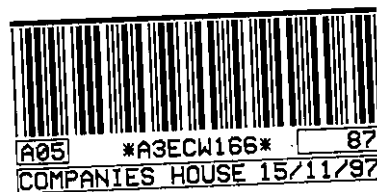


Sanderson Bros (Engineering) Limited

Report and Accounts

31 December 1996

Registered No: 00590398



Sanderson Bros (Engineering) Limited

DIRECTORS REPORT

The directors present their report and accounts for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The company had no activities during the year ended 31 December 1996. The directors are considering the future direction of the company.

ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is J J Lawrence Investments Limited.

DIRECTORS AND THEIR INTERESTS

According to the register maintained under the Companies Act 1985, Mr K M Miller had an interest in one ordinary share of £1 in the company as at 31 December 1996 and 31 December 1995. No other director had an interest in the ordinary share capital of the company at 31 December 1996 or 31 December 1995.

The directors, each of whom served throughout the year, and their beneficial interests in the share capital of the ultimate parent undertaking at 31 December 1996 and 31 December 1995 were as follows:-

*Ordinary shares of £1 each
J J Lawrence
Investments Limited*

Mr K M Miller	286,901
Mrs L H Miller	15,099

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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 accounts 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

A special resolution not to appoint auditors was put to the members, and approved, on 30 August 1995, as allowed by Sections 252 and 253 of the Companies Act 1985.

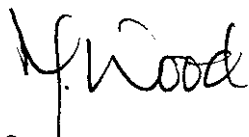
Sanderson Bros (Engineering) Limited

DIRECTORS' REPORT (continued)

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



Secretary
Edinburgh

Sanderson Bros (Engineering) Limited

BALANCE SHEET at 31 December 1996

	<i>Note</i>	<i>1996</i> £	<i>1995</i> £
CURRENT ASSETS			
Debtors	2	500	500
CREDITORS: amounts falling due within one year		-	-
NET CURRENT ASSETS		<u>500</u>	<u>500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>500</u>	<u>500</u>
CAPITAL AND RESERVES			
Called up share capital	3	500	500
Profit and loss account		-	-
EQUITY SHAREHOLDERS' FUNDS		<u>500</u>	<u>500</u>

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

The company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the financial year.

Keith A. Hill

Director

Sanderson Bros (Engineering) Limited

NOTES TO THE ACCOUNTS

at 31 December 1996

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention.

2. DEBTORS

	1996 £	1995 £
Amounts owed by group undertakings	500	500

3. SHARE CAPITAL

	1996	1995
Authorised - 5,000 ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid 2,000 ordinary shares of £1 each (25p called up)	500	500

4. RECONCILIATION OF SHAREHOLDERS' FUNDS

	1996 £	1995 £
At 1 January	500	500
Profit for the year	-	-
Ordinary dividend on equity shares	-	-
At 31 December	500	500

5. ULTIMATE PARENT UNDERTAKING

The company is a wholly owned subsidiary of J J Lawrence Investments Limited a company registered in Scotland. A copy of the accounts of the ultimate parent undertaking is available from Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.