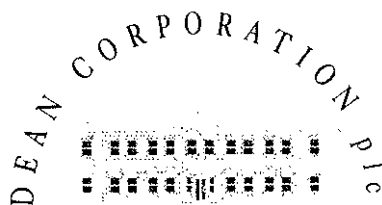


2006-07

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FINANCIAL HIGHLIGHTS

For the year ended 31 December 1997

	31 DECEMBER 1997 £	31 DECEMBER 1996 £
TURNOVER	31,654,251	14,863,763
OPERATING PROFIT	1,284,986	917,456
PROFIT BEFORE TAX	1,300,629	931,248
DIVIDENDS PER SHARE	0.7p	0.5p
EARNINGS PER SHARE	2.02p	1.66p
NET ASSETS	5,419,833	3,001,536

ANNUAL GENERAL MEETING	12 MAY 1998
FINAL ORDINARY DIVIDEND	TO BE PAID ON 22 MAY 1998 TO SHAREHOLDERS REGISTERED 14 APRIL 1998
INTERIM RESULTS 1998	ANNOUNCEMENT EXPECTED SEPTEMBER 1998
INTERIM ORDINARY DIVIDEND	PAYMENT EXPECTED DECEMBER 1998
FINAL RESULTS 1998	APRIL 1999



CHAIRMAN'S STATEMENT

I am pleased to be able to report that the year under review has seen the Group achieve new milestones in its development.

	31 December 1997 £'000	31 December 1996 £'000
Turnover	31,654	14,864
Profit Before Tax	1,301	931
Dividends Per Share	0.7p	0.5p
Earnings Per Share	2.02p	1.66p
Shareholders' Funds	5,420	3,002

The Board recommends a final dividend of 0.4p per share, which, together with the interim dividend of 0.3p per share totals 0.7p per share. If approved, the final dividend will be paid on 22 May 1998 to shareholders on the register at 14 April 1998.

The Group has continued to expand organically during the year, with earnings per share at 2.02p which is an increase on 1996 of 22%.

At the year end, the Group has cash balances of £1,705,791 and undrawn banking facilities of a further £1,000,000.

During the year, the Group raised £2.4 million cash, net of expenses, to finance suitable future acquisitions and to finance the deferred element of the consideration for the acquisition of H Page Engineering Services Limited, part of which remains payable on 30 June 1998.

The company's shares were admitted to the Official List of the London Stock Exchange on 18 November 1997.

PROPERTY SERVICES DIVISION

J C Tripp provides property maintenance and facilities management services, primarily to London Borough Councils.

The senior management of the company has been strengthened by the appointment of Mr C Dent as Managing Director and Mr G Rajendra as Commercial Manager.

The business has been developed with the opening of a new depot in Camden to service one of the recent contract awards from the City of Westminster for residential and civic buildings property maintenance. The agreement is for five years.

Other new contracts awarded are for London and Quadrant Housing Trust, Limehouse Fields Estate in East London and Mount Carmel School for the Westminster Roman Catholic Diocese Trustees.

The company continues to work with the London Boroughs of Croydon and Bromley and Broomleigh Housing Association under term contracts, the latter of which has been extended for a further year.

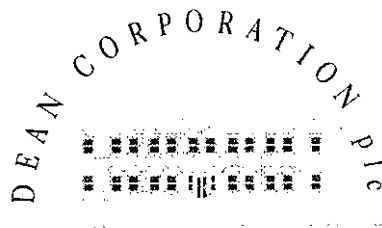
During the year J C Tripp has continued to pursue its strategy of developing a network of London branches to support major contracts.

H Page is a multi-disciplinary environmental and building services supplier which provides mechanical and electrical services such as fire protection systems, air conditioning systems and low and high voltage switch gear.

The company made its first full year contribution to the Group in 1997 and has continued to build on its impressive client portfolio which includes Glaxo Wellcome, BBC, London Underground and various London NHS Trusts.

New clients or contracts won during the year include IBM and the Lloyds TSB bank refurbishment in Cornhill, in the City of London.

Speymill Tripp has contributed its first full years profits to the Group. The themed public house and restaurant market continues to be buoyant with numerous contracts awarded by existing clients such as Allied Domecq Leisure, Scottish and Newcastle, Whitbread, Greene King and Mill House Inns and by new clients including Old Monk Pub Company, Pizza Hut, Everards Brewery and Yates's Wine Lodges.



CHAIRMAN'S STATEMENT

The senior management of the company has been further strengthened with the appointment of Mr A Brooks and Mr C Musselle, as Managing Director and Finance Director respectively.

The company intends to develop a network of branches in key locations throughout the United Kingdom to enable it to service more fully its clients with nationwide operations.

HOUSE BUILDING DIVISION

Dean Homes has continued its activities with further development contracts for social and elderly housing and also in joint ventures with M J Gleeson Plc.

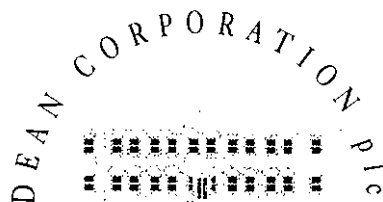
At the year end the company's own developments accounted for around one third of its activities. The company has sufficient development opportunities for the next twelve to eighteen months. Reservations continue to run at six per month in the first three months of this year. During 1997, the company developed ninety three homes, fifty four for its own account and thirty nine in partnership with others.

CURRENT TRADING

It is your directors' view that the property services sector of the construction industry continues to be strong. We recently announced that the property services businesses between them won new orders in excess of £14 million, all due for completion this current year. The number and quality of enquiries and opportunities to tender for contracts is encouraging. The housing market has proceeded at a maintainable level with sales in line with our expectations.

Your directors believe that another satisfactory year is in prospect.

Stephen Deam
Executive Chairman



D I R E C T O R S
A N D A D V I S E R S

COMPANY REGISTRATION NUMBER:

2806007

REGISTERED OFFICE:

Dean House, Sovereign Court, Ermine Business Park, Huntingdon, Cambridgeshire PE18 6WA.

DIRECTORS:

S Dean	(EXECUTIVE CHAIRMAN)
P Holmes	ACMA (FINANCE DIRECTOR)
N Saunders	FCA (NON-EXECUTIVE)
P So	ACMA (NON-EXECUTIVE)

SECRETARY:

P Speer	BA (A partner of the Company's Solicitors)
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BANKERS:

Bank of Scotland, 14 Friar Lane, Leicester LE1 5RA.

AUDITORS:

Ernst & Young, Cambridge House, 26 Tombland, Norwich NR3 1RH.

Spokes & Company, Hilden Park House, 79 Tonbridge Road, Hildenborough, Kent TN11 9BH.

SOLICITORS:

Palmer Wheeldon, Daedalus House, Station Road, Cambridge CB1 2RE

FINANCIAL ADVISER:

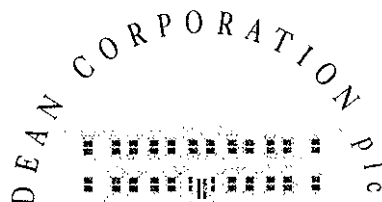
John East & Partners Ltd, Crystal Gate, 28-30 Worship Street, London EC2A 2AH.

