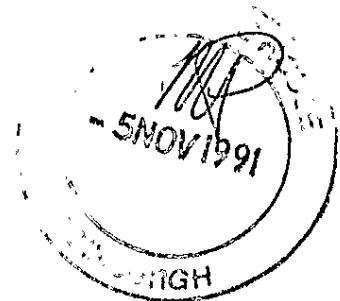


42601

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1990
FOR
LAWRENCE CONSTRUCTION COMPANY LIMITED



LAWRENCE CONSTRUCTION COMPANY LIMITED

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LAWRENCE CONSTRUCTION COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS:	D.S.Holmes I.T.Elgey
SECRETARY:	I.T.Elgey
REGISTERED OFFICE:	170 Edmiston Drive Ibroy Glasgow
REGISTERED NUMBER:	42601
AUDITORS:	Davidson & Workman Chartered Accountants 15 Burns Street Glasgow G4 9SA

LAWRENCE CONSTRUCTION COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the audited financial statements of the company for the year ended 31 May 1990.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building and construction.

REVIEW OF BUSINESS

The results for the year, financial position of the company, and recommended transfer to reserves are as shown in the annexed financial statements.

DIVIDEND

The directors recommend that no dividend be paid for the year (1989 - £NIL).

FIXED ASSETS

All movements in fixed assets are shown in the accompanying notes to the accounts.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors in office during the year were as follows:

D.S.Holmes

I.T.Elgey

G.Wat (resigned 23 November 1989)

W.Bj (resigned 29 September 1989)

None of the directors held any beneficial interest in the issued share capital of the company at 31 May 1989 or 31 May 1990.

AUDITORS

Messrs Davidson & Workman were appointed auditors to the company on 11 February 1991. Messrs Davidson & Workman have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

ON BEHALF OF THE BOARD:

I.T.ELGEY - Secretary

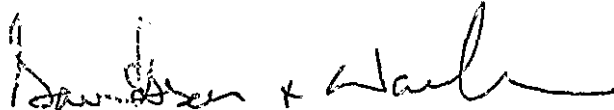
Dated: 29 October 1991

LAWRENCE CONSTRUCTION COMPANY LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF
LAWRENCE CONSTRUCTION COMPANY LIMITED

We have audited the financial statements on pages
four to twelve in accordance with Auditing Standards.

In our opinion the financial statements give a true
and fair view of the state of the company's affairs
at 31 May 1990 and of its profit and source and
application of funds for the year then ended and
have been properly prepared in accordance with the
Companies Act 1985.



Davidson & Workman
Chartered Accountants
15 Burns Street
Glasgow
G4 9SA

Dated: 29 October 1991

LAWRENCE CONSTRUCTION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 May 1990


		31. 5.90		31. 5.89	
	Notes	£	£	£	£
TURNOVER	2		7,284,754		8,220,819
Cost of Sales			4,092,258		9,919,629
GROSS PROFIT/(LOSS)			3,192,496		(1,698,810)
Administrative Expenses		582,381		726,961	
Other Operating Charges		43,345		205,478	
			625,726		932,439
OPERATING PROFIT/(LOSS)	+		2,566,770		(2,631,249)
Interest Payable and Similar Charges	5		15,127		9,880
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			2,551,643		(2,641,129)
Tax on Profit/(Loss) on Ordinary Activities	6		877,809		(905,025)
PROFIT/(LOSS) FOR THE YEAR			1,673,834		(1,736,104)
Retained Loss brought forward			(3,514,835)		(1,778,731)
RETAINED LOSS CARRIED FORWARD			£(1,841,001)		£(3,514,835)

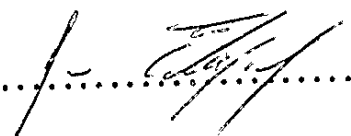
The notes form part of these financial statements

