

WIX McLELLAND LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994



WIX McLELLAND LIMITED

DIRECTORS

D Summerfield (Chairman)
D A Bell
D Collin
C J McLelland

SECRETARY

C S Dixon

REGISTERED OFFICE

Climate House
Highlands Road
Shirley
Solihull
West Midlands
B90 4NL

REGISTERED NUMBER - 2216661

AUDITORS

Touche Ross & Co
Chartered Accountants and Registered Auditors
Colmore Gate
Colmore Row
Birmingham
B3 2BN

PRINCIPAL BANKERS

Midland Bank plc
130 New Street
Birmingham
B2 4JU

WIX McLELLAND LIMITED

(A wholly owned subsidiary of Estimation Limited,
registered in England and Wales)

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 December 1994.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial year which comply with the Companies Act 1985 and which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period.

The financial statements should be prepared on a going concern basis unless, exceptionally, it is inappropriate to presume that the Company will continue in business. In preparing the statements the directors are required to follow applicable accounting standards and to select suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The directors are also responsible for ensuring that proper and adequate accounting records have been maintained and that appropriate procedures have been followed for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

PROFIT AND LOSS ACCOUNT

No profit and loss account is presented with this Report as no transactions have arisen during the year.

DIRECTORS AND THEIR INTERESTS

The directors at 31 December 1994 were:-

D Summerfield
D A Bell
D Collin
C J McLelland

J D Wix and C T Shaw resigned as a directors on 7 January 1994 and 5 December 1994 respectively.

In accordance with the Articles of Association directors are not required to retire by rotation.

The directors hold no shares of the Company.

WIX McLELLAND LIMITED

REPORT OF THE DIRECTORS

(continued)

DIRECTORS AND THEIR INTERESTS (continued)

The directors who are not also directors of the ultimate parent undertaking, How Group plc, held the following interests in the 10p ordinary shares of that company:-

	At 31.12.94		At 31.12.93	
	Fully Paid	Share Options	Fully Paid	Share Options
D A Bell	3,500	78,888	3,500	53,888
D Collin	-	50,000	20,000	25,000

D Summerfield is also a director of How Group plc and his interests are disclosed in that company's financial statements.

AUDITORS

The Birmingham partnership of BDO Binder Hamlyn merged their practice with Touche Ross & Co on 1 October 1994 and now carry on business under the name of Touche Ross & Co. The directors consented to the appointment of the Birmingham partnership of BDO Binder Hamlyn as auditors of the Company being treated as extending to Touche Ross & Co. A resolution to re-appoint Touche Ross & Co as auditors will be proposed at the Annual General Meeting.

This report was approved by the Board on 20 April 1995.



C S Dixon
Secretary.

AUDITORS' REPORT TO THE MEMBERS OF

WIX McLELLAND LIMITED

We have audited the financial statements on pages 4 and 5 which have been prepared on the basis of the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES 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 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 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 affairs of the Company as at 31 December 1994 and of its result 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
Colmore Gate
Colmore Row
Birmingham
B3 2BN

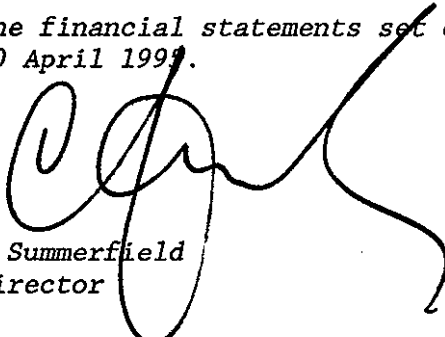
7 July 1995

WIX McLELLAND LIMITED

BALANCE SHEET AT 31 DECEMBER 1994

	Notes	1994 £	1993 £
CREDITORS (amounts falling due within one year)	2	(140,575)	(140,575)
NET CURRENT LIABILITIES		(140,575)	(140,575)
NET LIABILITIES		£(140,575)	£(140,575)
CAPITAL AND DEFICIENCY			
Called up share capital	3	100	100
Profit and loss account		(140,675)	(140,675)
		£(140,575)	£(140,575)

The financial statements set out on pages 4 and 5 were approved by the Board on 20 April 1995.


D Summerfield
Director

WIX McLELLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The ultimate parent undertaking, How Group plc, has informed Wix McLelland Limited that it intends to make available the finance necessary to satisfy all agreed creditors reflected in the Balance Sheet at 31 December 1994.

2 CREDITORS: (AMOUNTS FALLING DUE
WITHIN ONE YEAR)

	1994	1993
Amounts owed to Group undertakings	£140,575	£140,575
	<hr/>	<hr/>

3 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid ordinary shares of £1 each	£100	£100
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4 CONTINGENT LIABILITIES

The Company has entered into an unlimited multilateral guarantee in respect of the bank borrowings of How Group plc and its subsidiary undertakings, under which the Company had a contingent liability at 31 December 1994 of £14,609,013 (1993 - £15,369,224) relating to the overdrafts of certain companies.

5 PARENT UNDERTAKING

The Company's ultimate parent undertaking is How Group plc, registered in England and Wales.

How Group plc is the parent undertaking of the largest group of which Wix McLelland Limited is a member and for which group accounts are drawn up.

Accounts for the undertaking have been delivered and are available from the Registrar of Companies, Crown Way, Maindy, Cardiff CF4 3UZ.