STOCK BROKER:

Teather & Greenwood, 12-20 Camomile Street, London EC3A 7NN.

REGISTRAR:

IRG plc, Balfour House, 390-398 High Road, Ilford, Essex IG1 1NP.



REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1997.

PRINCIPAL ACTIVITY

The activity of the Group during the period was property related services which included the provision of building services, property maintenance and residential house building.

REVIEW OF THE BUSINESS

Financial highlights are given on page 2 and further details of the activities in the year are given in the Chairman's Statement on pages 3 and 4.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation was £989,504, (1996: £676,358). The directors propose to pay a final dividend of £275,617, being 0.4p per share making the aggregate dividend for the year 0.7p per share, £414,511, (1996: £231,490), and the remaining £574,993 (1996: £444,868) has been taken to reserves.

DIRECTORS

The directors who held office during the year are as follows:

S Dean

P Holmes

L Chapman (resigned 6 February 1998)

N Saunders

C Glass (resigned 17 October 1997)

P So (appointed 17 October 1997)

A Collins (appointed 17 October 1997)
(resigned 10 March 1998).

The directors' interests in the share capital of the Company are shown in the Report of the Remuneration Committee on page 9.

FIXED ASSETS

An analysis of changes in fixed assets is set out in notes 9 to 11.

CHANGES IN SHARE CAPITAL

Details of changes in the Company's share capital in the year are given in note 18.

MAJOR INTERESTS IN SHARES

At 31st December 1997, Mr S Dean held a beneficial interest in 25,880,000 ordinary shares at 1/2p (37.6% of the ordinary share capital) in the company.

Accordingly, Mr S Dean is a controlling shareholder as defined under the listing rules of the London Stock Exchange.

At the same date, Future Match Limited held 14,000,000 ordinary shares of 1/2p (20.3% of the ordinary share capital) in the company.

No other person has notified an interest in the ordinary shares of the company required to be disclosed to the company in accordance with sections 198 to 208 of the Companies Act 1985.

CREDITOR PAYMENT POLICY

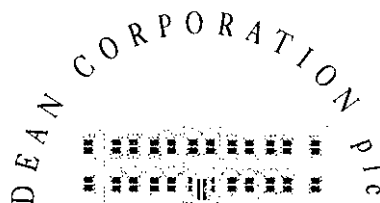
Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. Creditor days for the company have been calculated at 38 days.

SPECIAL BUSINESS AT THE ANNUAL GENERAL MEETING

At the Annual General Meeting on 12th May 1998 resolutions 1 to 7 are termed ordinary business, while resolution 8 will be special business. The special business covers the directors' authority to allot shares and the partial disapplication of pre-emption rights as explained below. The resolutions are set out in the Notice of Annual General Meeting on pages 31 and 32.

The passing of resolution 8, a special resolution, will permit the directors, until the conclusion of the Annual General Meeting of the company to be held in 1999, to make issues of equity securities for cash either by way of rights issue or in any other way up to a total nominal amount of £114,840, provided the shares issued other than by way of rights issue be limited to shares with a nominal value of £17,226 being the equivalent of 5% of the equity share capital in issue on the date of the notice of Annual General Meeting. The power will, if granted, replace the similar power conferred on the directors on 14th November 1997 and which lapses on 12th May 1998.

In the opinion of the directors, the passing of these resolutions is in the best interests of the shareholders.



REPORT OF THE DIRECTORS

CORPORATE GOVERNANCE

The Board of Directors

The Board, which currently comprises two executive and two non-executive directors, meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls.

Board Committees

The Board has delegated specific authority to the Remuneration Committee and the Audit Committee. Both non-executive directors are currently members of the Remuneration Committee and the Audit Committee. Both committees are chaired by Mr N Saunders.

The Remuneration Committee is responsible for determining the Executive Directors' remuneration and benefits. The committee also approves grants of options under the Executive Share Option Scheme. The Report of the Remuneration Committee for the year ended 31st December 1997 is on page 9.

The Audit Committee meets at least twice a year, and considers the appointment and fees of the external auditors and discusses the scope of the audit and its findings. The committee is also responsible for monitoring compliance with accounting and legal requirements and for reviewing the annual and interim financial statements prior to their submission for approval by the Board.

Internal controls

The Directors acknowledge their responsibility for the group's system of internal financial control and place importance on maintaining a strong environment.

There is a clearly defined organisational structure ensuring an appropriate division of responsibility and the group prepares a comprehensive annual budget that is approved by the Board.

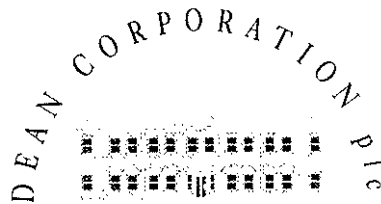
Monthly results are reported against the budget and variances are closely monitored. Detailed control procedures are in place throughout the group and compliance is monitored by the finance department and the Directors.

The Directors recognise, however, that the system of internal financial control can only provide reasonable, not absolute, assurance against material misstatement or loss.

Statement of Compliance

The Directors have reviewed the compliance of the group with the Code of Best Practice published by the Cadbury Committee on the Financial Aspects of Corporate Governance and with the recommendations of the Greenbury Study Group on Directors' Remuneration published in July 1995. The Board considers that the group complies with the Code of Best Practice and the recommendations of the Greenbury Study Group, in so far as is appropriate for a group of this size.

The company's auditors Ernst & Young and Spokes & Co. have confirmed that, in their opinion: with respect to the directors' statements on internal financial control on page 7, and going concern on page 8, the directors have provided the disclosures required by the Listing Rules of the London Stock Exchange and such statements are consistent with the information of which they are aware from their audit work on the accounts and appropriately reflect the company's compliance with the other paragraphs of the Cadbury Code specified for their review by Listing Rule 12.43(i). They were not required to perform the additional work necessary to, and did not, express any opinion on the effectiveness of either the group's system of internal financial control or the company's corporate governance procedures nor the ability of the group to continue in operational existence.



REPORT OF THE DIRECTORS

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 Group and of the profit and loss of the Group for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors' confirm that they have complied with the above requirements in preparing these financial statements.

GOING CONCERN

After making enquiries, the directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern basis in preparing the accounts.

AUDITORS

A resolution for the re-appointment of Ernst & Young and Spokes & Company as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

P Holmes

Director

17th April 1998



REPORT OF THE REMUNERATION COMMITTEE

The remuneration committee is responsible for determining and reviewing the terms of appointment and the remuneration of executive directors. The committee also reviews the decisions of the executive chairman on the remuneration of the other senior executives to ensure that reasonable and consistent criteria are applied to the management and review of all senior executive benefits packages. The committee takes external advice, as appropriate, on remuneration issues and takes cognizance of major surveys covering all aspects of the pay and benefits of directors and senior executives in many companies. The committee's composition, responsibilities and operation comply with section A of the best practice provisions annexed to the Listing Rules of the London Stock Exchange. In implementing its policy, the committee has given full consideration to the provisions of section B of that annexe.

