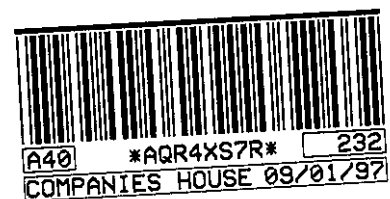


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SOUTHGLOBE LIMITED

ACCOUNTS  
FOR THE YEAR ENDED  
31ST MAY 1996

GURMAKH SINGH  
Registered Auditor



SOUTHGLOBE LIMITED

Accountant's Report

I report on the accounts for the year ended 31/5/1996 set out on pages 2 to 6.

Respective responsibilities of Directors & Reporting Accountant.

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

Basis of Opinion.

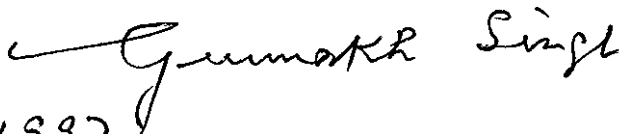
My work was conducted in accordance with the statement of Standards for Reporting accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the company, making such limited enquiries of the officers of the company as I considered necessary for the purpose of this report. These procedures provide only the assurance expressed in my opinion.

Opinion

In my opinion:

- (a) The accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) Having regard only to, and on the basis of the information contained in those accounting records:
  - i) The accounts have been drawn up in a manner consistent with the accounting requirements specified in 249C(8) of the Act:

GURMAKH SINGH  
Reporting Auditor



Date: 7th JANUARY, 1997

31 Burns Avenue,  
Southall, Middx. UB1 2LR

## SOUTHGLOBE LIMITED

The Directors submit their annual report of the audited accounts of the Company for the year ended 31st May 1996.

### PRINCIPAL ACTIVITY

The company carries on the activities as engineering consultants to the Petro Chemical Industry.

### RESULTS AND DIVIDENDS

The results for the year are set in the profit and loss account on page 2.

No payment of dividend was recommended by the Directors.

### DIRECTORS AND THEIR INTERESTS

(a) The Directors who held office throughout the year are as follows:

Mr. Kelvin William Toms  
Miss Sara Fiona Toms

(b) Their interest in the shares of the company is as follows:

	<u>1995</u>	<u>1996</u>
Miss Sara Fiona Toms	1	1
Mr. Kelvin William Toms	99	99

### TAX STATUS

In the opinion of the Directors, the company is a close Company within the meaning of the Income and Corporation Tax Act 1970.

### AUDITORS

A resolution will be submitted at the Annual General Meeting to appoint Mr. Gurmakh Singh as the Company Auditor in accordance with the Company's Act 1985.

SECRETARY

...S. Jav...

SOUTHGLOBE LIMITED

PROFIT AND LOSS ACCOUNT (STATUTORY)

FOR THE YEAR ENDED 31ST MAY 1996

	<u>1995</u>	<u>1996</u>
	£	£
<u>TURNOVER</u>	7,482	-
Other than operating income		
Bank Deposit Interest	<u>1,527</u>	<u>-</u>
	9,009	-
Staff Cost	1,901	2,266
Depreciation	19	14
Other operating charges	<u>18,133</u>	<u>9,566</u>
	20,053	11,846
Operating Profit/(Loss)	<u>(11,044)</u>	<u>(11,846)</u>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u>		
<u>BEFORE TAXATION</u>	(11,044)	(11,846)
Tax on profit on Ordinary		
Activities - adjusted	<u>4,101</u>	<u>-</u>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u>		
<u>AFTER TAXATION</u>	(15,145)	(11,846)
Retained Profit Brought Forward	<u>21,317</u>	<u>6,172</u>
<u>RETAINED PROFIT CARRIED FORWARD</u>	<u>6,172</u>	<u>(5,674)</u>