LAWRENCE CONSTRUCTION COMPANY LIMITED

BALANCE SHEET As at 31 May 1990

		31. 5.90	31. 5.89
	Notes	£	£
FIXED ASSETS:			
Tangible Assets	7	52,642	78,692
CURRENT ASSETS:			
Debtors	8	3,356,727	3,411,924
Cash In Hand		4,018	1,998
		-----	-----
		3,360,745	3,413,922
CREDITORS: Amounts falling due within one year	9	3,454,388	5,207,449
		-----	-----
NET CURRENT LIABILITIES		(93,643)	(1,793,527)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES:		£(41,001)	£(1,714,835)
		=====	=====
CAPITAL AND RESERVES:			
Share Capital	11	1,800,000	1,800,000
Profit & Loss Account		(1,841,001)	(3,514,835)
		-----	-----
		£(41,001)	£(1,714,835)
		=====	=====

DIRECTOR  D.S. HOLMES

DIRECTOR  I.T. ELGEY - DIRECTOR

Approved by the Board on 29 October 1991

The notes form part of these financial statements

LAWRENCE CONSTRUCTION COMPANY LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the Year Ended 31 May 1990

	31. 5.90		31. 5.89	
	£	£	£	£
SOURCE OF FUNDS:				
Profit/(Loss) before taxation	2,551,643		(2,641,129)	
Adjustment for items not involving the movement of funds:				
Depreciation	33,125		28,957	
(Profit)/Loss on Disposal of Fixed Assets	(26,962)		4,335	
Total generated from operations		2,557,806		(2,607,837)
Funds from other sources:				
Sale of Fixed Assets	34,920		20,507	
Group Relief Received	(877,809)		905,025	
Proceeds of Share Issue	-		1,600,000	
		(842,889)		2,525,532
		1,714,917		(82,305)
APPLICATION OF FUNDS:				
Purchase of Fixed Assets		15,033		(48,377)
		£1,699,884		£(130,682)
COMPONENTS OF INCREASE/(DECREASE) IN WORKING CAPITAL:				
Debtors	(55,197)		971,973	
Creditors less than one year	2,703,525		(863,447)	
		2,648,328		108,526
Movement in Net Liquid Funds:				
Cash In Hand		2,020		1,603
Bank Overdraft		(950,464)		(240,811)
		£1,699,884		£(130,682)

The notes form part of these financial statements

LAWRENCE CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 May 1990

1. ACCOUNTING POLICIES

Accounting Convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Government Grants

Government grants are deducted from the cost of the assets to which they relate and depreciation is calculated on the net cost.

Long Term Contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover and related costs. Turnover is calculated as the proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Related costs are calculated as the cost of direct material and labour plus attributable overheads based on a normal level of activity. The amount by which turnover exceeds payments on account received and receivable on long term contracts are separately disclosed within debtors. Claims for progress payments are deducted from the value of long term contracts or to the extent that they exceed this value are disclosed as payments received or receivable on account.

Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

LAWRENCE CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 1990

Leased Assets

Payments under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of each asset evenly over its expected useful life, as follows:

Motor Vehicles	- over 4 years
Plant & Machinery	- over 10 years

Contributions To Pension Funds

The company is a member of the John Lawrence (Glasgow) Group which operates a pension scheme under which contributions by employees and the company are administered by trustees in a fund independent from the company's assets. Contributions are charged against profit to cover the cost of benefits arising from the current service of the employees. Full actuarial valuations are made at regular intervals and contribution levels reviewed.

2. TURNOVER

The turnover and profit (1989 - loss) before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	1990	1989
	£	£
Wages and Salaries	710,591	777,452
Social Security Costs	115,677	128,316
Other Pension Costs	-	-
	-----	-----
	£826,268	£905,768
	=====	=====

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

	1990	1989
Construction	85	101
Administration	18	21
	===	===

LAWRENCE CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 1990

4. OPERATING PROFIT/(LOSS)

The operating profit (1989 - operating loss) is stated after charging/(crediting):

(a)	1990 £	1989 £
Directors' Emoluments	62,227	68,033
Hire of Plant and Machinery	132,776	172,408
Depreciation - Owned Assets	33,125	28,957
(Profit)/Loss on Disposal of Fixed Assets	(23,962)	4,335
Auditors' Remuneration	15,000	12,442
	=====	=====

