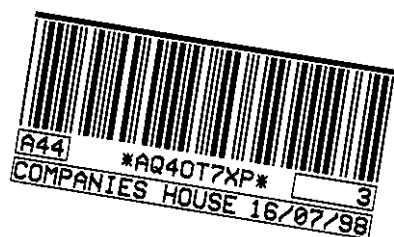


FOURWAY MANAGEMENT LIMITED

ANNUAL REPORT AND ACCOUNTS

31ST OCTOBER 1997



FOURWAY MANAGEMENT LIMITED

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FOURWAY MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	T.P.Evans C.R.Evans C.P.Drake
Secretary	C.R.Evans
Company registration number	1624528
Registered office	Charley Wood Road, Knowsley Industrial Park, Merseyside, L33 7SG.

FOURWAY MANAGEMENT LIMITED

Directors' Report

The directors present their report to the members, together with the annual accounts for the year ended 31st October 1997.

Principal Activity

The principal activity of the company which is unchanged since last year is industrial cleaning.

Review of activities, future developments, and events since the end of the year

During the course of the year the company operated at a satisfactory level.

The results for the year are shown on page 4. In the coming year the company intends to improve on existing trading levels and market share, consolidate financial performance and further improve on liquidity

Directors

The directors of the company and their interests in shares of the company are set out below.

There were no changes in the composition of the board of directors during the year.

	31st October	
	1997	1996
T.P.Evans	1	1
C.R.Evans	1	1
C.P.Drake	Nil	Nil

T.P.Evans and C.R.Evans have a joint beneficial holding of 9,998 Ordinary Shares which were issued on 27th January 1997.

Directors responsibility for financial statements.

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 of the company for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and apply them consistently;

make judgments and estimates that are reasonable and prudent;

prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue to operate.

FOURWAY MANAGEMENT LIMITED

Directors' Report- 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 to 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.

Fixed Assets

Details of fixed assets are shown on page 9. In the opinion of the directors the open market value of the company's land and buildings is approximately the same as the net book value.

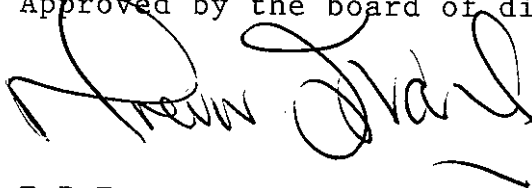
Dividends

The directors recommend an interim dividend of £ 36,000 on the ordinary shares which leaves a deficit of £ 6,371 to be deducted from the reserves.

Auditors

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

Approved by the board of directors on 3rd February 1998.



T.P. Evans
Director

AUDITOR'S REPORT

Auditor's Report To The Shareholders Of Fourway
Management Limited

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 6 and 7.

Respective responsibility 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.

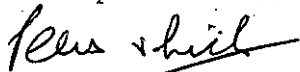
Basis of opinion

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 judgments made by the directors in the preparation of the financial statements, and 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 at 31st October 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PEERS AND SMITH

Chartered Accountants
and Registered Auditor,

Mast House,
Derby Road,
Bootle,
Merseyside,
L20 1EA.

3rd February 1998

FOURWAY MANAGEMENT LIMITED

Profit And Loss Account For The Year Ended 31st October 1997

	Notes	1997	1996
Turnover		1,127,766	1,037,018
Cost of sales	3	712,570	637,941
		-----	-----
Gross profit		415,196	399,077
Administration expenses	3	354,527	353,249
		-----	-----
Operating Profit	2	60,669	45,828
Grants released		10,047	5,946
Interest received		128	83
		-----	-----
Finance costs	6	70,844	51,857
		30,558	30,437
		-----	-----
Profit On Ordinary Activities Before Taxation		40,286	21,420
Tax on profit on ordinary activities	7	10,657	3,838
		-----	-----
Profit For The Financial Year On Ordinary Activities After Taxation		29,629	17,582
Dividends on ordinary shares	8	36,000	6,000
		-----	-----
Retained Deficit(1996 Profit)			
Transferred To Reserves	18	£ (6,371)	11,582
		=====	=====

There were no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current and preceding period.

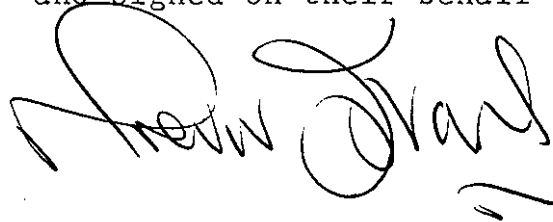
The notes on pages 6 to 13 form an integral part of these accounts.

