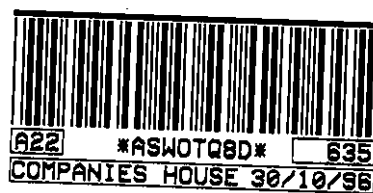


L.L.S. HOLDINGS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1995

Company Number 2781951



FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

CONTENTS	Page:
Key names and addresses	3
Directors' Report	4 - 5
Auditors' Report	6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9 - 13

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

KEY NAMES AND ADDRESSES

Directors

J R Sandom
H V Leeson
T A Lovett

Company Secretary

T A Lovett

Registered Office

Old Brewery
Russell Street
Windsor
SL4 1HQ

Bankers

Lloyds Bank plc
13 High Street
High Wycombe
Buckinghamshire
HP11 2BD

Auditors

Viccajee McCall
Registered Auditors
30 Reading Road South
Fleet
Hampshire
GU13 9QL

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 1995.

Financial Reporting Standard No.3

Following the introduction of Financial Reporting Standard No.3, *Reporting Financial Performance*, the presentation of the financial statements has been amended to conform with the new requirements. Turnover and operating profit have been analysed, where appropriate, between continuing and discontinued operations, with results from additions during the year being shown separately under continuing operations.

Statement of Directors' responsibilities

Following the introduction of Statement of Auditing Standards 600, *Auditors' Reports on Financial Statements*, the following statement is required to be made by the Directors concerning their 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 year.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and which 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 also for taking reasonable steps to detect and prevent fraud and other irregularities.

Principal activities

The principal activities of the Company are those of design consultants.

Review of developments and dividends

The state of the Company's affairs, and details of its financing, are shown in detail on pages 7 and 8 of the financial statements.

The Directors recommended and paid an interim dividend of £100,000 during the year. No final dividend is recommended.

continued

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

DIRECTORS' REPORT *continued***Change of Company name**

On 1 September 1995 the Company changed its name from The Sandom Partnership Limited to L.L.S. Holdings Limited, and a new Company was formed, named The Sandom Partnership Limited, as a wholly owned subsidiary of the Company.

On that date, the trade of the Company (now L.L.S. Holdings Limited) was transferred to the new subsidiary.

Directors


The Directors who held office during the period, and their interests in the shares of the Company at the beginning and end of the year, were as follows:

	<i>1 January 1995</i>	<i>31 December 1995</i>
	<i>£1 ordinary shares</i>	<i>£1 ordinary shares</i>
J R Sandom	5,300	5,300
H V Leeson	2,600	2,600
T A Lovett	2,100	2,100

Auditors

The firm Viccajee McCall, Registered Auditors, offer themselves for re-appointment, and a resolution to that effect will be proposed at the forthcoming annual general meeting.

BY THE ORDER OF THE BOARD



J R Sandom
Director

28 October 1996

Old Brewery
Russell Street
Windsor
SL4 1HQ

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

L.L.S. HOLDINGS LIMITED

We have audited the financial statements on pages 7 to 13 which have been prepared under the historical cost convention, and the accounting policies set out on page 9.

Respective responsibilities of Directors and Auditors

As described on page 4, 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, of 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 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.

Audit 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 1995, and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Vicajee McCall

**Vicajee McCall
Registered Auditors**

30 Reading Road South
Fleet
Hampshire
GU13 9QL

28 October 1996

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes:	Year ended 31.12.95	Year ended 31.12.94
		£	£
TURNOVER	1	1,429,975	1,151,563
COST OF SALES		(315,274)	(433,819)
		1,114,701	717,744
Administration costs (continuing operations)		(691,453)	(460,331)
Interest payable		(2,707)	(3,554)
Interest receivable		17,336	73
PROFIT BEFORE TAXATION	2	437,877	253,932
TAXATION	3	(148,408)	(66,802)
Dividends paid		(100,000)	-
RETAINED PROFIT FOR THE YEAR	4	£189,469	£187,130

The notes on pages 9 to 13 form part of these financial statements.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

There is no income or expenditure arising from discontinued operations. The distinction between continuing and discontinued operations has been made in accordance with *Financial Reporting Standard 3*.