The committee aims to provide base salaries and benefits which are competitive in the relevant external market and which take account of company and individual performance thus enhancing the Group's ability to recruit and retain individuals of the calibre required for the continuing business success. It is the policy of the committee to provide financial incentives and reward superior performance over the medium and long term by creating opportunities to enable senior executives to earn cash bonuses and share-related payments which result from achievement of stretching performance targets.

The remuneration committee consists of Mr N Saunders and Mr P So, both of whom are non-executive directors of the Company.

The executive directors' service contracts, for a maximum 3 year term, provide notice periods of six months duration, which is considered appropriate to the current needs of the Company. No other director has a service contract.

For the year ended 31 December 1997

DIRECTORS' REMUNERATION

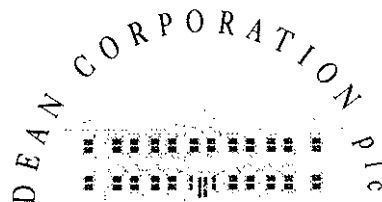
Executives	Fees	Salary	Benefits	Total		Pensions Contribution	
				1997	1996	1997	1996
STEPHEN DEAN (EXECUTIVE CHAIRMAN)	-	96,000	7,174	103,174	74,703	60,000	40,000
PETER HOLMES	-	34,998	4,423	39,421	34,145	4,000	3,600
LYNDON CHAPMAN (resigned 6 February 1998)	-	29,500	4,396	33,896	44,098	3,750	4,200
Non-Executives							
NORMAN SAUNDERS	7,560	6,250	-	13,810	6,750	-	-
COLIN GLASS (resigned 17 October 1997)	4,250	-	-	4,250	3,000	-	-
PETER WING HUNG SO (appointed 17 October 1997)	2,500	-	-	2,500	-	-	-
ADRIAN JOHN REGINALD COLLINS (appointed 17 October 1997) (resigned 10 March 1998)	2,500	-	-	2,500	-	-	-
TOTAL							
1997	16,810	166,748	15,993	199,551	-	67,750	-
1996	9,750	71,167	81,779	-	162,696	-	47,800

Compensation for loss of office of £30,000 has been paid to Lyndon Chapman.

The value of the benefits received during the year relates principally to the provision of company cars, Life Assurance and medical expenses cover.

Pensions

The executive directors each have money purchase personal pension arrangements. These arrangements are continually reviewed to ensure that they are appropriate.



REPORT OF THE REMUNERATION COMMITTEE

DIRECTORS' SHAREHOLDINGS

The directors' interests in the ordinary shares of the Company at the dates stated were as follows:-

	1997 Beneficial	1996 Beneficial	1997 Options	1996 Options
STEPHEN DEAN	25,880,000	24,240,013	-	-
PETER HOLMES	350,000	350,000	1,150,000	150,000
LYNDON CHAPMAN	250,000	250,000	250,000	250,000
NORMAN SAUNDERS	30,000	30,000	-	-

Between 1 January 1998 and 17 April 1998 Stephen Dean purchased a further 680,000 shares.

On the 3 April 1998 Stephen Dean and Peter Holmes sold 270,000 shares and 40,000 shares respectively.

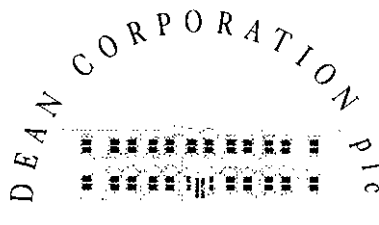
At 31 December 1997 options were outstanding under the terms of the share option schemes to subscribe for ordinary shares as follows:

	At 31.12.96	Number Granted	Number Exercised	At 31.12.97	Exercise Price	Date from which Exercisable	Expiry Date
STEPHEN DEAN	-	-	-	-	-	-	-
PETER HOLMES	150,000	-	-	150,000	10p	04.10.98	04.10.05
PETER HOLMES	-	1,000,000	-	1,000,000	13.5p	17.10.00	16.10.04
LYNDON CHAPMAN	250,000	-	-	250,000	10p	04.10.98	04.10.05

ON BEHALF OF THE REMUNERATION COMMITTEE

N. Saunders

17th April 1998



REPORT OF THE AUDITORS
TO THE MEMBERS OF DEAN CORPORATION PLC

We have audited the financial statements on pages 12 to 30 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 16.

RESPECTIVE RESPONSIBILITIES OF
DIRECTORS AND AUDITORS

As described on page 7 the 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 circumstances, consistently applied and adequately disclosed.

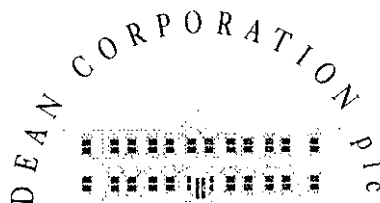
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 and of the Group at 31 December 1997 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
NORWICH
17th APRIL 1998

Spokes & Company
SPOKES & COMPANY
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
HILDENBOROUGH
17th APRIL 1998



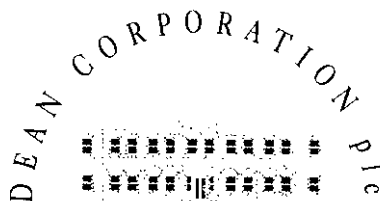
CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1997

NOTES

	£	1997 £	1996 £
1 TURNOVER			
EXISTING OPERATIONS	30,039,278		13,915,261
DISCONTINUED OPERATIONS	1,614,973		948,502
		31,654,251	14,863,763
COST OF SALES		(26,857,002)	(12,091,991)
GROSS PROFIT		4,797,249	2,771,772
ADMINISTRATIVE EXPENSES		(3,439,844)	(1,878,774)
OTHER OPERATING INCOME		21,261	24,458
3 EXCEPTIONAL EXPENSES		(93,680)	-
1 OPERATING PROFIT			
EXISTING OPERATIONS	1,383,297		882,301
DISCONTINUED OPERATIONS	(98,311)		35,155
		1,284,986	917,456
CONTINUING OPERATIONS: PROFIT/(LOSS) ON DISPOSAL OF TANGIBLE FIXED ASSETS		91,203	(22,594)
DISCONTINUED OPERATIONS: PROFIT ON SALE OF OPERATIONS		57,962	-
		1,434,151	894,862
INTEREST RECEIVABLE		88,520	37,000
4 INTEREST PAYABLE		(222,042)	(90,242)
INCOME FROM PARTICIPATING INTEREST		-	89,628
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,300,629	931,248
5 TAXATION		(311,125)	(254,890)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		989,504	676,358
7 DIVIDENDS		(414,511)	(231,490)
19 RETAINED PROFIT FOR THE YEAR		574,993	444,868
8 EARNINGS PER SHARE		2.02p	1.66p

There were no recognised gains or losses other than the profit for the year.