FOURWAY MANAGEMENT LIMITED

Balance Sheet As At 31st October 1997

		1997	1996
	Notes		
Fixed Assets			
Tangible fixed assets	9	609,440	559,418
Current Assets			
Stocks	10	8,347	14,721
Debtors	11	108,527	138,124
Cash at bank and in hand		69	26,985
		<u>116,943</u>	<u>179,830</u>
Creditors: Amounts falling due within one year	12	247,871	263,633
Net Current Liabilities		(130,928)	(83,803)
Total Assets Less Current Liabilities		478,512	475,615
Creditors: Amounts falling due after more than one year	13	257,850	239,492
Provisions For Liabilities And Charges			
Deferred taxation	15	11,301	10,344
	£	<u>209,361</u>	<u>225,779</u>
		=====	=====
Capital And Reserves			
Called up share capital	17	10,000	2
Grants	18	52,154	62,201
Revaluation reserve	18	67,395	67,395
Profit and loss account	18	79,812	96,181
		<u>209,361</u>	<u>225,779</u>
Shareholders' Funds	£	=====	=====

Approved by the board of directors on 3rd February 1998
and signed on their behalf by:



T.P. Evans

Director

The notes on pages 6 to 13 form an integral part
of these accounts.

FOURWAY MANAGEMENT LIMITED

**Notes To The Account For The Year Ended
31st October 1997**

1.Accounting Policies

Exemptions

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Turnover

Turnover represents net invoiced services rendered excluding VAT.

Depreciation

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold buildings	2% on reducing balance
Plant and machinery	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Motor vehicles	25% on reducing balance
No depreciation is provided on freehold land.	

Finance cost of debt

The finance costs of debt, including interest and issue costs are allocated to each period over the term of the debt and charged to profit and loss at a constant rate on the outstanding amount.

Leased assets

Fixed assets acquired under finance leases are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future rentals is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the lease. Operating lease rentals are charged to profit and loss as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

FOURWAY MANAGEMENT LIMITED

Notes To The Account For The Year Ended 31st October 1997-Continued

1.Accounting Policies-Continued

Deferred taxation

Provisions are made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Pensions

The company has a defined contribution scheme for the benefit of two of the directors. The cost of the contributions made by the company to the scheme are charged to profit and loss account as incurred.

2.Operating profit

The operating profit is stated after charging

	1997	1996
Depreciation on tangible fixed assets	70,293	55,927
Staff costs	364,346	358,777
Auditors' remuneration	1,900	1,700
Operating leases-plant and machinery	22,030	16,407
Exceptional loss on bad debt	4,201	5,991

3.Continuing activities

Cost of sales	712,570	637,941
Administrative expenses	354,527	353,249
	-----	-----
£	1,067,097	991,190
	=====	=====

4.Particulars of staff and pensions

staff costs, including directors' remuneration
(see note 5) were as follows:-

Wages and salaries	331,171	325,976
Social security costs	31,915	31,436
Pension costs	1,260	1,365
	-----	-----
£	364,346	358,777
	=====	=====

FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended 31st October 1998-Continued

4.Particulars Of Staff-Continued

The average weekly number of employees during the period was as follows:-

	1997	1996
Office and administration	6	6
Other	15	16

5.Directors remuneration

Directors remuneration including pension contributions and benefits in kind.

Emoluments for services as directors	82,352	77,830
Other emoluments	14,158	9,000
Pension contributions	1,260	1,365

Emoluments excluding pension contributions

Chairman	34,660	26,813
Highest paid director	40,421	34,815

6.Finance cost

Interest payable on long term loan	17,592	18,567
Interest on bank overdraft	2,021	5,256
Finance charges-finance leases	10,945	6,614
	-----	-----
£	30,558	30,437
	=====	=====

7.Tax on profit on ordinary activities

Corporation tax at 24% to 31st March 1997 and 21% to 31st October 1997	9,700	300
Deferred tax at 21%	957	3,838
Adjustment to previous years	-	(300)
	-----	-----
£	10,657	3,838
	=====	=====

FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended 31st October 1997-Continued

8.Dividends on equity shares

Interim dividend on ordinary shares	£ 36,000	6,000
	=====	=====

9.Tangible fixed assets

	Freehold Land and Buildings	Plant and machinery	Motor Vehicles	Total
	-----	-----	-----	-----
Cost or valuation				
1st November 1996	329,448	60,112	410,359	799,919
Additions	4,746		119,569	124,315
Disposals			(11,995)	(11,995)
	-----	-----	-----	-----
31st October 1997	£ 334,194	60,112	517,933	912,239
	=====	=====	=====	=====

Depreciation

1st November 1996	21,402	48,865	170,234	240,501
Charge for year	5,491	2,811	61,991	70,293
Disposals			(7,995)	(7,995)
	-----	-----	-----	-----
31st October 1997	£ 26,893	51,676	224,230	302,799
	=====	=====	=====	=====