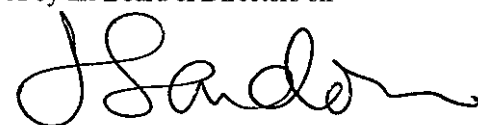
The Company has no recognised gains or losses as defined by *Financial Reporting Standard 3* other than those reported through the profit and loss account.

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

BALANCE SHEET AS AT 31 DECEMBER 1995

	Notes:	31.12.95	31.12.94
		£	£
FIXED ASSETS			
Tangible fixed assets	7	54,125	67,063
Investments		<u>100</u>	<u>0</u>
		54,225	67,063
CURRENT ASSETS			
Trade debtors		12,451	277,647
Other debtors and prepayments		176,828	95,553
Amounts owed by group companies		345,436	0
Cash at hand and in bank		<u>128,110</u>	<u>141,428</u>
		662,825	514,628
CREDITORS DUE WITHIN 1 YEAR			
Trade creditors		15,090	86,348
Other creditors	5	171,290	152,978
Accruals		94,154	79,710
Lease purchase agreements	6	<u>3,256</u>	<u>10,922</u>
		283,790	329,958
NET CURRENT ASSETS		379,035	184,670
		433,260	251,733
CREDITORS DUE OVER ONE YEAR			
Lease purchase agreements	6	<u>(2,694)</u>	<u>(10,636)</u>
		£430,566	£241,097
SHARE CAPITAL AND RESERVES			
Called up share capital	8	10,000	10,000
Revenue reserves	4	<u>420,566</u>	<u>231,097</u>
	9	£430,566	£241,097

The notes on pages 9 to 13 form part of these financial statements, which were approved by the Board of Directors on 28 October 1996.



J R Sandom - Director

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with material areas of the financial statements:

(a) Basis of accounting

The financial statements have been drawn up on a going concern basis.

The financial statements have been prepared under the historic cost convention.

(b) Turnover

Turnover is recognised at the time when invoices are raised and has been stated net of value added tax.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation provided to date.

Depreciation is provided by either the reducing balance method or the straight line method so as to write off the cost of each item over its useful life to the business. Details of rates used are given in note 6 to the financial statements.

(d) Finance Leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts have been capitalised in accordance with *Statement of Standard Accounting Practice 21* and depreciated (in the case of finance leases only) over the shorter of the lease term and their expected useful life. The total amount due under finance leases and hire purchase contracts, net of future interest not yet due, is shown as a liability. Finance charges on these contracts have been charged to profit and loss so as to make, as far as possible, a constant periodic rate of charge on the reducing amount of principal year by year.

2. PROFIT BEFORE TAXATION

The profit for the financial period is arrived at after charging the following:

	31.12.95	31.12.94
	£	£
Directors' remuneration	370,894	180,270
Directors' pension contributions	75,000	60,000
Depreciation on tangible fixed assets before	28,435	17,080
Profit on sale of fixed assets	(1,972)	-
Auditors' remuneration	2,250	1,950
Finance lease charges	2,294	2,135

continued

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

NOTES TO THE FINANCIAL STATEMENTS *continued***3. TAXATION**

The taxation charge represents a provision of 31.79% UK corporation tax on UK profits for the year (1994 25%).

4. STATEMENT OF MOVEMENT ON RESERVES

	31.12.95	31.12.94
	£	£
1 January 1995	231,097	43,967
Profit for the year	189,469	187,130
31 December 1995	<u>£420,566</u>	<u>£231,097</u>

5. OTHER CREDITORS INCLUDING TAXATION & SOCIAL SECURITY COSTS

This amount includes £168,955 (1994 £102,875) due to the taxation and social security authorities.

6. FINANCE LEASE & HIRE PURCHASE CONTRACTS

Amounts due under finance lease and hire purchase contracts comprise the following:

	31.12.95	31.12.95	31.12.94	31.12.94
	Within 1 year	Between 2 & 5 years	Within 1 year	Between 2 & 5 years
	£	£	£	£
Total amount due	3,845	2,884	13,089	11,696
Less: future interest	(589)	(190)	(2,167)	(1,060)
	<u>£3,256</u>	<u>£2,694</u>	<u>£10,922</u>	<u>£10,636</u>

continued

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

NOTES TO THE FINANCIAL STATEMENTS *continued*

7. TANGIBLE FIXED ASSETS

Depreciation rates: equipment, fixtures and fittings 25% reducing balance; motor vehicles 25% reducing balance. Tangible fixed assets are stated at cost.