(b) Directors' remuneration:

	£	£
Fees	-	-
Other Emoluments	62,227	68,033
Pensions	-	-
	-----	-----
	£ 62,227	£ 68,033
	=====	=====

The emoluments of the chairman, excluding pension contributions, were £35,000 and of the highest paid director, excluding pension contributions, £13,958 (1989 - £24,124. Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	No.	No.
£ Nil - £ 5,000	1	3
£ 5,001 - £10,000	-	-
£10,001 - £15,000	1	-
£15,001 - £20,000	-	-
£20,001 - £25,000	-	2

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1990 £	1989 £
Bank overdraft	15,127	9,880
	=====	=====

LAWRENCE CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 1990

6. TAXATION

The taxation charge is based on the result for the year and is made up as follows:

	1990 £	1989 £
Based on the result for the year:		
Group relief receivable at 35%	-	(956,097)
Adjustments in respect of prior years		
Group relief	877,809	51,072
	-----	-----
	£877,809	£(905,025)
	=====	=====

The company has tax losses of approximately £500,000 (1989 - £3,000,000) which are available to set off against future trading profits.

7. TANGIBLE FIXED ASSETS

	Plant & Machinery	Motor Vehicles	Totals
	£	£	£
COST:			
As at 1 June 1989	-	115,828	115,828
Additions	1,480	13,553	15,033
Disposals	-	(19,102)	(19,102)
	-----	-----	-----
	1,480	110,279	111,759
	-----	-----	-----
DEPRECIATION:			
As at 1 June 1989	-	37,136	37,136
Charge for Year	-	33,125	33,125
Eliminated on Disposals	-	(11,144)	(11,144)
	-----	-----	-----
	-	59,117	59,117
	-----	-----	-----
NET BOOK VALUES:			
As at 31 May 1990	£1,480	£51,162	£52,642
	=====	=====	=====
As at 31 May 1989	-	£78,692	£78,692
	=====	=====	=====

LAWRENCE CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 1990

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1990 £	1989 £
Recoverable Under Long Term Contracts	721,264	1,351,405
Other Debtors	101,376	231,409
Due From Holding Company	2,534,087	1,589,575
Due From Fellow Subsidiaries	-	239,535
	-----	-----
	£3,356,727	£3,411,924
	=====	=====

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1990 £	1989 £
Bank Overdraft (See Note 10)	1,633,249	682,785
Trade Creditors	639,246	1,491,383
Other Taxes & P.A.Y.E.	78,812	91,138
Other Creditors	77,799	-
Contract & Other Accruals	751,303	2,484,250
Due To Fellow Subsidiaries	273,979	457,893
	-----	-----
	£3,454,388	£5,207,449
	=====	=====

10. BANK OVERDRAFT

The bank overdraft is secured by a floating charge over all the assets of the company.

The company has guaranteed, for an unlimited amount, the overdraft facility of the holding company and those UK fellow subsidiaries covered by the group banking arrangements. These companies have in turn guaranteed, for an unlimited amount, the overdraft facility of this company.

LAWRENCE CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 May 1990

11. SHARE CAPITAL

		1990	1989
		£	£
Authorised:			
Number:	Class: Nominal Value:		
2,000,000	Ordinary £1	£2,000,000	£2,000,000
		=====	=====
Allotted, issued and fully paid:			
Number:	Class: Nominal Value:		
1,800,000	Ordinary £1	£1,800,000	£1,800,000
		=====	=====

12. ULTIMATE HOLDING COMPANY

The ultimate holding company is John Lawrence (Glasgow) Limited, a company registered in Scotland.

13. POST BALANCE SHEET EVENTS

On 16 November 1990 the whole of the issued share capital of the company was acquired by Safeddeal Limited, a company registered in Scotland.

14. CAPITAL COMMITMENTS

There were no capital commitments at 31 May, 1990 (1989 - £Nil)