Net book values

31st October 1997	£ 307,301	8,436	293,703	609,440
31st October 1996	£ 308,046	11,247	240,125	559,418

The historical cost of freehold land and buildings revalued in October 1990 and included above at a valuation of £ 90,000 was £ 26,105(1996 £ 26,105) and aggregate depreciation thereon would have been £ 2,370(1996 £ 2,795)

The cost of tangible fixed assets includes £ 280,232 (1996 £ 173,557) in respect of assets held under finance leases. Depreciation charged on those assets amounted to £ 41,182(1996 £ 24,162)for the year and the aggregate amount of £ 70,425(1996 £ 29,243)

Freehold land at a cost of £ 38,217 has not been depreciated.

FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended 31st October 1997-Continued

9.Tangible fixed assets-Continued

At 31st October 1997 commitments for capital expenditure were as follows:-

	1997	1996
Contracted but not provided for in the accounts	Nil	Nil

10.Stocks

Raw materials	£ 8,347	14,721
	=====	=====

11.Debtors;Due within one year

Trade debtors	232,423	259,747
Less:amounts advanced without recourse	141,012	135,427
	-----	-----
	91,411	124,320
Others	8,116	12,304
Advance corporation tax	9,000	1,500
	-----	-----
	£ 108,527	138,124
	=====	=====

12.Creditors:amounts falling due within one year

Borrowings(note 14)	70,664	50,230
Trade creditors	91,637	120,553
Other creditors(including tax and social security of £ 17,038 (1996 £ 18,215))	42,787	56,117
Corporation tax	10,006	563
Directors' loan	940	-
Accruals	31,837	36,170
	-----	-----
	£ 247,871	263,633
	=====	=====

13.Creditors:Amounts falling due after more than one year

Borrowings(note 14)	£ 257,850	239,492
	=====	=====

FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended 31st October 1997-Continued

14. Borrowings

	1997	1996
Due within one year		
Bank loans and overdrafts(secured)	20,324	13,383
Obligations under finance leases	50,340	36,847
	-----	-----
£	70,664	50,230
	=====	=====
Due after more than one year		
Bank loans	123,111	138,018
Obligations under finance leases	134,739	101,474
	-----	-----
£	257,850	239,492
	=====	=====
Repayable between 1 to 5 years	191,232	160,440
Repayable in more than 5 years	66,618	79,052
	-----	-----
£	257,850	239,492
	=====	=====

Bank loans are secured by fixed and floating charge over the company's assets.

15. Deferred taxation

Provided for		
Short term timing differences	Nil	Nil
Accelerated capital allowances	11,301	10,344
Losses available for future relief	Nil	Nil
	-----	-----
£	11,301	10,344
	=====	=====

Not provided for

Short term timing differences	Nil	Nil
Accelerated capital allowances	Nil	Nil
	---	---
£	Nil	Nil
	===	===

FOURWAY MANAGEMENT LIMITED

Notes To The Accounts For The Year Ended 31st October 1997-Continued

16.Reconciliation of movements in shareholders' funds

	1997	1996
Profit for the financial year	29,629	17,582
Dividends	(36,000)	(6,000)
Grants released	(10,047)	(5,946)
	-----	-----
Net deduction(1996 Addition) To shareholders' funds	(16,418)	5,636
Opening shareholders' funds	225,779	220,143
	-----	-----
Closing shareholders' funds	£ 209,361	225,779
	=====	=====
Equity shares	£ 209,361	225,779
	=====	=====

17.Called up share capital

Authorised

30,000 Ordinary shares of £ 1 each	£	30,000	30,000
		=====	=====

Issued

10,000(1996 2) Ordinary shares of £ 1 each	£	10,000	2
		=====	=

During the year 9,998 Ordinary shares were allotted
as fully paid from Profit and Loss Account.

18.Reserves

	Grants Received	Revaluation reserve	Profit and loss account
	-----	-----	-----
1st November 1996	62,201	67,395	96,181
Retained deficit for the year			(6,371)
Grants released	(10,047)		
Ordinary shares issued			(9,998)
	-----	-----	-----
31st October 1997	£ 52,154	67,395	79,812
	=====	=====	=====

FOURWAY MANAGEMENT LIMITED

**Notes To The Accounts For The Year Ended
31st October 1997-Continued**

19.Commitments

Pension Scheme

The assets of the pension scheme are held separately from those of the company in independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to in the year to £ 1,260(1996 £ 1,365).

20.Contingent liabilities

The directors are not aware of any contingent liabilities.

21.Transactions with directors

There were no reportable transactions with the directors.

22.Post balance sheet events

There were no reportable post balance sheet events.

23.Related parties

The directors are not aware of any reportable related party transactions.