

WALLSEND BOILERS LIMITED
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ACCOUNTS - 31 DECEMBER 1989
TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

1928053

WALLSEND BOILERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1989

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 1989.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW:

The company did not trade during the year. The only activity was the transfer of the inter-company loan to a fellow group company.

The accumulated deficit at the beginning and end of the year amounted to £159,341.

DIRECTORS AND THEIR INTERESTS:

The directors who held office during the year, together with those directors appointed post year end, are as follows-

Mr J.P.Moore	
Mr D.D.McFarlane	(appointed 27 April 1990)
Mr T.B.Garthwaite	(appointed 27 April 1990)
Mr F.H.Fermor	(appointed 27 April 1990)
Mr A.Clark	(resigned 9 November 1989)
Mr A.E.Tyson	(resigned 12 January 1990)
Mr R.E.S.Balcam	(resigned 31 January 1990)
Mr G.Wareham	(resigned 28 March 1990)

The directors had no beneficial interests in the share capital of the company during the year.

The directors who held office at the year end, other than those who were also directors of the ultimate holding company, held the following beneficial interests in the 10p shares of Senior Engineering Group plc.

	Shares		Options			
	1989	1988	1988	Granted	Exercised	1989
Mr R.E.S.Balcam	52,892	52,892	72,870	50,000	-	132,870
Mr G.Wareham	-	-	36,435	60,000	-	96,435
	=====	=====	=====	=====	=====	=====

Options to subscribe for the shares were granted on 30 September 1987 at 69p per share (approximately 66.24p after adjustment) and on 17 October 1989 at 54p. During 1989 the options granted in 1987 were adjusted in number and value to reflect the dilutions effect of a Rights Issue in 1989.

AUDITORS:

In accordance with Section 252 of the Companies Act 1985, the directors will place a special resolution before the Annual General Meeting not to appoint auditors for the ensuing year.

BY ORDER OF THE BOARD:



M. Hartill
Company Secretary

30 April 1990

ARTHUR ANDERSEN & CO

ST PAUL'S HOUSE
PARK SQUARE
LEEDS LS1 2PJ

itors' Report to the Members of WALLSEND BOILERS LIMITED:

have audited the accounts on pages 4 to 6 in accordance with Auditing
standards.

our opinion the accounts give a true and fair view of the state of the
company's affairs at 31 December 1989 and have been properly prepared in
accordance with the Companies Act 1985.

Arthur Andersen & Co.

April 1990

WALLSEND BOILERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1989

	<u>1989</u>	<u>1988</u>
BRIDGE	£ -	£ 750,371
Cost of Sales	-	750,371
	-----	-----
RESULT FOR THE FINANCIAL YEAR	-	-
CUMULATED DEFICIT, beginning of year	(169,341)	(169,341)
	-----	-----
CUMULATED DEFICIT, end of year	£ (169,341)	£ (169,341)
	=====	=====

The accompanying notes are an integral part of this profit and loss account.

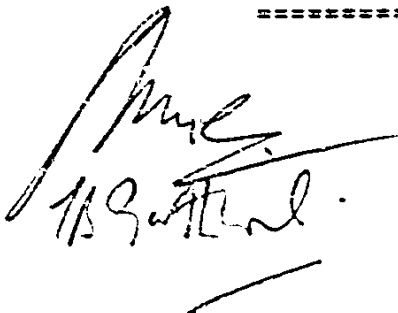
WALLSEND BOILERS LIMITED

BALANCE SHEET - 31 DECEMBER 1989

	<u>Note</u>	<u>1989</u>	<u>1988</u>
DEBTORS: Amounts falling due after than one year	2 £	(169,241) =====	£ (169,241) =====
TOTAL AND RESERVES			
Called up share capital	3 £	100	£ 100
Profit and loss account		(169,341)	(169,341)
	£	----- (169,241) =====	£ ----- (169,241) =====

SIGNED ON BEHALF OF THE BOARD:

McFarlane }
Garthwaite } Directors



April 1990

Accompanying notes are an integral part of this balance sheet.

WALLSEND BOILERS LIMITED
NOTES TO ACCOUNTS - 31 DECEMBER 1989

1. ACCOUNTING POLICY:

The accounts are prepared under the historical cost convention.

2. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

	<u>1989</u>	<u>1988</u>
Holding Company loan	£ 169,241 =====	£ 169,241 =====

The parent company has no intention of seeking repayment of the loan within the next 12 months and accordingly the balance owed has been treated as a non-current liability. The loan does not currently bear interest.

3. CALLED UP SHARE CAPITAL:

	<u>1989</u>	<u>1988</u>
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	£ 100 ===	£ 100 ===

4. CAPITAL COMMITMENTS:

There were no capital commitments at the year end (1988 - £Nil)

5. ULTIMATE HOLDING COMPANY:

The company is a subsidiary of Senior Engineering Investments Limited incorporated in Great Britain and its ultimate holding company is Senior Engineering Group plc incorporated in Great Britain.