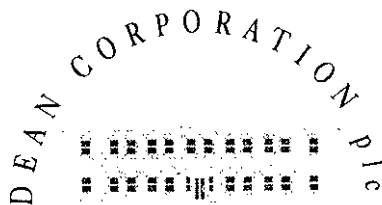


CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1997

NOTES	1997 £	1996 £
FIXED ASSETS		
9 INTANGIBLE ASSETS	-	30,000
10 TANGIBLE ASSETS	608,318	897,995
11 INVESTMENTS	372,961	24,358
	981,279	952,353
CURRENT ASSETS		
12 STOCKS AND WORK IN PROGRESS	2,262,627	2,245,496
13 DEBTORS	7,703,834	4,426,248
CASH AT BANK AND IN HAND	2,785,625	1,790,455
	12,752,086	8,462,199
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(7,317,137)	(5,953,298)
NET CURRENT ASSETS	5,434,949	2,508,901
TOTAL ASSETS LESS CURRENT LIABILITIES	6,416,228	3,461,254
15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(994,169)	(457,492)
17 PROVISION FOR LIABILITIES AND CHARGES	(2,226)	(2,226)
	5,419,833	3,001,536
CAPITAL AND RESERVES		
18 CALLED UP SHARE CAPITAL	344,521	231,490
19 SHARE PREMIUM ACCOUNT	3,823,824	1,440,684
19 CAPITAL RESERVE	12,022	664,889
19 PROFIT AND LOSS ACCOUNT	1,071,596	496,603
20 EQUITY SHAREHOLDERS' FUNDS	5,251,963	2,833,666
MINORITY INTERESTS (Non Equity)	167,870	167,870
	5,419,833	3,001,536

The financial statements were approved by the Board of Directors on 17th April 1998.

S Dean - Director

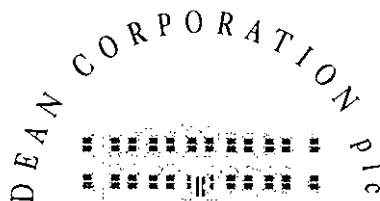


COMPANY BALANCE SHEET AT 31 DECEMBER 1997

NOTES	1997 £	1996 £
FIXED ASSETS		
10 TANGIBLE ASSETS	172,037	378,434
11 INVESTMENTS	2,521,986	1,352,216
	2,694,023	1,730,650
CURRENT ASSETS		
13 DEBTORS	3,502,281	1,953,740
CASH AT BANK AND IN HAND	1,764,482	689,807
	5,266,763	2,643,547
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(1,012,659)	(525,643)
NET CURRENT ASSETS	4,254,104	2,117,904
TOTAL ASSETS LESS CURRENT LIABILITIES	6,948,127	3,848,554
15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(682,970)	(146,666)
17 PROVISION FOR LIABILITIES AND CHARGES	(2,226)	(2,226)
	6,262,931	3,699,662
CAPITAL AND RESERVES		
18 CALLED UP SHARE CAPITAL	344,521	231,490
19 SHARE PREMIUM ACCOUNT	3,823,824	1,440,684
19 CAPITAL RESERVE	1,992,025	1,992,025
19 PROFIT AND LOSS ACCOUNT	102,561	35,463
EQUITY SHAREHOLDERS' FUNDS	6,262,931	3,699,662

The financial statements were approved by the Board of Directors on 17th April 1998

S Dean - Director

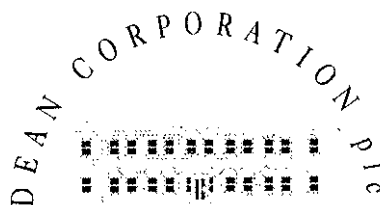


CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 1997

NOTES

	1997	1996
	£	£
21 NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(1,844,343)	379,531
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
INTEREST RECEIVED	79,520	37,000
INTEREST PAID	(218,229)	(90,242)
NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(138,709)	(53,242)
TAXATION		
UK CORPORATION TAX PAID	(142,115)	(37,697)
CAPITAL EXPENDITURE & FINANCIAL INVESTMENT		
SALE OF TANGIBLE FIXED ASSETS	488,511	56,932
PURCHASE OF TANGIBLE FIXED ASSETS	(340,284)	(517,242)
(PURCHASE) OF INTANGIBLE FIXED ASSETS	-	(30,000)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	148,227	(490,310)
ACQUISITIONS & DISPOSALS		
22 PURCHASE OF SUBSIDIARY UNDERTAKING	(381,181)	(396,403)
23 DISPOSAL OF SUBSIDIARY UNDERTAKING	179,286	99,387
(PURCHASE)/SALE OF INVESTMENT IN OTHER ENTITIES	(351,596)	74,144
NET CASH (OUTFLOW) FROM ACQUISITIONS AND DISPOSALS	(553,491)	(222,872)
EQUITY DIVIDENDS PAID	(266,669)	(165,112)
NET CASH (OUTFLOW) BEFORE FINANCING	(2,797,100)	(589,702)
FINANCING		
ISSUE OF SHARES NET OF COSTS	2,496,171	1,762,633
ADDITIONS TO BORROWING	657,876	84,851
CAPITAL ELEMENT OF FINANCE LEASES	158,084	20,657
NET CASH INFLOW FROM FINANCING	3,312,131	1,868,141
25 INCREASE IN CASH	515,031	1,278,439



P R I N C I P A L A C C O U N T I N G P O L I C I E S

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies of the Group are set out below.

BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the Company and of its subsidiary undertakings (see note 11) drawn up to 31 December 1997. The results of subsidiary undertakings acquired or disposed of during the year have been included from the date of acquisition or up until the date of disposal. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is written off to reserves on acquisition.

TURNOVER

Turnover represents the value of work done for customers during the year excluding VAT.

Profit is recognised on work in progress contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is determined on a purchase cost basis. Work in progress includes materials and labour costs and an appropriate proportion of overheads incurred on uncompleted contracts at the year end. Profit is recognised on long term contracts, if the final outcome

can be assessed with reasonable certainty by including in the profit and loss account turnover and related costs as contract activity progresses.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments made under them are charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

DEFERRED TAXATION

Deferred taxation is provided using the liability method on all timing differences, to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

PENSIONS

The Group operates a defined contribution pension scheme. Contributions paid during the year are charged to the Profit & Loss Account.

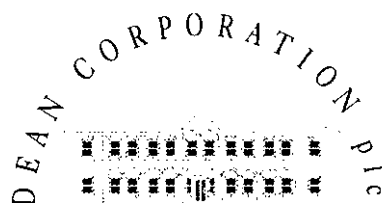
FIXED ASSET INVESTMENTS

Fixed Asset Investments are investments in the shares of undertakings which are held on a long-term basis for the purpose of securing a contribution to the Group's business, other than subsidiary or associated undertakings. These other participating interests are stated at cost less any permanent diminution in value.

DEPRECIATION

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold Buildings	2% per annum on the straight line basis
Leasehold improvements	25% per annum on the straight line basis
Motor vehicles	20-25% per annum on the straight line basis
Fixtures and fittings	15-25% per annum on the straight line basis
Office equipment	25% per annum on the straight line basis
Plant and machinery	15% per annum on the straight line basis



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

1 TURNOVER AND OPERATING PROFIT

Turnover is attributable to one continuing activity being property-related activities within the UK.

Analysis for existing and discontinued operations.

