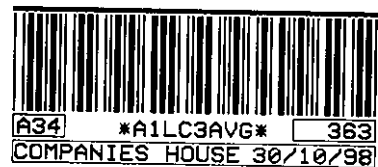


TOWER ACCESS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1997

Registered number: 2713608



HOUGHTON STONE

REGISTERED AUDITORS

Hambrook

TOWER ACCESS LIMITED
FINANCIAL STATEMENTS
for the year ended 31 December 1997

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The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix	1
Schedule to the detailed trading and profit and loss account	Appendix	2

TOWER ACCESS LIMITED
COMPANY INFORMATION

31 December 1997

NUMBER	2713608
DIRECTORS	A G Fowles R D Armitage FCCA
SECRETARY	R D Armitage FCCA
REGISTERED OFFICE	Unit 17a Barton Hill Trading Estate Barton Hill Bristol BS5 9RD
BANKERS	Bank of Scotland 21 Prince Street Bristol BS99 7JG
SOLICITORS	Laytons St Bartholomews Lewins Mead Bristol BS99 7JG
AUDITORS	Houghton Stone Registered Auditors The Conifers Filton Road Hambrook Bristol BS16 1QG

TOWER ACCESS LIMITED

DIRECTORS' REPORT

31 December 1997

The directors present their report and the audited financial statements for the year ended 31 December 1997.

Principal activity

The principal activity of the company continues to be that of suppliers of Scaffolding Cradles and related equipment.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 December 1997 Ordinary shares	1 January 1997 Ordinary shares
A G Fowles	80	80
R D Armitage FCCA	60	60

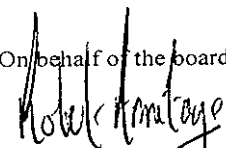
Auditors

Houghton Stone have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



R D Armitage FCCA
Secretary

Unit 17a
Barton Hill Trading Estate
Barton Hill
Bristol BS5 9RD

TOWER ACCESS LIMITED
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 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 judgements and estimates that are reasonable and prudent;
- 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 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.

On behalf of the board



A G Fowles
Director

TOWER ACCESS LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Tower Access Limited**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and 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 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the suitability of the going concern basis to prepare these financial statements. This basis relies on the continued support of the company's bankers and creditors. Details of the circumstances relating to this fundamental uncertainty are described in note 18. Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hay 
29/10/98

Houghton Stone
Registered Auditors

The Conifers
Filton Road
Hambrook
Bristol
BS16 1QG

TOWER ACCESS LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1997

	Note	1997 £	1996 £
Turnover		387,878	365,159
Cost of sales		(254,541)	(228,807)
Gross profit		133,337	136,352
Net operating expenses			
Administrative expenses		(219,942)	(189,100)
Operating loss	2	(86,605)	(52,748)
Other operating income	4	6,060	16,434
Interest payable	5	(37,996)	(18,800)
Loss on ordinary activities before taxation		(118,541)	(55,114)
Taxation	6	-	-
Loss on ordinary activities after taxation		(118,541)	(55,114)
retained for the year	15		

Movements in reserves are shown in note 15.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1997 or 1996 other than the loss for the year.

TOWER ACCESS LIMITED

6

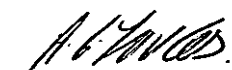
BALANCE SHEET

at 31 December 1997

	Note	£	1997 £	£	1996 £
Fixed assets					
Intangible assets	7		27,280		15,490
Tangible assets	8		298,644		242,693
Investments	9		99		99
			<u>326,023</u>		<u>258,282</u>
Current assets					
Debtors	10	105,010		102,900	
Cash at bank and in hand		50,302		101,971	
			<u>155,312</u>	<u>204,871</u>	
Creditors: amounts falling due within one year	11	(223,230)		(128,352)	
Net current (liabilities)/assets			<u>(67,918)</u>		<u>76,519</u>
Total assets less current liabilities			<u>258,105</u>		<u>334,801</u>
Creditors: amounts falling due after more than one year	12		(367,252)		(325,407)
			<u>(109,147)</u>		<u>9,394</u>
Capital and reserves					
Called up share capital	14		62,257		62,257
Profit and loss account	15		(171,404)		(52,863)
Total shareholders' funds	13		<u>(109,147)</u>		<u>9,394</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 14 were approved by the board of directors on 29/10/98 and signed on its behalf by:



A G Fowles
Director

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	4 - 5 years
Motor vehicles	2 - 4 years
Fixtures and fittings	5 years
Trademark	over 10 years

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Consolidation

Group accounts have not been prepared as permitted by Section 248 of the Companies Act 1985, on the grounds that the company satisfies the Companies Act definition of a small group.

