

TAYLOR CONTINENTAL HOLDINGS LIMITED
(REGISTERED NUMBER 3194506)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 April 1997



TAYLOR CONTINENTAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1997

The directors submit their report and financial statements for the period ended 30 April 1997.

PRINCIPAL ACTIVITIES

The company was incorporated on 3 May 1996 as Meaujo (297) Limited and on 18 July 1996 changed its name to EHT Holdings Limited. Further to this on 7 April 1997 the company changed its name to Taylor Continental Holdings Limited.

The company has not traded, has not incurred any liabilities and, consequently, has made neither profit nor loss during the year. None of the directors received any emoluments in respect of their services to the company.

DIRECTORS AND THEIR INTERESTS

The directors throughout the period and their interests in the share capital of the company are as follows:

| | Interest at 30 April <u>1997</u> | Interest at 3 May <u>1996</u> |
|--|--|-------------------------------------|
| Philsec Limited (resigned 1 May 1997) | 1 | - |
| Meaujo Incorporations Limited (resigned 29 April 1997) | - | - |

Since the year end the following directors have been appointed:

| | |
|-----------|-----------------------------------|
| AV Taylor | (Chairman - appointed 1 May 1997) |
| AE Taylor | (appointed 1 May 1997) |
| AK Taylor | (appointed 1 May 1997) |

TAYLOR CONTINENTAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 1997 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each 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

- 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 assume 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.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



AE TAYLOR
Secretary

Registered number
3194506

16 July 1997

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF TAYLOR CONTINENTAL HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 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 group'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 mis-statement, 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 as at 30 April 1997 and have been properly prepared in accordance with the Companies Act 1985.

**PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors**

16 July 1997

TAYLOR CONTINENTAL HOLDINGS LIMITED

BALANCE SHEET - 30 APRIL 1997

| | <u>Notes</u> | <u>1997</u> |
|----------------------------------|--------------|---------------|
| CURRENT ASSETS | | |
| Debtors | | |
| Called up share capital not paid | | £1 |
| | | <u> </u> |
| CAPITAL AND RESERVES | | |
| Called up share capital | 2, 3 | £1 |
| | | <u> </u> |


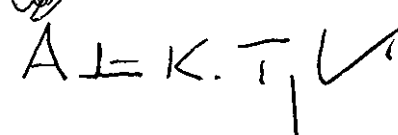
During the year the company has been dormant.

The financial statements were approved by the Board on 16 July 1997

DIRECTORS

AE Taylor

AK Taylor

TAYLOR CONTINENTAL HOLDINGS LIMITED

NOTES ON THE FINANCIAL STATEMENTS - 30 APRIL 1997

1 ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2 CALLED UP SHARE CAPITAL

| | <u>1997</u> |
|-----------------------------------|-------------------|
| Authorised: | |
| Ordinary equity shares of £1 each | £66,000 |
| | <u> </u> |
| Allotted but not paid: | |
| Ordinary equity shares of £1 each | £1 |
| | <u> </u> |

On 29 April 1997 the authorised share capital of the company was increased from £10,000 to £66,000 by the creation of 56,000 Ordinary Shares of £1 each ranking pari passu in all respects with such shares already in issue.

3 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | <u>1997</u> |
|------------------------------|-------------------|
| New share capital subscribed | 1 |
| Opening shareholders' funds | <u>-</u> |
| Closing shareholders' funds | £1 |
| | <u> </u> |

TAYLOR CONTINENTAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 APRIL 1997

4 SUBSEQUENT EVENTS

On 1 May 1997 the subscriber share of 1 Ordinary Share of £1 each nil paid was transferred from Philsec Limited to AE Taylor at its nominal value. On the same date, the company acquired the entire issued share capital of Egbert H Taylor & Company Limited by way of a share for share exchange. The consideration consisted of:

- (i) The allotment to the registered shareholders of Egbert H Taylor & Company Limited of in aggregate 65,999 Ordinary Shares of £1 each in the share capital of the company credited as fully paid up as follows:

| | <u>Number</u> |
|-----------|---------------|
| AE Taylor | 20,799 |
| AK Taylor | 20,800 |
| AV Taylor | 20,800 |
| AA Taylor | 3,600 |

- (ii) Crediting as fully paid the 1 Ordinary Share of £1 each already in issue and registered in the name of AE Taylor.