	1997		1996	
	EXISTING OPERATIONS	DISCONTINUED OPERATIONS	EXISTING OPERATIONS	DISCONTINUED OPERATIONS
	£	£	£	£
COST OF SALES	25,437,891	1,419,111	11,425,062	666,929
GROSS PROFIT	4,601,387	195,862	2,490,199	281,573
ADMINISTRATIVE EXPENSES	3,145,671	294,173	1,632,356	246,418
OTHER OPERATING INCOME	21,261	–	24,458	–
EXCEPTIONAL EXPENSES	93,680	–	–	–

Operating profit is stated after charging/(crediting) the following:

	1997	1996
	£	£
DEPRECIATION	119,704	87,805
RENT RECEIVABLE	(16,072)	(21,458)
AUDITORS' REMUNERATION – AUDIT SERVICES	45,000	35,000
– OTHER SERVICES	8,965	14,496
OPERATING LEASE RENTALS	267,382	228,907

In addition the Auditors were paid £103,780 in respect of the admission of the company's shares to the official list of the London Stock Exchange.

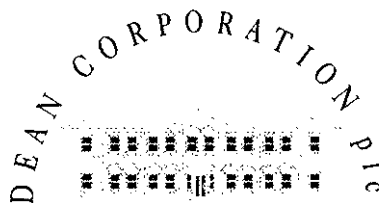
These fees have been included in the issue costs taken directly to the Share Premium Account.

2 EMPLOYEES

	1997	1996
	£	£
<i>Staff costs (including Directors) during the year were as follows:</i>		
WAGES AND SALARIES	2,995,174	1,570,552
SOCIAL SECURITY COSTS	289,188	149,727
OTHER PENSION COSTS	104,146	83,140
	3,388,508	1,803,419

The average weekly number of employees of the Group during the year was as follows:

	Number	Number
ADMINISTRATION	45	29
OPERATIONS	99	95
	144	124



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

	1997	1996
	£	£
3 EXCEPTIONAL EXPENSES		
ISSUE COSTS ADDITIONAL TO THOSE CHARGED DIRECTLY TO THE SHARE PREMIUM ACCOUNT	93,680	–

	1997	1996
	£	£
4 INTEREST PAYABLE		
HIRE PURCHASE AND FINANCE LEASES	14,808	8,777
BANK OVERDRAFTS REPAYABLE OTHERWISE THAN BY INSTALMENTS WITHIN 5 YEARS	189,834	62,301
BANK OVERDRAFTS REPAYABLE OTHERWISE THAN BY INSTALMENTS AFTER 5 YEARS	17,400	19,164
	<u>222,042</u>	<u>90,242</u>

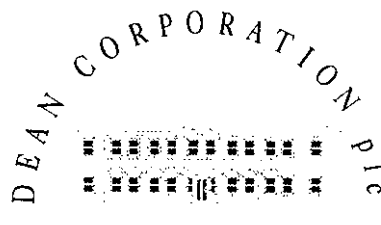
	1997	1996
	£	£
5 TAXATION		
CORPORATION TAX CHARGE AT 33%	311,125	260,728
ADJUSTMENT TO PRIOR PERIOD	–	(7,811)
DEFERRED TAX	–	1,973
	<u>311,125</u>	<u>254,890</u>

6 PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY
The profit dealt with in the accounts of the parent company was £67,098 (1996: loss £10,169)

	1997	1996
	£	£
7 DIVIDENDS		
PROPOSED EQUITY DIVIDEND AT 0.4p PER SHARE (1996 0.3p)	275,617	138,894
INTERIM EQUITY DIVIDEND AT 0.3p PER SHARE (1996 0.2p)	138,894	92,596
	<u>414,511</u>	<u>231,490</u>

8 EARNINGS PER SHARE

The calculation of earnings per share is based on the profit after taxation for the financial year and on a weighted average number of shares in issue during the year of 49,023,250 Ordinary Shares of 1/2p. (1996 weighted average 40,708,950).



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

9 INTANGIBLE FIXED ASSETS

	1997	1996
	Purchased Goodwill	Purchased Goodwill
	£	£
SUBSIDIARY UNDERTAKING SOLD DURING THE YEAR	–	30,000

10 TANGIBLE FIXED ASSETS

The Group						
	Freehold land and buildings	Leasehold improve- ments	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£	£	£
COST						
AT 31 DECEMBER 1996	534,090	34,629	121,957	185,399	505,480	1,381,555
ADDITIONS	6,269	105,961	12,573	133,071	82,410	340,284
DISPOSAL OF SUBSIDIARY UNDERTAKING	–	(42,726)	(96,366)	(7,313)	(9,628)	(156,033)
DISPOSALS	(334,090)	–	(2,500)	(111,970)	(15,776)	(464,336)
AT 31 DECEMBER 1997	206,269	97,864	35,664	199,187	562,486	1,101,470
DEPRECIATION						
AT 31 DECEMBER 1996	3,392	10,552	40,197	103,826	325,593	483,560
PROVIDED IN THE YEAR	2,063	12,258	9,705	32,194	63,484	119,704
DISPOSAL OF SUBSIDIARY UNDERTAKING	–	(15,500)	(20,292)	(982)	(6,310)	(43,084)
ELIMINATED ON DISPOSAL	(1,392)	–	(244)	(60,722)	(4,670)	(67,028)
AT 31 DECEMBER 1997	4,063	7,310	29,366	74,316	378,097	493,152
NET BOOK VALUE						
AT 31 DECEMBER 1997	202,206	90,554	6,298	124,871	184,389	608,318
AT 31 DECEMBER 1996	530,698	24,077	81,760	81,573	179,887	897,995

The figures above include assets held under finance leases as follows:

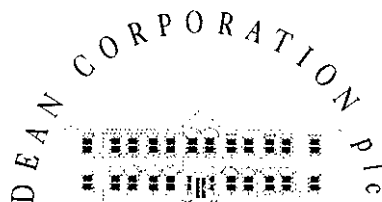
NET BOOK VALUE AT 31 DECEMBER 1997	–	–	–	106,600	–	106,600
NET BOOK VALUE AT 31 DECEMBER 1996	–	–	69,375	11,235	–	80,610
DEPRECIATION PROVIDED IN THE YEAR	–	–	–	19,773	–	19,773

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

10 TANGIBLE FIXED ASSETS (Continued)

The Company	FREEHOLD LAND AND BUILDINGS £	LEASEHOLD IMPROVEMENTS £	MOTOR VEHICLES £	FIXTURES AND FITTINGS £	TOTAL £
COST					
AT 31 DECEMBER 1996	334,090	–	–	53,876	387,966
ADDITIONS	–	97,864	52,505	20,016	170,385
DISPOSALS	(334,090)	–	–	(11,396)	(345,486)
AT 31 DECEMBER 1997	–	97,864	52,505	62,496	212,865
DEPRECIATION					
AT 31 DECEMBER 1996	1,392	–	–	8,140	9,532
CHARGE FOR THE YEAR	–	7,310	13,126	16,057	36,493
ELIMINATED ON DISPOSAL	(1,392)	–	–	(3,805)	(5,197)
AT 31 DECEMBER 1997	–	7,310	13,126	20,392	40,828
NET BOOK VALUE					
AT 31 DECEMBER 1997	–	90,554	39,379	42,104	172,037
AT 31 DECEMBER 1996	332,698	–	–	45,736	378,434
The figures above include assets held under finance leases as follows:-					
NET BOOK VALUE AT 31 DECEMBER 1997	–	–	39,379	–	39,379
NET BOOK VALUE AT 31 DECEMBER 1996	–	–	–	–	–
DEPRECIATION PROVIDED IN THE YEAR	–	–	13,126	–	13,126



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

11 FIXED ASSET INVESTMENTS

	THE GROUP		THE COMPANY	
	1997 £	1996 £	1997 £	1996 £
INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (a)	-	-	2,149,025	1,327,858
LISTED INVESTMENTS AT COST (b)	372,961	24,358	372,961	24,358
	<u>372,961</u>	<u>24,358</u>	<u>2,521,986</u>	<u>1,352,216</u>

(a) At 31 December 1997 the Company held the following interests in subsidiary undertakings.

