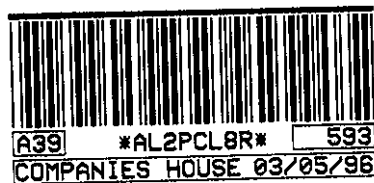


PANABLOK (UK) LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH SEPTEMBER 1995



PANABLOK (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 1995

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PANABLOK (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

M. L. Bailey FRICS
G. M. Connolly FRICS, ACI Arb.
A.H. Marshall
J.P. Hewitt BSc, ACGI

SECRETARY AND REGISTERED OFFICE

M. F. Coyne
Beech House,
Sixth Avenue,
Deeside Industrial Park,
Deeside,
Clwyd.
CH5 2LB

COMPANY NUMBER

2896898

AUDITORS

Henry R. Davis & Co.,
Chartered Accountants,
1 Hunter Street,
Chester.
CH1 2AR

BANKERS

The Co-operative Bank,
42, Greengate Street,
Stafford,
ST16 2BU

PANABLOK (UK) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements of the company for the year ended 30th September 1995.

1. Principal Activity

The principal activity of the company continued to be the marketing and sale, to the general UK building industry, of a highly insulated wall panel.

2. Directors

The directors during the year were as follows:-

M. L. Bailey
G. M. Connolly
A.H. Marshall
J.P. Hewitt

None of the directors had any interest in the shares of the company during the year.

The directors' interests in the shares of the parent company, Beech Group plc, are disclosed in the financial statements of that company.


3. Auditors

On 20th March 1996 Henry R Davis & Co gave formal notice of their resignation as auditors of the company in accordance with Section 394 of the Companies Act 1985.

A resolution to appoint KPMG Peat Marwick as auditors will be proposed at the Annual General Meeting.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

By Order of the Board


M. F. COYNE
Secretary.

20th March 1996

PANABLOK (UK) 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:-

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) 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.



M. L. BAILEY
Director

20th March 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF

PANABLOK (UK) LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective Responsibilities of Directors & 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 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 the company's affairs as at 30th September 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

Henry R Davis & Co

HENRY R. DAVIS & CO.,
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS.

1 Hunter Street,
Chester.

20th March 1996

PANABLOK (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
Turnover		401,537	-
Cost of Sales		(363,092)	-
		<hr/>	<hr/>
Gross Profit		38,445	-
Administrative Expenses		(301,564)	(589)
		<hr/>	<hr/>
Operating Loss	2	(263,119)	(589)
Investment Income		2,348	-
Interest Payable		(428)	-
		<hr/>	<hr/>
Loss on Ordinary Activities before taxation		(261,199)	(589)
Taxation	3	-	-
		<hr/>	<hr/>
Loss on Ordinary Activities after taxation		(261,199)	(589)
Retained Loss as at 1st October 1994		(589)	-
		<hr/>	<hr/>
Retained Loss as at 30th September 1995		(261,788)	(589)
		<hr/>	<hr/>

The company commenced trading on 15th September 1994. Other than this, none of the company's activities were acquired or discontinued during the above two financial periods.

The company has no recognised gains or losses other than the loss for the above two financial periods.

PANABLOK (UK) LIMITED


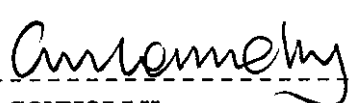
BALANCE SHEET

AS AT 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<u>Fixed Assets</u>			
Intangible Assets	4	362,394	402,660
Tangible Assets	5	6,111	4,112
		<hr/>	<hr/>
		368,505	406,772
<u>Current Assets</u>			
Stock	6	68,216	41,023
Debtors	7	211,673	113,885
Cash at Bank and in Hand		993	150,678
		<hr/>	<hr/>
		280,882	305,586
<u>Creditors</u> - Amounts falling due within one year	8	(211,175)	(12,947)
		<hr/>	<hr/>
Net Current Assets		69,707	292,639
Total Assets less Current Liabilities		<hr/>	<hr/>
		438,212	699,411
		<hr/>	<hr/>
<u>Capital and Reserves</u>			
Called Up Share Capital	9	700,000	700,000
Profit and Loss Account		(261,788)	(589)
		<hr/>	<hr/>
		438,212	699,411
		<hr/>	<hr/>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Approved by the Directors on 20th March 1996


-----)
M. L. BAILEY)
) Directors

-----)
G.M. CONNOLLY)

PANABLOK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 1995

1. Accounting Policies

1.1. Accounting Convention

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

1.2. Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1, "Cash Flow Statements".

