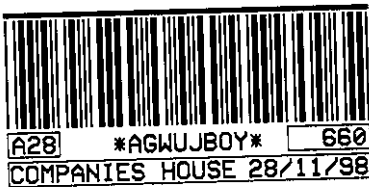


STYLES AND WHITLOCK LIMITED

REPORT AND ACCOUNTS

31st MAY 1998

Company No: 3252417



**Littlestone Martin Glenton,
Chartered Accountants,
2, Fitzhardinge Street,
London, W1H 9PN.**

**Tel: 0171-486 8781
Fax: 0171-487 2720**

STYLES AND WHITLOCK LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the audited accounts of the Company for the period ended 31st May 1998.

On 8th January, 1998 the Company acquired the trade of Science Research Park Craig Limited (now SW Research Limited) with effect from close of business on 31st May, 1997. These accounts therefore include the results of the period 1st June 1997 to 31st May, 1998. Science Research Park Craig Limited acted as agents until 8th January 1998. M. W. Pote is a director of SW Research Limited.

Principal Activity

The Company's principal activity during the period was that of Chartered Surveying.

Directors and their Interests in Shares of the Company

The Directors of the Company at the Balance Sheet date who were Directors for the whole of the period ended on that date, were:-

	<u>31.5.98</u>	<u>Shares held at</u> <u>1.10.97</u>
B. A. Craig	Nil	Nil
M. W. Pote	Nil	Nil

Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial period 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 accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

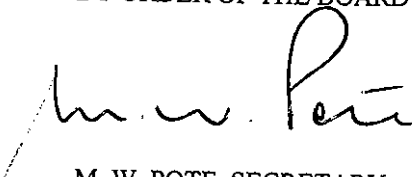
The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with the Companies Act 1985, a resolution re-appointing Littlestone Martin Glenton as auditors will be presented at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



M. W. POTE, SECRETARY

DATED THIS 28th DAY OF OCTOBER 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF
STYLES AND WHITLOCK LIMITED

We have audited the accounts on pages 3 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 1 the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of any significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31st May 1998 and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Littlestone Martin Glenton

LITTLESTONE MARTIN GLENTON
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

DATED THIS 28th DAY OF OCTOBER 1998

2, Fitzhardinge Street,
London, W1H 9PN.

STYLES AND WHITLOCK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MAY, 1998

	<u>Notes</u>	£
<u>TURNOVER</u>	1	179,164
Cost of Sales		105,742
		<hr/>
<u>GROSS PROFIT</u>		73,422
Administrative Expenses		60,278
		<hr/>
<u>OPERATING PROFIT</u>	2	13,144
Interest Received		10
		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		13,154
Tax on Profit on Ordinary Activities		3,042
		<hr/>
<u>PROFIT FOR THE FINANCIAL PERIOD CARRIED FORWARD</u>		£ 10,112
		<hr/> <hr/>

CONTINUING OPERATIONS

All of the Company's activities were acquired during the above financial period.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit for the above financial period.

The notes on pages 5 and 6 form part of these accounts.

31st MAY, 1998

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 5 and 6 form part of these accounts.

STYLES AND WHITLOCK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31st MAY, 1998

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Depreciation

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

Office Equipment - 25% reducing balance basis

Work-in-Progress

Work in progress has been valued at the cost to the Company of the direct expenses incurred in that work in progress, less a provision for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Deferred Taxation

No provision has been made for deferred taxation as it is not expected with reasonable probability that any liability is likely to crystallise in the foreseeable future.

Turnover

Turnover represents the total amount receivable by the Company in respect of fees to clients, excluding Value Added Tax.

Goodwill

Goodwill represents purchased goodwill. The valuation of goodwill is considered by the Directors each year in accordance with Financial Reporting Standard Number 10.

2. OPERATING PROFIT

This is stated after Charging:-

Depreciation of Fixed Assets
Amortisation of Goodwill
Directors Emoluments

£

786

800

57,500

3. TANGIBLE FIXED ASSETS

COST

Additions at Cost

Office
Equipment

£

3,145

DEPRECIATION

Provision for year

786

NET BOOK VALUE

At 31.5.98

£ 2,359

STYLES AND WHITLOCK LIMITED

NOTES TO THE ACCOUNTS Cont'd

FOR THE YEAR ENDED 31st MAY, 1998

4. INTANGIBLE FIXED ASSET - GOODWILL

The value of goodwill acquired at the date of purchase of the trade of Science Research Park Craig Limited was £4,000.

<u>COST</u>	£
Additions at Cost	4,000
	<hr/>
<u>AMORTISATION</u>	
Written off to Reserves in the year	800
	<hr/>
<u>NET BOOK VALUE</u>	
At 31.5.98	£3,200
	<hr/> <hr/>

5. DEBTORS

	<u>1998</u>	<u>1997</u>
Trade Debtors	13,830	-
Other Debtors	6,481	-
Prepayments	2,924	-
	<hr/>	<hr/>
	£23,235	£ -
	<hr/> <hr/>	<hr/> <hr/>

6. CREDITORS - DUE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
Trade Creditors	1,894	-
Current Corporation Tax	3,042	-
Taxation and Social Security	3,504	-
Other Creditors - Loans from Shareholders (Unsecured)	42,000	-
Accruals	5,074	-
	<hr/>	<hr/>
	£55,514	£ -
	<hr/> <hr/>	<hr/> <hr/>

7. SHARE CAPITAL

Authorised -	<u>1998</u>	<u>1997</u>
Ordinary Shares of £1 each	£1,000	£1,000
	<hr/>	<hr/>
Allotted, Called-up and Fully Paid -		
Ordinary Shares of £1 each	£1,000	£ 2
	<hr/>	<hr/>

998 Ordinary Shares of £1 each were issued for cash in preparation for the commencement of trading.

8. RECONCILIATION OF MOVEMENTS ON EQUITY SHAREHOLDERS' FUNDS

	<u>1998</u>	<u>1997</u>
Profit for the Financial period after Taxation	10,112	-
Issue of Shares	998	-
Opening Shareholders' Funds	2	2
	<hr/>	<hr/>
Closing Shareholders' Funds	£ 11,112	£ 2
	<hr/> <hr/>	<hr/> <hr/>