NAME	COUNTRY OF REGISTRATION	CLASS OF SHARE CAPITAL HELD	PROPORTION HELD	NATURE OF BUSINESS
DEAN HOMES LTD	ENGLAND AND WALES	ORDINARY	100%	HOUSE BUILDING
J C TRIPP AND SON LTD	ENGLAND AND WALES	ORDINARY	100%	PROPERTY MAINTENANCE
SPEYMILL TRIPP LTD	ENGLAND AND WALES	ORDINARY	100%	REFURBISHMENT CONTRACTORS
H. PAGE ENGINEERING SERVICES LTD	ENGLAND AND WALES	ORDINARY PREFERENCE	100% 55%	BUILDING SERVICES

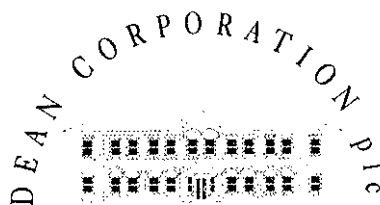
(b) At 31 December 1997 the Company held an interest in 1,840,362 representing 23.1% of the Ordinary Share Capital of Superframes Group Plc a company registered in England and Wales.

The Listed Investments had a market value at 31 December 1997 of £349,668 (1996: £27,665).

The interest in Superframes Group Plc has not been accounted for as an associated undertaking since the Company did not participate in the direction of its investment during the year, had no Board representation and did not exercise significant influence.

The last available Audited Accounts for Superframes Group Plc are those to the year to 31 December 1996. At 31 December 1996 the Company had Capital and Reserves of £712,815. The Group loss before taxation for the year ended 31 December 1996 was £136,953.

The unaudited group profits before taxation for the 6 months ended the 30th June 1997 was £25,171.



NOTES TO THE FINANCIAL STATEMENTS

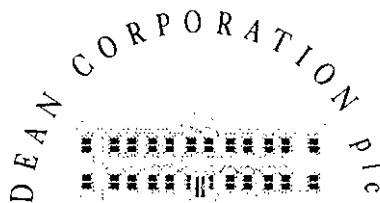
For the year ended 31 December 1997

	THE GROUP		THE COMPANY	
	1997 £	1996 £	1997 £	1996 £
12 STOCKS AND WORK IN PROGRESS				
MATERIALS	78,317	142,900	-	-
WORK IN PROGRESS	1,281,618	869,634	-	-
FINISHED PROPERTIES	902,692	1,232,962	-	-
	<u>2,262,627</u>	<u>2,245,496</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

	THE GROUP		THE COMPANY	
	1997 £	1996 £	1997 £	1996 £
13 DEBTORS				
TRADE DEBTORS	3,967,123	2,456,414	16,213	10,997
AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS	-	-	2,454,092	1,146,107
RECOVERABLE ADVANCED CORPORATION TAX	126,777	34,723	170,203	34,723
AMOUNTS RECOVERABLE ON CONTRACTS	2,989,363	1,563,482	-	-
OTHER DEBTORS	344,871	186,276	203,770	92,591
DIVIDEND RECEIVABLE	-	-	600,000	650,000
PREPAYMENTS AND ACCRUED INCOME	275,700	185,353	58,003	19,322
	<u>7,703,834</u>	<u>4,426,248</u>	<u>3,502,281</u>	<u>1,953,740</u>

Included within trade debtors of the Group is an amount of £160,000 (1996: £Nil) that is due after more than one year. In addition, other debtors of both the Group and the Company include an amount of £82,400 (1996: £Nil) that is due after more than one year.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

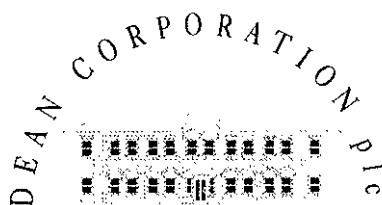
	THE GROUP		THE COMPANY	
	1997 £	1996 £	1997 £	1996 £
BANK OVERDRAFT	1,079,834	599,695	—	—
OTHER LOANS (NOTE 16)	203,500	43,500	200,000	40,000
TRADE CREDITORS	2,801,169	3,242,072	36,703	51,067
AMOUNTS OWED TO SUBSIDIARY UNDERTAKINGS	—	—	15,221	119,783
CORPORATION TAX	554,257	293,193	68,904	34,723
SOCIAL SECURITY AND OTHER TAXES	528,227	777,446	29,226	15,137
PROPOSED DIVIDENDS	286,736	138,894	286,736	138,894
OTHER CREDITORS	3,504	5,706	—	—
ACCRUALS	1,754,912	810,827	367,241	126,039
AMOUNTS DUE UNDER FINANCE LEASES (NOTE 16)	104,998	41,965	8,628	—
	<u>7,317,137</u>	<u>5,953,298</u>	<u>1,012,659</u>	<u>525,643</u>

The bank overdrafts and loans are secured by a fixed and floating charge over the assets of the Group.

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	THE GROUP		THE COMPANY	
	1997 £	1996 £	1997 £	1996 £
BANK LOANS AND MORTGAGES (NOTE 16)	898,925	401,049	650,000	146,666
AMOUNTS DUE UNDER FINANCE LEASES (NOTE 16)	95,244	56,443	32,970	—
	<u>994,169</u>	<u>457,492</u>	<u>682,970</u>	<u>146,666</u>

The mortgages are secured on the freehold properties of the group.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

16 BORROWINGS

Borrowings are repayable as follows

	THE GROUP		THE COMPANY	
	1997	1996	1997	1996
	£	£	£	£
WITHIN ONE YEAR				
BANK AND OTHER BORROWINGS	1,283,334	643,195	200,000	40,000
FINANCE LEASES	104,998	41,965	8,628	—
AFTER ONE AND WITHIN TWO YEARS				
BANK AND OTHER BORROWINGS	272,687	61,062	200,000	40,000
FINANCE LEASES	47,049	18,943	8,628	—
AFTER TWO AND WITHIN FIVE YEARS				
BANK AND OTHER BORROWINGS	532,347	171,051	450,000	106,666
FINANCE LEASES	48,195	37,500	24,342	—
AFTER FIVE YEARS				
BANK AND OTHER BORROWINGS	93,891	168,936	—	—
FINANCE LEASES	—	—	—	—
	2,382,501	1,142,652	891,598	186,666
BORROWINGS REPAYABLE AFTER FIVE YEARS COMPRISE:				
REPAYABLE BY INSTALMENTS				
BANK LOANS AND OTHER BORROWINGS	93,891	168,936	—	—

The total value of borrowings repayable by instalments any part of which falls due after five years is as follows and relate to a Capital and Interest repayment mortgage with the Alliance & Leicester Building Society due for repayment in 2015. The interest rate changeable is 1.25% above the base rate.

