

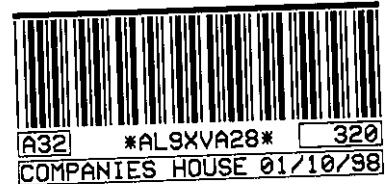
Company No. 1365634

FULL SET OF ACCOUNTS

GOWY FABRICATIONS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 1997



BISSELL & BROWN
Registered Auditor and
Chartered Accountants

1 Lower Tower Street, Newtown,
Birmingham B19 3NH

GOWY FABRICATIONS LIMITED

REPORT OF THE DIRECTORS

FOR THE PERIOD ENDED 30 NOVEMBER 1997

1. The directors herewith present their report and the financial statements for the period ended 30 November 1997.
2. ACTIVITY OF THE COMPANY AND BUSINESS REVIEW
The principal activity of the company in the period under review was that of fabrication specialists. The company's position at 30 November 1997 is satisfactory and the directors are confident that the company's activity will continue to develop in the foreseeable future.
3. There have been no significant events since the end of the period which require reporting.
4. RESULTS AND DIVIDEND
The results for the period are set out on page 4. The directors do not recommend the payment of a dividend and £184,827 will be transferred to the amount of retained profits carried forward.
5. FIXED ASSETS
There have been no significant changes to the fixed assets details of which are set out on page 10.
6. DIRECTORS
The directors who served during the period and the interests in shares of those serving at the end of the period were as follows:-

	At 30 November 1997	At 30 June 1996
	<u>£1 Ordinary Shares</u>	<u>£1 Ordinary Shares</u>
B.K. Goodchild (resigned 10.12.96)	-	-
A.J. Prudhoe	-	-

None of the directors have service contracts.

7. AUDITOR
P.M. Cook & Co. resigned as auditor during the period and Bissell & Brown were appointed in their place. A resolution to re-appoint Bissell & Brown as auditor is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD


COMPANY SECRETARY

Date 28 July 1998

REPORT OF THE AUDITOR

TO THE SHAREHOLDERS OF GOWY FABRICATIONS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditor

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.

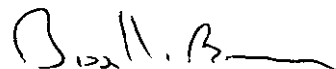
Basis of Opinion

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 30 November 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BISSELL & BROWN
Registered Auditor and
Chartered Accountants,
1 Lower Tower Street,
Newtown
Birmingham B19 3NH

Date 28 July 1998

GOWY FABRICATIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 NOVEMBER 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>TURNOVER</u>	3	5,119,000	3,712,088
Cost of sales		(3,898,516)	(3,011,441)
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		1,220,484	700,647
Distribution costs and administration expenses		(913,463)	(511,414)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	4	307,021	189,233
Interest receivable and payable	5	(22,194)	(33,608)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		284,827	155,625
Taxation	7	(100,000)	(-)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		184,827	155,625
Dividend		(-)	(-)
		<hr/>	<hr/>
<u>RETAINED PROFIT FOR THE PERIOD</u>		<u>184,827</u>	<u>155,625</u>

The company has no recognised gains or losses other than those included in the profit above, and therefore no separate statement of recognised gains and losses has been prepared.

STATEMENT OF RESERVES

Retained profits

	<u>£</u>	<u>£</u>
Brought forward	83,793	(71,832)
Retained for the period	184,827	155,625
Transfer from non-distributable reserves	9,089	-
	<hr/>	<hr/>
<u>CARRIED FORWARD</u>	<u>277,709</u>	<u>83,793</u>

GOWY FABRICATIONS LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible	8	245,110	276,924
<u>CURRENT ASSETS</u>			
Stocks	9	357,855	295,310
Debtors	10	1,116,553	596,079
Cash at bank and in hand		60,950	33,401
		<hr/>	<hr/>
		1,580,358	924,790
<u>CREDITORS:</u>			
Amounts falling due within one year	11	(1,422,030)	(935,206)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS (LIABILITIES)</u>		158,328	(10,416)
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		403,438	266,508
<u>CREDITORS:</u>			
Amounts falling due after more than one year	12	(1,978)	(49,875)
Provisions for liabilities and charges		(-)	(-)
		<hr/>	<hr/>
		401,460	216,633
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	2	3,000	3,000
Revaluation reserve		120,751	129,840
Profit and loss account		277,709	83,793
		<hr/>	<hr/>
		401,460	216,633
		<hr/>	<hr/>

These accounts were approved by the board of directors on 28 July 1998.