	<i>Plant and equipt.</i>	<i>Motor cruiser</i>	<i>Motor vehicles</i>	<i>Total</i>
	£	£	£	£
COST:				
1 January 1995	36,440	-	60,405	96,845
Additions	54,579	22,000	40,185	116,764
Disposals: to subsidiary	(90,619)	-	(42,580)	(133,199)
Disposals: other	(400)	-	(8,260)	(8,660)
31 December 1995	-	22,000	49,750	71,750
DEPRECIATION:				
1 January 1995	13,542	-	16,240	29,782
Charge for the year	9,522	5,500	13,413	28,435
Disposals: to subsidiary	(23,064)	-	(13,696)	(36,760)
Disposals: other	-	-	(3,832)	(3,832)
31 December 1995	-	5,500	12,125	17,625
NET BOOK VALUE:				
31 December 1995	£0	£16,500	£37,625	£54,125
31 December 1994	£22,898	£0	£44,165	£67,063

Included in the cost of motor vehicles is one item (cost £12,250, accumulated depreciation £3,700) which is being financed by a lease purchase agreement (1994 cost £60,405, depreciation £16,240).

continued

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

NOTES TO THE FINANCIAL STATEMENTS *continued*

8. SHARE CAPITAL

	<u>31.12.95</u>	<u>31.12.94</u>
	<i>£1 ordinary shares</i>	<i>£1 ordinary shares</i>
Authorised	<u>10,000</u>	<u>10,000</u>
Issued and fully paid	<u>10,000</u>	<u>10,000</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>31.12.95</u>	<u>31.12.94</u>
	£	£
Profit for the financial year	189,469	187,130
Opening shareholders' funds, 1 January 1995	241,097	53,967
New shares issued	0	0
Closing shareholders' funds, 31 December 1995	<u>£430,566</u>	<u>£241,097</u>

10. CASH FLOW STATEMENT

Under the provisions of *Financial Reporting Standard 1* the Company is exempted from preparing a cash flow statement.

11. OPERATING LEASE COMMITMENTS

At the balance sheet date the Company is committed to paying £36,000 p.a. regarding a lease of its business premises. The lease expires on 24 June 2004 and provides for annual rent reviews.

continued

FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 1995

NOTES TO THE FINANCIAL STATEMENTS *continued***12. CHANGE OF COMPANY NAME**

On 1 September 1995 the Company changed its name from The Sandom Partnership Limited to L.L.S. Holdings Limited, and a new Company was formed, named The Sandom Partnership Limited, as a wholly owned subsidiary of the Company.

On that date, the trade of the Company (now L.L.S. Holdings Limited) was transferred to the new subsidiary.

13. TRANSACTIONS WITH DIRECTORS

During the year the Company purchased a motor vehicle for £25,000, from Mr J R Sandom. In the opinion of the Directors, this amount was lower than fair market value.

14. RELATED PARTY TRANSACTIONS

The Company occupies premises owned by the Directors' pension scheme under a lease, further details of which are given in note 11.

On 1 September 1995 various fixed assets were transferred from the Company to its wholly-owned subsidiary, The Sandom Partnership Limited, representing fair market value, as shown by note 7 to the financial statements.

During the year ended 31 December 1995, the Company made a management charge of £224,000 to The Sandom Partnership Limited, a wholly-owned subsidiary of the Company. Amounts due by The Sandom Partnership Limited to the Company are shown on the face of the balance sheet.

15. SMALL COMPANY DISCLOSURE EXEMPTIONS

The Company has taken advantage of special exemptions available to small companies in accordance with Schedule 8 of the Companies Act 1985 whereby certain detailed disclosure requirements of that Act can be waived.

16. GROUP ACCOUNTS

The Company is exempt from preparing group accounts by virtue of the small group criteria of the Companies Act 1985.

The Company's wholly owned subsidiary, The Sandom Partnership Limited, had aggregate shareholders funds of £27,083 at 31 December 1995, and made a profit during the four month period ending on that date of £26,983.