Company included in staff costs were as follows:		
Management remuneration	<u>101,402</u>	<u>98,916</u>
The emoluments of directors were as follows:		
Chairmen	Nil	Nil
Highest paid director	<u>63,766</u>	<u>90,729</u>
Other directors:	<u>Number</u>	<u>Number</u>
Under £5,000	1	1
£35,001 - £40,000	<u>1</u>	<u>1</u>
6. INTEREST RECEIVABLE	£	£
Group interest	<u>14,289</u>	<u>63,924</u>
7. TAX ON (LOSS)/ PROFIT ON ORDINARY ACTIVITIES		
Taxation is based on the (loss)/ profit for the year and comprises:		
U.K. Corporation tax at 33% on taxable profits (1992 - 33%)	-	5,246
Group relief	(60,910)	-
	(60,910)	5,246
Adjustments relating to earlier years:		
Corporation tax	-	(2,836)
Group relief	<u>443</u>	-
	<u>(60,467)</u>	<u>2,410</u>

NOTES ON THE ACCOUNTS
for the year ended 31st December 1993(continued)

8. TANGIBLE FIXED ASSETS

	Contractor's Plant	Motor Vehicles	Furniture and Equipment	Total
COST	£	£	£	£
1st January 1993	5,053	48,203	79,730	132,986
Additions			2,833	2,833
Disposals			(595)	(595)
Group transfers		<u>21,736</u>		<u>21,736</u>
31st December 1993	<u>5,053</u>	<u>69,939</u>	<u>81,968</u>	<u>156,960</u>
DEPRECIATION				
1st January 1993	4,733	32,453	71,760	108,946
Provided in year	320	6,744	3,028	10,092
Disposals			(595)	(595)
Group transfers		<u>21,736</u>		<u>21,736</u>
31st December 1993	<u>5,053</u>	<u>60,933</u>	<u>74,193</u>	<u>140,179</u>
NET BOOK VALUE OF OWNED ASSETS				
31st December 1993	<u>Nil</u>	<u>9,006</u>	<u>7,775</u>	<u>16,781</u>
31st December 1992	<u>320</u>	<u>15,750</u>	<u>7,970</u>	<u>24,040</u>

All tangible fixed assets are stated at historic cost

There were no capital commitments at 31st December 1993, (1992 - Nil).

9. OPERATING LEASES

At 31st December 1993 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other	
	1993	1992	1993	1992
	£	£	£	£
Expiring within one year	-	-	1,040	10,442
Expiring in two to five years	18,500	18,500	31,220	14,147
After five years	<u>457</u>	<u>457</u>	-	-
	<u>18,957</u>	<u>18,957</u>	<u>32,260</u>	<u>24,589</u>

The leases of land and buildings are subject to rent reviews at intervals of five years.

NOTES ON THE ACCOUNTS
for the year ended 31st December 1993(continued)

10. STOCKS	1993 £	1992 £
Materials	<u>26,683</u>	<u>25,179</u>

The replacement cost of stock is not materially different from the amounts stated in the accounts.

Contract work in progress is accounted for in turnover and in accordance with the provisions of Statement of Standard Accounting Practice No. 9 (Revised) - Stocks and Long-term Contracts. The excess of book value over payments receivable is included in debtors as "Amounts Recoverable on Contracts".

11. DEBTORS	£	£
Trade debtors	481,645	297,469
Amounts recoverable on contracts	214,139	208,342
Amount owed by parent undertaking	123,891	201,545
Taxation - Group Relief Receivable	60,033	1,831
Other debtors	5,718	13,201
Prepayments and accrued income	<u>14,177</u>	<u>17,077</u>
	<u>899,603</u>	<u>739,465</u>

Amounts included above recoverable after more than one year:

Trade debtors	<u>30,096</u>	<u>75,105</u>
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12. SUNDRY CREDITORS

Amounts owed to fellow subsidiary undertakings	53,490	48,912
Other creditors	13,489	40,162
Other taxation and social security	21,944	15,043
Advance payments on contracts	147,652	127,576
Accruals and deferred income	<u>39,830</u>	<u>56,072</u>
	<u>276,405</u>	<u>287,765</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for maintenance, site clearance and rectification	<u>25,483</u>	<u>32,481</u>
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NOTES ON THE ACCOUNTS
for the year ended 31st December 1993(continued)

	1993 £	1992 £
14. CALLED UP SHARE CAPITAL		
Authorised:		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted and fully paid:		
40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
15. PROFIT AND LOSS ACCOUNT		
1st January	223,330	224,177
(Deficit) for the year	<u>(139,947)</u>	<u>(847)</u>
31st December	<u>83,383</u>	<u>223,330</u>
16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Loss attributable to shareholders	(139,947)	(847)
Dividend	-	-
Movement in year	<u>(139,947)</u>	<u>(847)</u>
Opening shareholders' funds	<u>263,330</u>	<u>264,177</u>
Closing shareholders' funds	<u>123,383</u>	<u>263,330</u>

17. CONTINGENT LIABILITIES

At 31st December 1993 there were contingent liabilities in respect of guarantees given in the ordinary course of business.

The Company has given guarantees covering banking facilities made available to the parent and fellow subsidiary undertakings. At 31st December 1993 there were no amounts outstanding in respect of these facilities (1992 - Nil).

18. CASH FLOW STATEMENT

The Company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard Number 1 - Cash Flow Statements, as the ultimate parent undertaking, Tilbury Douglas Plc, has included a consolidated cash flow statement in the group accounts.

19. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is Tilbury Douglas Plc, which is incorporated in Great Britain and is registered in England and Wales. The group accounts of Tilbury Douglas Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.