..... Director

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 NOVEMBER 1997

1. ACCOUNTING POLICIES:

The following principal accounting policies have been used consistently.

(a) Basis of Accounting:

These accounts have been prepared under the historical cost accounting rules on the basis of activities described in the directors report all of which are ongoing.

(b) Turnover:

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

(c) Depreciation:

Depreciation is calculated so as to write off the cost of tangible assets over their estimated useful lives, and using the following rates:-

Leasehold property	Over the life of the lease
Plant and equipment	20% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	20% reducing balance

(d) Taxation:

Any charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. However, no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future.

(e) Stock:

Stock is valued at the lower of cost and net realisable value.

(f) Leases:

(i) Operating leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of leases.

(ii) Finance leases

The cost of assets held under finance leases is included under tangible fixed assets and depreciation is provided in accordance with the company's accounting policy for the class of asset concerned. The capital element of future lease payments is included in creditors. The interest cost is allocated to accounting periods based on the capital element of the leases outstanding.

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 1997

2.	<u>SHARE CAPITAL:</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
	<u>Authorised:</u>		
	Ordinary shares of £1 each	10,000	10,000
		<u> </u>	<u> </u>
	<u>Allotted:</u>		
	Ordinary shares of £1 each fully paid	3,000	3,000
		<u> </u>	<u> </u>
3.	<u>TURNOVER</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
	UK	5,119,000	3,712,088
	Non UK	-	-
		<u> </u>	<u> </u>
		5,119,000	3,712,088
		<u> </u>	<u> </u>
4.	<u>OPERATING PROFIT</u>	<u>1997</u>	<u>1996</u>
	Operating profit is arrived at	<u>£</u>	<u>£</u>
	after charging:-		
	Depreciation - Owned assets	34,338	32,111
	- Financed assets	21,003	5,832
	Hire of plant and machinery	192,224	125,700
	Auditors remuneration	5,000	9,065
	Directors remuneration	-	120,504
	Operating lease rentals	-	4,872
	(Profit) loss on disposal of fixed assets	(1,635)	2,378
		<u> </u>	<u> </u>
5.	<u>INTEREST RECEIVABLE AND PAYABLE</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
	Bank overdraft interest payable	(3,032)	(21,112)
	Hire purchase interest	(4,378)	(2,523)
	Loan interest charges	(14,784)	(9,973)
		<u> </u>	<u> </u>
		(22,194)	(33,608)
		<u> </u>	<u> </u>

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 1997

6. STAFF NUMBERS AND COSTS

	<u>1997</u>	<u>1996</u>
Average number of people (including directors) employed by the company during the period:-	<u>No. of Employees</u>	
Operations	72	66
Administration	12	10
	<hr/>	<hr/>
	84	76
	<hr/>	<hr/>
Costs in respect of those employees:	<u>£</u>	<u>£</u>
Wages and salaries	1,814,892	1,404,640
Social security cost	163,340	126,418
Pension costs	-	-
	<hr/>	<hr/>
	1,978,232	1,531,058
	<hr/>	<hr/>

7. TAXATION

	<u>1997</u>	<u>1996</u>
Charge for taxation based on the profit for the period	<u>£</u>	<u>£</u>
Corporation tax @ 33% (1996 -)	100,000	-
Under provision for earlier years	-	-
Other charges	-	-
	<hr/>	<hr/>
	100,000	-
	<hr/>	<hr/>

