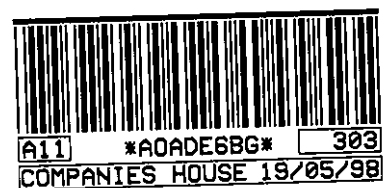


LEVEL ENGINEERING LTD

***Directors' Report and Financial Statements
for the Year Ended 30th September 1997***

Company No 2988466

MARTYN LEWIS
Chartered Accountants



Company Information

LEVEL ENGINEERING LTD

Directors:	T F Nunn R M Nunn G C Nunn
Secretary:	G C Nunn
Accountant:	Martyn Lewis Chartered Accountants 6 Wivenhoe Business Centre Wivenhoe Essex C07 9DP
Registered Office:	556 Woodbridge Road Ipswich Suffolk IP4 4PH
Company Number:	2988466

LEVEL ENGINEERING LTD

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The following pages do not form part of the statutory accounts:

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LEVEL ENGINEERING LTD

Director's Report

The Directors present their annual report and the Financial Statements of the company for the year ended 30th September 1997.

Principal Activity

The company's principal activity continues to be that of property ownership.

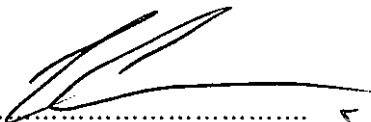
Directors and Their Interests

The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	<u>Number of Shares</u>	
	<u>1997</u>	<u>1996</u>
T F Nunn	60	60
G C Nunn	20	20
R M Nunn	20	20

This report, which has been prepared taking advantage of special exemptions applicable to small companies was approved by the Board and signed on their behalf.

Date: 30/4/98.....


.....
G C Nunn
Secretary

LEVEL ENGINEERING LTD

***Profit and Loss Account for the Year Ended
30th September 1997***

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
Turnover	1	13,800	9,035
Administrative Expenses		3,622	2,008
Operating Profit	2	<u>10,178</u>	<u>7,027</u>
Interest Payable	3	6,407	6,387
Profit on Ordinary Activities Before Taxation		<u>3,771</u>	640
Taxation	4	--	--
Profit on Ordinary Activities After Taxation		<u>3,771</u>	640
Retained (Deficit)/Profit Brought Forward		616	(24)
Retained Profit Carried Forward		<u><u>4,387</u></u>	<u><u>616</u></u>

There were no recognised gains and losses for 1997 or 1996 other than those included in the profit and loss account.

The notes on pages 4 to 5 form part of these Financial Statements.

LEVEL ENGINEERING LTD

Balance Sheet

As at 30th September 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
Fixed Assets			
Tangible Assets	5	92,000	92,000
Investment in Subsidiary	6	88,000	88,000
		<u>180,000</u>	<u>180,000</u>
Current Assets			
Cash at Bank and in hand		131	35
Creditors: Amounts falling due within one year	7	<u>10,661</u>	<u>7,892</u>
Net Current (Liabilities)		(10,530)	(7,857)
Total Assets Less Current Liabilities		<u>169,470</u>	<u>172,143</u>
Creditors: Amounts falling due after one year	8	164,983	171,427
Net Assets		<u>4,487</u>	<u>716</u>
Capital and Reserves:			
Called up Share Capital	9	100	100
Profit & Loss Account		4,387	616
Shareholders' Funds		<u>4,487</u>	<u>716</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at 30th September 1997 and of its profit for the year then ended in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The accounts were approved by the board and signed on its behalf.

T F Nunn

) Directors

G C Nunn

Approved by the Board on

30/4/98

LEVEL ENGINEERING LTD

Notes to the Financial Statements

For the Year Ended 30th September 1997

1. Accounting policies

1.1 Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises rent received.

1.3 Tangible Fixed Assets and Depreciation

The freehold property is not depreciated as its residual value is maintained by regular maintenance.

2. Operating Profit

The operating profit is stated after charging:

	<u>1997</u>	<u>1996</u>
	£	£
Auditors' remuneration	—	250
	=====	=====

3. Interest Payable

The interest included is that payable on a bank loan due for repayment after more than 5 years.

4. Taxation

There is no liability to corporation tax due to the availability of group loss relief.

5. Tangible Fixed Assets

	<u>Freehold</u> <u>Property</u>
Cost:	
At 30.09.96	92,000
At 30.09.97	=====
	92,000
	=====
Net Book Value:	
At 30.09.97	92,000
	=====
At 30.09.96	92,000
	=====

6. Investment in Subsidiary

	<u>Date of Acquisition</u>	<u>Country of Incorporation</u>	<u>Cost</u>	<u>% Holding</u>
Barnard Brothers (Ipswich) Ltd	12.01.95	England	£88,000	100

7. Creditors (amounts due within one year)

	<u>1997</u> £	<u>1996</u> £
Bank loans (secured)	10,411	7,642
Other creditors	250	250
	<u>10,661</u>	<u>7,892</u>

8. Creditors (amounts due after one year)

	<u>1997</u> £	<u>1996</u> £
Bank loans (secured)	60,207	66,980
Due to subsidiary	64,744	64,450
Directors' account	40,032	39,997
	<u>164,983</u>	<u>171,427</u>

The bank loans are repayable in full after more than five years.

9. Share Capital

	<u>1997</u> £	<u>1996</u> £
Issued - £1 ordinary shares	100	100
Authorised - £1 ordinary shares	<u>1,000</u>	<u>1,000</u>

10. Movement on Shareholders' Funds

	<u>1997</u> £	<u>1996</u> £
Profit for the year	3,771	640
Opening shareholders' funds	716	76
Closing shareholders' funds	<u>4,487</u>	<u>716</u>