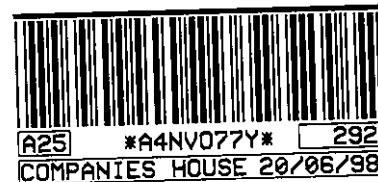


2851323

MANSEC LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31ST AUGUST 1997



MANSEC LIMITED

COMPANY NUMBER: 2851323 (ENGLAND AND WALES)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

J A PALFREYMAN

SECRETARY

C E PALFREYMAN

REGISTERED OFFICE

82 HIGHFIELD ROAD
LYMM
CHESHIRE
WA13 0DZ

ACCOUNTANTS

HOBAN NELSON LANG
CHARTERED ACCOUNTANTS
NATIONAL WESTMINSTER HOUSE
21/23 STAMFORD NEW ROAD
ALTRINCHAM
CHESHIRE
WA14 1BN

MANSEC LIMITED

REPORT OF THE DIRECTOR

The Director has pleasure in submitting his Report and the Accounts for the year ended 31st August 1997.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Company carries on the business of securities and contruction consultancy.

The Company did not trade during the year.

RESULTS AND DIVIDENDS

- (a) The Company made a net Loss after taxation of £158 (1996 – Loss £166).
- (b) No Dividends have been paid during the year (1996 - £Nil).
- (c) This leaves a loss of £158 (1996 – loss £166) to be transferred to revenue reserves.

DIRECTOR

The following Director held office throughout the year. His interest in the shares of the Company at the beginning and end of the year was as follows:-

| NAME OF DIRECTOR | CLASS OF SHARE | NUMBER HELD | |
|------------------|----------------|-------------|------|
| | | 1997 | 1996 |
| | | £ | £ |
| J A PALFREYMAN | 'A' Ordinary | 1 | 1 |

FIXED ASSETS

Full details of changes in fixed assets are given in the notes to the accounts.

MANSEC LIMITED

REPORT OF THE DIRECTOR (Continued)

CASH FLOW STATEMENT

The Company is exempt from the requirement of Financial Reporting Standard Number 1 to prepare a cash flow statement as it qualifies as a small company

CLOSE COMPANY STATUS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By Order of The Board

 SECRETARY
C E PALFREYMAN

15th June 1998

MANSEC LIMITED

REPORT OF THE DIRECTOR (Continued)

CASH FLOW STATEMENT

The Company is exempt from the requirement of Financial Reporting Standard Number 1 to prepare a cash flow statement as it qualifies as a small company

CLOSE COMPANY STATUS

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

By Order of The Board

 SECRETARY
C E PALFREYMAN

15th June 1998

MANSEC LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1997**

| | Note | 1997 £ | 1996 £ |
|---|------|-----------|-----------|
| Turnover | 2 | - | - |
| Operating Expenses | | 171 | 204 |
| | | ----- | ----- |
| Operating Loss | | (171) | (204) |
| Interest Receivable | | 13 | 28 |
| | | ----- | ----- |
| Loss on Ordinary Activities before Taxation | 3 | (158) | (176) |
| Taxation | | - | (10) |
| | | ----- | ----- |
| Loss on Ordinary Activities after Taxation | | (158) | (166) |
| Dividends | | - | - |
| | | ----- | ----- |
| Loss for the Financial Year | | (158) | (166) |
| Balance Brought Forward | | (287) | (121) |
| | | ----- | ----- |
| Balance Carried Forward | | (445) | (287) |
| | | ===== | ===== |

Turnover, Operating Expenses, and Operating Profit derive exclusively from continuing operations. There have not been any acquisitions. Operating Expenses solely comprise administrative expenses.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31ST AUGUST 1997

There were no recognised gains or losses in 1997 or 1996 other than the profit for the year.

The notes on pages 6 to 8 form part of these accounts.

MANSEC LIMITED

BALANCE SHEET AT 31ST AUGUST 1997

| | Note | £ | 1997 £ | £ | 1996 £ |
|---|------|-------|-----------|-------|-----------|
| CURRENT ASSETS | | | | | |
| Debtors | 3 | 26 | | - | |
| Cash at Bank and in Hand | | 506 | | 668 | |
| | | ----- | | ----- | |
| | | 532 | | 668 | |
| CREDITORS: Amounts falling due within one year | 4 | 975 | | 953 | |
| | | ----- | | ----- | |
| NET CURRENT LIABILITIES | | | (443) | | (285) |
| | | | ----- | | ----- |
| | | | (443) | | (285) |
| | | | ===== | | ===== |
| CAPITAL AND RESERVES | | | | | |
| Called up Share Capital | 5 | | 2 | | 2 |
| Profit and Loss Account | | | (445) | | (287) |
| | | | ----- | | ----- |
| | | | (443) | | (285) |
| | | | ===== | | ===== |

The company is entitled to exemption from audit under Section 249(1) of the Companies Act 1985 for the year ending 31st August 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year.

The Director acknowledges his responsibilities for:

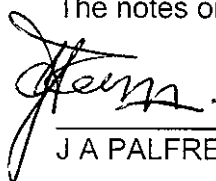
- (a) Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.

MANSEC LIMITED

BALANCE SHEET AT 31ST AUGUST 1997 (Continued)

- (b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

The notes on pages 6 to 8 form part of these accounts

 (DIRECTOR)
J A PALFREYMAN

These accounts were approved by the Director on 15th June 1998.

MANSEC LIMITED

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's accounts.

a) BASIS OF ACCOUNTING

All items in the accounts are stated under the historical cost accounting rules.

b) DEFERRED TAXATION

Deferred taxation is provided at the current rate of corporation tax on the liability method, in respect of tax deferred by taxation allowances and timing differences except to the extent that there is a reasonable probability that a liability will not arise within the foreseeable future.

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

| | | |
|-----------------------|-------|-------|
| Office and Management | 2 | 2 |
| | ===== | ===== |

MANSEC LIMITED

NOTES TO THE ACCOUNTS

2. TAXATION

| | 1997 £ | 1996 £ |
|-----------------------|------------|---------------|
| Prior Year Adjustment | - ===== | (10) ===== |

3. DEBTORS

| | 1997 £ | 1996 £ |
|---------------|-------------|------------|
| Other Debtors | 26 ----- | - ----- |
| | 26 ===== | - ===== |

4. CREDITORS: Amounts falling due within one year

| | 1997 £ | 1996 £ |
|------------------------|--------------|--------------|
| Directors Loan Account | 835 | 778 |
| Accruals | 140 ----- | 175 ----- |
| | 975 ===== | 953 ===== |

MANSEC LIMITED

NOTES TO THE ACCOUNTS

5. SHARE CAPITAL

| | Authorised | | Issued and Fully Paid | |
|--------------------------------|------------|-------|-----------------------|------|
| | 1997 | 1996 | 1997 | 1996 |
| 'A' Ordinary Shares of £1 each | 50 | 50 | 1 | 1 |
| 'B' Ordinary Shares of £1 each | 50 | 50 | 1 | 1 |
| | ----- | ----- | ---- | ---- |
| | 100 | 100 | 2 | 2 |
| | ===== | ===== | ==== | ==== |

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

| | 1997 £ | 1996 £ |
|-------------------------------------|-----------|-----------|
| Loss for the financial year | (158) | (166) |
| Dividends | - | - |
| | ----- | ----- |
| Net reduction in shareholders funds | (158) | (166) |
| Opening shareholder's funds | (285) | (119) |
| | ----- | ----- |
| Closing shareholder's funds | (443) | (285) |
| | ===== | ===== |