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1997

2 Operating loss

	1997 £	1996 £
Operating loss is stated after charging		
Auditors' remuneration	3,817	20,228
Operating leases		
Hire of plant and machinery	34,070	42,049
Loss on sale of assets	1,262	-
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 8)		
Owned assets	28,270	19,201
Leased assets	16,590	6,489
Amortisation of intangible fixed assets	3,210	1,605
	<u> </u>	<u> </u>
	<u>48,070</u>	<u>26,764</u>

3 Directors

	1997 £	1996 £
Directors' emoluments	33,735	35,195
Directors' fees	45,820	16,067
	<u> </u>	<u> </u>
	<u>79,555</u>	<u>51,262</u>

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,090 (1996 £1,063) including contributions in respect of employees. Contributions totalling £0 (1996 £0) were payable to the fund at 31 December 1997 and are included in creditors.

4 Other operating income

	1997 £	1996 £
Insurance claim	-	5,013
Bank deposit received	5,132	7,103
Net rental income	928	1,226
Sundry income	-	70
Profit on sale of tangible assets	-	3,022
	<u> </u>	<u> </u>
	<u>6,060</u>	<u>16,434</u>

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

9

31 December 1997

5 Interest payable

	1997 £	1996 £
Finance lease and hire purchase contracts	5,160	1,573
Bank interest	8	6,544
VAT surcharges	5,404	(1,289)
Other interest payable	27,424	11,972
	<u>37,996</u>	<u>18,800</u>

6 Taxation

No liability for corporation tax arises on the results for the year.

7 Intangible fixed assets

	Trademark £
Cost	
1 January 1997	17,095
Additions	15,000
31 December 1997	<u>32,095</u>
Amortisation	
1 January 1997	1,605
Charge for the year	3,210
31 December 1997	<u>4,815</u>
Net book amount	
31 December 1997	<u>27,280</u>
1 January 1997	<u>15,490</u>

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1997

8 Tangible fixed assets

Cost	Plant and Machinery etc £
1 January 1997	279,972
Additions	111,745
Disposals	(16,577)
31 December 1997	<u>375,140</u>
Depreciation	
1 January 1997	36,036
Charge for year	44,860
Disposals	(1,714)
31 December 1997	<u>79,182</u>
Net book amount	
31 December 1997	<u>298,644</u>
1 January 1997	<u>242,693</u>

The net book amount of fixed assets includes £106,480 (1996 £45,071) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

9 Fixed asset investments

Cost	Investments other than loans £
1 January 1997	99
and at	
31 December 1997	<u>99</u>
Net book amount	
31 December 1997	<u>99</u>
1 January 1997	<u>99</u>

The company owns 99% of the issued share capital of Tower Access Hire and Sales Limited, a company registered in England. At 31 December 1997 the company reported a profit of £81,600 (1996 loss £11,144) and had net assets of £195,831 (1996 £114,231).

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

11

31 December 1997

10 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	92,048	83,291
Amounts due from related companies		5,897
Prepayments and accrued income	12,962	13,712
	<u>105,010</u>	<u>102,900</u>

11 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank overdrafts	17,011	-
Trade creditors	63,532	70,312
Corporation tax	1,043	2,043
Other taxation and social security	25,379	17,588
Amounts due to group undertakings and related companies	90,010	-
Accruals and deferred income	5,773	24,308
Obligations under finance leases and hire purchase contracts - note 12	20,482	14,101
	<u>223,230</u>	<u>128,352</u>

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

12

31 December 1997

12 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Other liabilities		
Obligations under finance leases and hire purchase contracts	67,252	25,407
Bank loans	250,000	250,000
Other loans	50,000	50,000
	<u>367,252</u>	<u>325,407</u>
Creditors other than finance lease and hire purchase contracts		
Amounts falling due after more than five years	<u>50,000</u>	<u>100,000</u>
Obligations under finance leases and hire purchase contracts		
Amounts included above are repayable over varying periods by monthly instalments as follows:		
In the next year	20,482	14,101
In the second to fifth years	67,252	25,407
	<u>87,734</u>	<u>39,508</u>

Bank loans and overdrafts are secured by a Debenture over the company's assets and a Cross Guarantee between Tower Access Limited and its subsidiary, Tower Access Hire and Sales Limited.