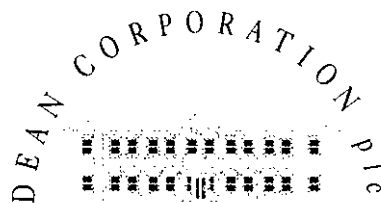
BANK LOANS AND OTHER BORROWINGS	180,578	186,036	—	—
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17 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided for in the financial statements is set out below:

	THE GROUP		THE COMPANY	
	1997	1996	1997	1996
	£	£	£	£
ACCELERATED CAPITAL ALLOWANCES	2,226	2,226	2,226	2,226

There are no unprovided deferred taxation liabilities.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

		THE COMPANY	
		1997	1996
		£	£
18	SHARE CAPITAL		
	AUTHORISED:		
	100,000,000 ORDINARY SHARES OF 1/2 PENCE (31 DECEMBER 1996:		
	60,000,000 ORDINARY SHARES OF 1/2 PENCE EACH)	500,000	300,000
	ALLOTTED CALLED UP AND FULLY PAID:		
	68,904,293 ORDINARY SHARES OF 1/2 PENCE EACH (31 DECEMBER 1996:		
	46,298,123 ORDINARY SHARES OF 1/2 PENCE EACH)	344,521	231,490
		AGGREGATE NOMINAL VALUE £	CONSIDERATION £
	ALLOTMENTS DURING THE YEAR		
	ISSUE OF 22,606,170 1/2 PENCE ORDINARY SHARES FOR CASH	113,031	3,051,833

CONTINGENT RIGHTS TO THE ALLOTMENT OF SHARES

1. On 4 October 1995, the Company issued options to subscribe for 1/2p ordinary shares at a subscription price of 10p per share to the following directors:

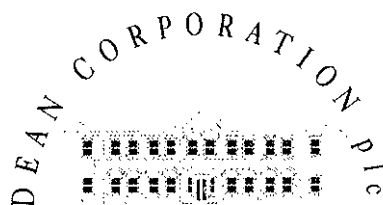
	NUMBER
Peter Holmes	150,000
Lyndon Chapman	250,000

These options are exercisable at any time between 4 October 1998 to 4 October 2005 and all remained unexercised at the year end.

2. On 17th October 1997 the Company issued options to subscribe for 1,250,000 1/2p ordinary shares at a subscription price of 13 1/2p per share. These options are exercisable at any time between 17 October 2000 and 16 October 2004. All remained unexercised at the year end.

1,000,000 of these options were issued to Mr P Holmes.

A further 250,000 share options were granted on 7th April 1998.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

19 SHARE PREMIUM ACCOUNT AND RESERVES

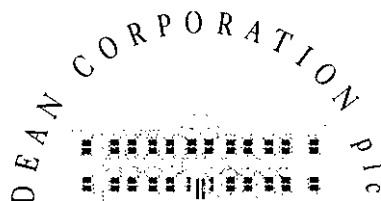
NOTES	THE GROUP			THE COMPANY		
	Share premium account	Capital reserve	Profit and loss account	Share premium account	Capital reserve	Profit and loss account
	£	£	£	£	£	£
AT 31 DECEMBER 1996	1,440,684	664,889	496,603	1,440,684	1,992,025	35,463
(A) PREMIUM ON ALLOTMENTS DURING PERIOD	2,938,802	—	—	2,938,802	—	—
ISSUE COSTS	(555,662)	—	—	(555,662)	—	—
(B) GOODWILL	—	(652,867)	—	—	—	—
RETAINED PROFIT FOR THE YEAR	—	—	574,993	—	—	67,098
AT 31 DECEMBER 1997	3,823,824	12,022	1,071,596	3,823,824	1,992,025	102,561

(A) Premium on Share Issue. (see note 18).

(B) Includes Goodwill on deferred consideration paid in respect of H. Page Engineering Services Ltd.

The Capital Reserve is a non-distributable reserve and consists of the following.

	£
INITIAL TRANSFER FROM SHARE PREMIUM (NET OF COSTS)	1,992,025
GOODWILL WRITTEN OFF IN RESPECT OF THE FOLLOWING ACQUISITIONS:-	
SPEYMILL TRIPP LIMITED	(266,991)
J C TRIPP AND SON LIMITED	(549,848)
H PAGE ENGINEERING SERVICES LIMITED	(1,131,664)
OTHER ACQUISITIONS	(31,500)
	12,022



NOTES TO THE FINANCIAL STATEMENTS

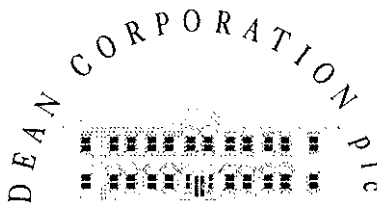
For the year ended 31 December 1997

	1997 £	1996 £
20 RECONCILIATION OF SHAREHOLDERS' FUNDS		
PROFIT FOR THE YEAR	574,993	444,868
NET MOVEMENT ON SHARE ISSUES	2,496,171	1,762,633
GOODWILL ON ACQUISITIONS	(652,867)	(777,288)
GOODWILL ON DISPOSALS	—	63,941
NET MOVEMENT IN SHAREHOLDERS' FUNDS	2,418,297	1,494,154
OPENING SHAREHOLDERS' FUNDS	2,833,666	1,339,512
CLOSING SHAREHOLDERS' FUNDS (EQUITY)	5,251,963	2,833,666

	1997 £	1996 £
21 NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		
OPERATING PROFIT	1,284,986	917,456
DEPRECIATION	119,704	87,805
(INCREASE)/DECREASE IN STOCK	(68,252)	550,977
(INCREASE) IN DEBTORS	(3,716,546)	(2,192,967)
INCREASE IN CREDITORS	532,772	1,016,260
LOSS ON DISPOSAL OF INVESTMENT	2,993	—
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(1,844,343)	379,531

22 ACQUISITION OF H. PAGE ENGINEERING SERVICES

As disclosed in the 1996 financial statements, the consideration payable on the acquisition of this company is contingent upon post acquisition profits. Consideration of £381,181 was paid in 1997. The maximum additional consideration payable is £330,186 of which £90,000 is contingent upon future profits. £240,186 of the consideration has now been provided in the accounts as it represents the non-contingent consideration.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

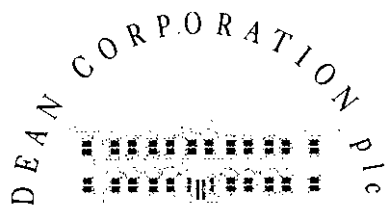
23 DISPOSAL OF SPEYMILL SERVICES LIMITED

On 10 November 1997, the Company disposed of its holding of 100,000 Ordinary Shares of £1 each in Speymill Services Limited for a consideration of £50,000.