1.3. Intangible Fixed Assets

Intangible fixed assets represent the cost of a sub-licence for the manufacture of a structural wall panel. The cost of this licence is to be amortised on a straight line basis over ten years.

1.4. Tangible Fixed Assets and Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets on the following basis:-

Computers	20% on cost per annum
Plant & Equipment	25% on cost per annum

1.5. Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items.

2. Operating Loss

	<u>1995</u>	<u>1994</u>
The operating loss is arrived at after charging:-	£	£
Auditors Remuneration	900	200
Amortisation of Intangible Fixed Assets	40,266	-
Remuneration of Directors of other Group undertakings	18,484	-
	<hr/>	<hr/>

3. Taxation

Trading losses available for use against future trading profits are estimated at £130,861.

PANABLOK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 1995

4. Intangible Fixed Assets

Sub-licence for manufacture and sale
of Panablok wall panels:-

£

Cost at 1st October 1994	402,660
Amortisation for the year	(40,266)

Net Book Value at 30th September 1995	362,394
---------------------------------------	---------

5. Tangible Fixed Assets

	<u>Computers</u>	<u>Plant & Machinery</u>	<u>Total</u>
Cost:	£	£	£
As at 1.10.94	6,662	-	6,662
Additions	2,098	2,205	4,303
	<hr/>	<hr/>	<hr/>
As at 30.9.95	8,760	2,205	10,965
	<hr/>	<hr/>	<hr/>
Depreciation:			
As at 1.10.94	2,550	-	2,550
Charge for year	1,753	551	2,304
	<hr/>	<hr/>	<hr/>
As at 30.9.95	4,303	551	4,854
	<hr/>	<hr/>	<hr/>
Net Book Value at 30.9.95	4,457	1,654	6,111
	<hr/>	<hr/>	<hr/>
Net Book Value at 30.9.94	4,112	-	4,112
	<hr/>	<hr/>	<hr/>

6. Stocks

	<u>1995</u>	<u>1994</u>
	£	£
Raw Materials	68,216	41,023
	<hr/>	<hr/>

PANABLOK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 1995

<u>7. Debtors</u>	<u>1995</u>	<u>1994</u>
	£	£
Trade Debtors	91,315	10,810
Other Debtors	30,666	169
Amounts owed by Parent Company	89,692	99,000
Amounts owed by Group Undertakings	-	3,906
	<hr/>	<hr/>
	211,673	113,885
	<hr/>	<hr/>
<u>8. Creditors</u> - Amounts falling due within one year	<u>1995</u>	<u>1994</u>
	£	£
Bank Overdraft	16,318	116
Trade Creditors	163,488	12,631
Accruals	22,433	200
Amounts owed to Group Undertakings	8,936	-
	<hr/>	<hr/>
	211,175	12,947
	<hr/>	<hr/>
<u>9. Share Capital</u>	<u>No.</u>	<u>£</u>
Authorised:		
Ordinary shares of £1 each	600,000	600,000
Non-voting Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted, Issued and Fully Paid:		
Ordinary shares of £1 each	600,000	600,000
Non-voting Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
	700,000	700,000
	<hr/>	<hr/>

Other than in respect of voting rights, the £1 non-voting ordinary shares rank pari passu with the £1 ordinary shares.

PANABLOK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 1995

10. Reconciliation of Movements
in Shareholders' Funds

	<u>1995</u>	<u>1994</u>
	£	£
New Share Capital Subscribed	-	700,000
Loss for the Financial year/period	(261,199)	(589)
	<hr/>	<hr/>
Opening Shareholders' Funds at 1st October 1994	(261,199)	699,411
	699,411	-
	<hr/>	<hr/>
Closing Shareholders' Funds at 30th September 1995	438,212	699,411
	<hr/>	<hr/>

11. Ultimate Parent Company

The company's ultimate parent company is Beech Group plc, a company incorporated in England and Wales.