13 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Loss for the financial year	(118,541)	(70,604)
New share capital subscribed	-	62,157
Prior year adjustment (Note 17)	-	15,490
Net (subtraction from)/addition to shareholders' funds	<u>(118,541)</u>	<u>7,043</u>
Opening shareholders' funds	9,394	2,351
Closing shareholders' funds	<u>(109,147)</u>	<u>9,394</u>

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1997

14 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
A'Ordinary shares of £1 each	100,000	100,000	100,000	100,000
B'Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Allotted called up and fully paid				
A'Ordinary shares of £1 each	200	200	200	200
B'Ordinary shares of £1 each	62,057	62,057	62,057	62,057
	<u>62,257</u>	<u>62,257</u>	<u>62,257</u>	<u>62,257</u>

15 Profit and loss account

	1997 £
1 January 1997	(52,863)
Retained loss for the year	<u>(118,541)</u>
31 December 1997	<u>(171,404)</u>

16 Guarantees and other financial commitments

Bank borrowings are secured by a Corporate Cross Guarantee covering all borrowings of the company and those of Tower Access Hire and Sales Limited.

17 Prior year adjustments

The prior year adjustment is made in respect of a fundamental accounting error which occurred in the year ended 31 December 1996.

In that year, expenditure paid to a related company, which was for the acquisition of a Trademark, was incorrectly classified as rent expenditure and charged to the profit and loss account.

The effects on the financial statements for the year ended 31 December 1997 are as follows :

	£
Trademark capitalised	17,095
Amortisation thereon	<u>(1,605)</u>
Net reduction in losses previously reported	<u>15,490</u>

TOWER ACCESS LIMITED
NOTES ON FINANCIAL STATEMENTS

31 December 1997

18 Fundamental uncertainty

These financial statements have been prepared on a going concern basis.

The suitability of this basis depends upon the continued support of the company's bankers and creditors.

19 Related parties

During the year the company carried out the following transactions with the stated related company :

Tower Group Limited - purchase of Trademark	£15,000
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TOWER ACCESS LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1997

	1997		1996	
	£	£	£	£
Turnover				
Sales		387,878		365,159
Cost of sales				
Purchases	-		(4,924)	
Consumables and other direct costs	10,456		5,723	
Hire of plant and machinery	34,070		42,049	
Direct labour	131,608		107,864	
Subcontract	4,351		33,025	
Direct labour expenses	335		144	
Transport costs	43,551		29,946	
Hire stock repairs	2,686		525	
Hire stock depreciation	27,484		14,455	
		<u>254,541</u>		<u>228,807</u>
Gross profit		133,337		136,352
Other operating income				
Royalties		-		70
		<u>133,337</u>		<u>136,422</u>
Administrative expenses	219,942		189,100	
Interest payable	37,996		18,800	
		<u>257,938</u>		<u>207,900</u>
Net trading loss for the year		(124,601)		(71,478)
Other income				
Insurance claim	-		5,013	
Net rental income	928		1,226	
Profit on sale of tangible assets	-		3,022	
Bank deposit interest	5,132		7,103	
		<u>6,060</u>		<u>16,364</u>
Net loss for the year		<u>(118,541)</u>		<u>(55,114)</u>

TOWER ACCESS LIMITED

SCHEDULE TO THE TRADING AND PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1997

	1997 £	1996 £
Administrative expenses		
Advertising	4,358	3,323
Salaries and wages	26,666	2,614
Director's remuneration	30,645	35,195
Director's pension scheme contributions	3,090	1,063
Motor expenses	6,153	5,878
Entertaining	384	468
Telephone charges	10,142	3,428
Printing postage and stationery	4,024	4,168
Sundry expenses	4,242	(1,748)
Cleaning	227	1,189
Reorganisation expenses	-	13,489
Management services	45,820	16,067
Heating and lighting	1,602	2,394
Repairs and renewals	-	245
Property repairs	2,246	1,292
Office security	-	2,962
Insurance	25,836	17,624
Rent and rates	22,562	35,346
Administration costs	-	9,000
Amortisation of goodwill	3,210	1,605
Depreciation motor vehicles	13,928	9,948
Depreciation plant and machinery	762	762
(Profit)/loss on sale of tangible assets	1,262	-
Bank charges	1,293	1,005
Bad debt provision	3,474	(643)
Legal and professional fees	4,199	2,198
Auditors' remuneration	3,817	20,228
	<u>219,942</u>	<u>189,100</u>
Interest payable		
Bank interest	8	6,544
Vat surcharges	5,404	(1,289)
Hire purchase interest	5,160	1,573
Other loan interest	27,424	11,972
	<u>37,996</u>	<u>18,800</u>