	1997 £
NET CASH FLOW FROM OPERATING ACTIVITIES	(105,232)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE	(5,507)
CAPITAL EXPENDITURE	(25,229)
	(135,968)
FINANCING	(11,250)
MOVEMENT IN CASH	(147,218)

Analysis of the net inflow of cash and cash equivalents in respect of the disposal of the subsidiary undertaking.

	£
CASH CONSIDERATION	50,000
BANK OVERDRAFT	129,286
NET CASH INFLOW	179,286



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

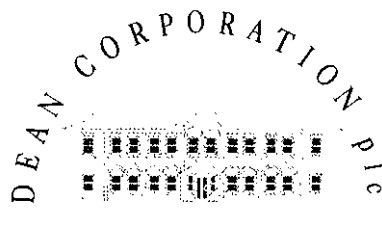
	1997 £	1996 £
24 RECONCILIATION OF CHANGE IN CASH TO MOVEMENT IN NET FUNDS		
INCREASE IN CASH IN THE YEAR	515,031	1,278,439
CASH INFLOW FROM INCREASE IN DEBT & LEASE FINANCING	(815,960)	(235,961)
FINANCE LEASE DISPOSED WITH SUBSIDIARY	56,250	-
MOVEMENT IN NET FUNDS IN THE YEAR	(244,679)	1,042,478
OPENING NET FUNDS/(DEBT)	647,803	(394,675)
CLOSING NET FUNDS	403,124	647,803

25 ANALYSIS OF NET CASH AND DEBT

	1996 £	CASH FLOW £	OTHER NON CASH CHANGES £	1997 £
NET CASH				
CASH AT BANK	1,790,455	995,170	-	2,785,625
BANK OVERDRAFTS	(599,695)	(480,139)	-	(1,079,834)
	1,190,760	515,031	-	1,705,791
DEBT				
FINANCE LEASES	(98,408)	(158,084)	56,250	(200,242)
DEBT DUE WITHIN ONE YEAR	(43,500)	(169,401)	9,401	(203,500)
DEBT DUE AFTER MORE THAN ONE YEAR	(401,049)	(488,475)	(9,401)	(898,925)
	(542,957)	(815,960)	56,250	(1,302,667)
NET FUNDS	647,803	(300,929)	56,250	403,124

26 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 1997 or at 31 December 1996.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

27 CONTINGENT LIABILITIES

There were no other contingent liabilities at 31 December 1997 (1996: £Nil), other than the acquisition of H. Page Engineering Services Limited, disclosed in Note 22.

28 OPERATING LEASE COMMITMENTS

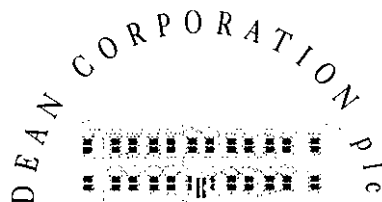
Operating lease payments amounting to £316,098 are due within one year (1996: £337,951). The leases to which these amounts relate expire as follows:

	1997		1996	
	LAND & BUILDINGS	OTHER	LAND & BUILDINGS	OTHER
	£	£	£	£
WITHIN ONE YEAR	-	19,427	-	15,293
BETWEEN TWO & FIVE YEARS	35,000	194,171	60,000	262,658
OVER FIVE YEARS	67,500	-	-	-

29 RELATED PARTY TRANSACTIONS

During the year the Company advanced payments on behalf of A. Dean Esq., a Director of Dean Homes Limited, in respect of his personal liabilities. The advance was made on commercial terms. The maximum amount advanced during the year was £179,949. At 31st December 1997, there was a balance of £75,949 outstanding.

During the year, a house was purchased from Dean Homes Limited, at full market value, by a trust of which S. Dean, Esq., a Director of the Company, is a trustee, and in which he has a remote contingent beneficial interest.



N O T I C E O F M E E T I N G

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Dean House, Sovereign Court, Ermine Business Park, Huntingdon, Cambridgeshire on Tuesday, 12th May 1998 at 11.00 am when the following ordinary business and special business will be considered:

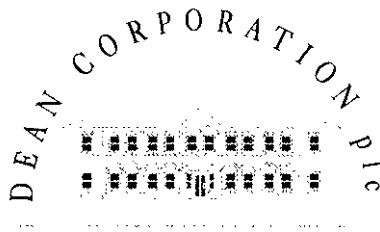
<u>ORDINARY BUSINESS</u>	<u>RESOLUTION ON PROXY FORM</u>
--------------------------	-------------------------------------

- | | |
|--|------------|
| 1 To receive and consider the report of the Directors and the audited accounts for the year ended 31st December 1997. | Res. No. 1 |
| 2 To declare a dividend. | Res. No. 2 |
| 3 To re-elect Norman Saunders as a Director of the Company. | Res. No. 3 |
| 4 To re-elect Peter So as a Director of the Company. | Res. No. 4 |
| 5 To determine the remuneration of the Directors. | Res. No. 5 |
| 6 To re-appoint Ernst & Young and Spokes & Company as auditors and to authorise the Directors to determine the auditors' remuneration. | Res. No. 6 |

- 7 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That the Directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (as defined in Section 80, Companies Act 1985) up to an aggregate nominal amount of £114,840; provided that –

- (a) this authority shall expire on 11th May 2003, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if this authority had not expired; and
- (b) all previous authorisations given to the Directors under Section 80, Companies Act 1985 shall now cease to have any effect, save that the Directors may allot relevant securities in pursuance of any offer or agreement made by the Company before today and which requires or might require relevant securities to be allotted after today, as if the Directors' previous authority had not ceased to have effect.



NOTICE OF MEETING

SPECIAL BUSINESS

- 8 If resolution 7 has been passed to consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

"That the Directors be and are hereby empowered to allot equity securities (as defined in Section 94. Companies Act 1985) for cash pursuant to the authority conferred by resolution 7, as if Section 89(1). Companies Act 1985 did not apply to any such allotment: provided that this power shall be limited to the Allotment of equity securities up to a total nominal value of £17,226".

And this power shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such an offer or agreement as if the previous authority had not ceased to have effect.

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not also be a member of the Company.

BY ORDER OF THE BOARD

PETER HOLMES
DIRECTOR

Date: 17th April 1998

Registered Office:

Dean House
Sovereign Court
Ermine Business Park
Huntingdon
Cambs PE18 6WA

NOTE

Copies of the Directors' service contracts with the Company not expiring or determinable without payment of compensation within one year will be available for inspection at the Registered Office during normal business hours from the date of this notice until 5pm on 11th May 1998, and on 12th May 1998 at Dean House, Sovereign Court, Ermine Business Park, Huntingdon, Cambs PE18 6WA, from 10.30am until the conclusion of the meeting.