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 1997

8. TANGIBLE FIXED ASSETS

	<u>Leasehold property</u>	<u>Plant and equipment</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost or valuation</u>					
At 1 July 1996	150,000	273,767	53,165	179,276	656,208
Additions	-	15,953	615	11,095	27,663
Disposals	-	-	-	(12,117)	(12,117)
At 30 November 1997	150,000	289,720	53,780	178,254	671,754
<u>Accumulated Depreciation</u>					
At 1 July 1996	17,674	239,410	43,665	78,535	379,284
Charge for the period	6,535	14,255	2,866	31,685	55,341
Disposals	-	-	-	(7,981)	(7,981)
At 30 November 1997	24,209	253,665	46,531	102,239	426,644
<u>Net book values</u>					
At 30 November 1997	125,791	36,055	7,249	76,015	245,110
At 30 June 1996	132,326	34,357	9,500	100,741	276,924

The net book value of tangible fixed assets includes an amount of £53,120 (1996 £49,028) in respect of assets held under finance leases and hire purchase contracts.

(a) Leasehold land and buildings at cost or valuation are shown at	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Valuation in 1994	129,840	129,840
Cost	20,160	20,160
	<u>150,000</u>	<u>150,000</u>

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 1997

8. TANGIBLE FIXED ASSETS (Continued)

- (b) On the historical cost basis, land and buildings would have been included as follows:-

<u>Cost</u>		
At 1 July 1996		20,160
Addition		-
		<hr/>
At 30 November 1997		20,160
<u>Depreciation</u>		<hr/>
At 1 July 1996		12,264
Charge for the period		2,856
		<hr/>
At 30 November 1997		15,120
<u>Net Book Values</u>		<hr/>
At 30 November 1997		5,040
		<hr/>
At 30 June 1997		7,896
		<hr/>

9. <u>STOCKS</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Stock	73,711	133,125
Work in progress	284,144	162,185
	<hr/>	<hr/>
	357,855	295,310
	<hr/>	<hr/>

The replacement cost of stocks is not materially different to that stated in the accounts.

10. <u>DEBTORS</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	920,400	450,582
Due from related undertaking	219,908	133,676
Prepayments and accrued income	12,474	11,821
Other debtors	8,771	-
	<hr/>	<hr/>
	1,161,553	596,079
	<hr/>	<hr/>

There are no amounts due after one year.

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 1997

11. <u>CREDITORS: - Within one year</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade creditors	499,523	247,631
Taxation and social security	181,817	107,177
Due to group companies	510,150	-
Due to related undertaking	-	446,593
Accruals	42,510	70,566
Pension fund loan	38,660	43,660
Hire purchase and finance leases	13,876	19,579
Other creditors	35,494	-
Corporation tax	100,000	-
	<hr/>	<hr/>
	1,422,030	935,206
	<hr/>	<hr/>
12. <u>CREDITORS: - After more than one year</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Pension fund loan	-	30,000
Hire purchase and finance leases	1,978	19,875
	<hr/>	<hr/>
	1,978	49,875
	<hr/>	<hr/>
13. <u>BANK AND OTHER LOANS</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Amounts due:		
Pension Fund Loan		
Under one year	38,660	43,660
Within 2 - 5 years	-	30,000
	<hr/>	<hr/>
	38,660	73,660
	<hr/>	<hr/>

GOWY FABRICATIONS LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 30 NOVEMBER 1997

14. DEFERRED TAXATION

Analysis of provision and potential liability:-	<u>1997</u>		<u>1996</u>	
	Full potential liability	Provision made	Full potential liability	Provision made
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated capital allowances	9,448	-	9,114	-

15. CASH FLOW STATEMENT

The company has taken advantage of exemptions available under FRS1 and has therefore not prepared a cash flow statement.

16. PARENT COMPANY

The ultimate holding company is Inter GB plc, a company incorporated in England.

17. RESERVES

	<u>Revaluation Reserve</u>	<u>Retained Profit and Loss Account</u>
	<u>£</u>	<u>£</u>
Balance at 1 July 1996	129,840	83,793
Retained for the period	-	87,064
Transfer depreciation charged on revalued asset	(9,089)	9,089
	<hr/>	<hr/>
Balance at 30 November 1997	120,751	179,946
	<hr/>	<hr/>