

SPECIAL AUDIT REPORT TO THE DIRECTORS OF MERSEYSEAL CONSTRUCTION SERVICES LTD
PURSUANT TO PARAGRAPH 8 TO THE COMPANIES ACT 1985, AS AMENDED

We have examined the abbreviated Balance Sheet and Notes on pages 2 to 4 together with the full financial statements of MERSEYSEAL CONSTRUCTION SERVICES LIMITED for the year ended 28th February, 1995.

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the Abbreviated Balance Sheet and Notes have been properly prepared from the full financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 as amended, to the exemptions conferred by part 1 of schedule 8 to that act in respect of the year ended 28th February, 1995 and the Abbreviated Balance Sheet and Notes on pages 3 to 4 have been properly prepared in accordance with that schedule.

On the date shown below, as auditors of MERSEYSEAL CONSTRUCTION SERVICES LIMITED we reported to the members on the accounts of the company prepared under section 226 of the Companies Act 1985 for the year ended 28th February, 1995 as follows:

We have audited the financial statements on pages 5 to 12. Our audit was conducted in accordance with auditing standards.

Respective responsibilities of directors and auditors

As described on page 2 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 these 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.

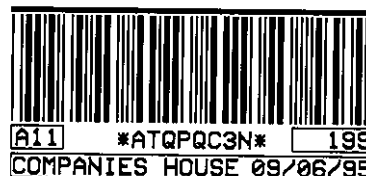
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the 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 28th February 1995, and of its results and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Howard & Company
 Howard and Company
 Chartered Accountants
 and Registered Auditor
 101 St. Georges Road
 Bolton
 BL1 2BY

6th June 1995



MERSEYSEAL CONSTRUCTION SERVICES LIMITEDBALANCE SHEET AT 28TH FEBRUARY, 1995


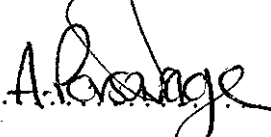
	Note	1995	1994
		£	£
FIXED ASSETS			
Tangible assets		83,988	77,936
CURRENT ASSETS			
Stocks		13,320	9,842
Debtors		166,464	178,639
Investments		152	152
Cash in hand		-	367
		<u>179,936</u>	<u>189,000</u>
CREDITORS			
Amounts falling due within one year		<u>239,921</u>	<u>250,767</u>
NET CURRENT LIABILITIES		<u>(59,985)</u>	<u>(61,767)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,003	16,169
CREDITORS			
Amounts falling due after more than one year		<u>(2,167)</u>	<u>-</u>
NET ASSETS		<u>21,836</u>	<u>16,169</u>
CAPITAL & RESERVES			
Called up share capital	2	9,900	100
Reserves		<u>11,936</u>	<u>16,069</u>
		<u>21,836</u>	<u>16,169</u>

The notes on pages 3 to 4 form part of these financial statements.

Advantage has been taken of the exemptions conferred by part 1, schedule 8 of the Companies Act 1985 as amended, on the grounds that in the Directors' opinion the company is a small company as defined because it complies with all the requirements set out in section 247 of the Companies Act 1985, as amended.

These Financial Statements were approved by the board of directors on:-

Date... 6th June 1995

Directors ()
 ()
 (.....)
 (.....)

MERSEYSEAL CONSTRUCTION SERVICES LIMITED
NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY, 1995

1 ACCOUNTING POLICIESTurnover

Turnover represents sales invoiced to third parties less allowances and returns and excludes value added tax.

Depreciation

Depreciation has been provided to write off on the reducing balance basis the cost of fixed assets over their estimated useful lives at the following rates:-

Plant & machinery	15%
Motor vehicles	25%
Fixtures & fittings	15%

Stocks

Stocks are valued at the lower of cost and net realisable value.

2 SHARE CAPITAL

	1995 £	1994 £
Authorised: Ordinary shares of £1 per share	50,000	1,000
Allotted and fully paid: Ordinary shares of £1 per share	9,900	100

3 TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<u>Cost or Valuation</u>				
At 1 March 1994	38,058	56,614	3,679	98,351
Additions	19,289	17,421	1,713	38,423
Disposals	-	(12,666)	-	(12,666)
At 28 February 1995	57,347	61,369	5,392	124,108
<u>Depreciation</u>				
At 1 March 1994	5,709	14,154	552	20,415
Charge for the year	7,746	11,994	726	20,466
Disposals	-	(761)	-	(761)
At 28 February 1995	13,455	25,387	1,278	40,120
<u>Net Book Amount</u>				
At 28 February 1995	43,892	35,982	4,114	83,988
At 1 March 1994	32,349	42,460	3,127	77,936

4 APPROVAL OF ACCOUNTS

The full accounts and these abbreviated accounts were approved by the directors on 6th June 1995.

MERSEYSEAL CONSTRUCTION SERVICES LIMITEDNOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 28TH FEBRUARY, 1995**5 INFORMATION REGARDING DIRECTORS**

Directors who served during the year, and their shareholdings were:

	Interest in £1 ordinary shares	
	at 28/02/95 and 01/03/94	
M. Jones	3,300	50
A. Parsonage	3,300	50

6 REGISTRATION

The company is registered in England, No. 2786436

The registered office of the company is:-

101 St. George's Road
Bolton
BL1 2BY