

RUTLAND ENGINEERING LIMITED

Company No. 938925

DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997

The directors present herewith their report and accounts for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

During the year the company did not trade on its own account. It is not anticipated that this status will change.

DIRECTORS

The directors holding office during the year were:

E A S Porter
P Rose

No director had any beneficial interest in the share capital of the company. Mr Porter is also a director of the ultimate parent company and his interest in the shares of that company is disclosed in that company's accounts.

Directors' shareholdings and share options in the ultimate parent company are as follows:

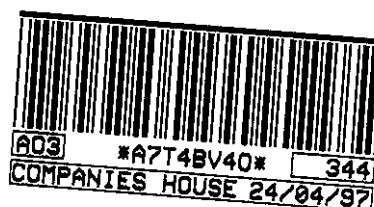
	Share		Share	
	Options	Holdings	Options	Holdings
	as at 31 March 1997		as at 31 March 1996	
P Rose	40,019	-	40,019	-

AUDITORS

In accordance with the provisions of Section 250 of the Companies Act 1985, the company, being a dormant company within the meaning of the said section, is not required to appoint auditors.

By order of the Board

R S Martin
R S Martin
Company Secretary
1 April 1997



RUTLAND ENGINEERING LIMITED

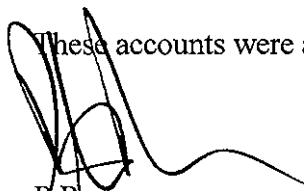
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BALANCE SHEET AS AT 31 MARCH 1997

	Notes	1997 £	1996 £
Current Assets			
Loan to group company		568,693	568,693
		_____	_____
Capital and Reserves			
Called up share capital	2	1,000	1,000
Share premium account		999,000	999,000
Other reserves			
(non distributable)		4,954	4,954
Profit and loss account		(436,261)	(436,261)
		_____	_____
		568,693	568,693
		_____	_____

The company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the financial year ended 31 March 1997.

These accounts were approved by the Board on 1 April 1997.



P Rose
Director

NOTES:

1. No director received any remuneration in respect of his services to the company during the year. (1996: Nil)

2. Share Capital:

	31 March 1997		31 March 1996	
	Auth.	Iss.	Auth.	Iss.
Ordinary shares of £1 each	£1,000	£1,000	£1,000	£1,000

3. The company's ultimate holding company is Babcock International Group PLC, which is incorporated in England.