SOUTHGLOBE LIMITED

BALANCE SHEET AS AT 31ST MAY 1996

	<u>NOTES</u>	<u>1995</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS:</u>		56	42
<u>CURRENT ASSETS:</u>			
Bank & Cash-in-Hand	2,198		401
Bank Deposit Account	5,041		525
Prepayments	408		37
	<u>7,647</u>		<u>963</u>
<u>LESS CURRENT LIABILITIES</u> (Falling Due within one year)			
Accruals	750		750
Directors Current Account	681		5,829
	<u>1,431</u>		<u>6,579</u>
<u>NET CURRENT ASSETS/LIABILITIES</u>		<u>6,216</u>	<u>(5,616)</u>
<u>NET ASSETS</u>		<u>6,272</u>	<u>(5,574)</u>
Represented as:			
<u>SHARE CAPITAL</u>			
<u>Authorised:</u> 1,000 Ordinary shares of £1 each		<u>1,000</u>	<u>1,000</u>
Issued and Fully Paid 100 Ordinary Shares of £1 Each		100	100
<u>PROFIT AND LOSS ACCOUNT</u>		<u>6,172</u> <u>6,272</u>	<u>(5,674)</u> <u>(5,574)</u>

*K. P. O.*

(3)

*S. F. T. O.*

SOUTHGLOBE LIMITED

BALANCE SHEET AS AT 31ST MAY, 1996  
CONTINUED FROM PAGE 3

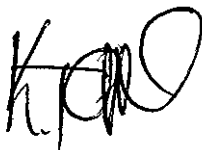
AUDIT EXEMPTION STATEMENT

Directors claim exemption from audit under section 249-A, subsection 1 stating that:

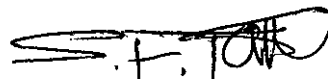
- (a) The Company is entitled to the exemption under section 249-A, subsection 2, being the turnover is less than 90,000.
- (b) No notice has been deposited under section 249-B, subsection 2 by the members requiring audit.
- (c) That the directors acknowledge their responsibilities for:-
  - (i) Ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and
  - (ii) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

MR KELVIN WILLIAM TOMS

MISS SARA FIONA TOMS



(4)



SOUTHGLOBE LIMITED

NOTES TO THE ACCOUNTS AS AT 31ST MAY 1996

1. ACCOUNTING POLICIES:

- (a) Accounting Convention: The accounts are prepared under the Historical cost convention.
- (b) Depreciation: For Fixed Assets of a wasting kind, depreciation is provided at a rate calculated to write them down to their anticipated useful life. The rate employed for equipment is 25%, but full year's 25% is provided in the year of purchase.
- (c) Cash Flow Statement: The Company is exempt from the requirement of Financial Reporting Standard No.1 to prepare a cash flow statement as the Company is a small Company for the purpose of Sections 246 to 249 of the Companies Act, 1985.

2. FIXED ASSETS:

<u>COST:</u>	<u>Equipment</u>
Balance Brought Forward	687
Balance Carried Forward	<u>687</u>
 <u>DEPRECIATION</u>	
Brought Forward	631
Charge for the Year	<u>14</u>
Carried Forward	<u>645</u>
<u>NET BOOK VALUE 31/5/1996</u>	<u>£ 42</u>
 <u>NET BOOK VALUE 31/5/1995</u>	 <u>£ 56</u>

SOUTHGLOBE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1996

	£	<u>1995</u>	£	£	<u>1996</u>	£
<u>INCOME</u>						
Contracts Executed		7,482			-	
Interest Receivable		<u>1,527</u>			<u>-</u>	
		9,009			-	
<u>LESS EXPENDITURE</u>						
Subcontractors	10,627			2,128		
Directors Remun. & N.I.	1,901			2,266		
Light & Heat	135			140		
Telephone	224			279		
Printing, Postage, & Stat'ny	148			49		
Subscriptions	20			20		
Directors Travelling Expenses	5,089			5,689		
Bank Charges & Interest	115			55		
Technical Books & Journals	319			365		
Accountancy & Audit Fee	750			750		
Sundry Expenses	518			32		
Insurance	188			59		
Depreciation - Equipment	<u>19</u>			<u>14</u>		
		<u>20,053</u>			<u>11,846</u>	
<u>NET PROFIT/(LOSS) FOR THE YEAR</u>		<u>(11,044)</u>			<u>(11,846)</u>	

APPROPRIATION ACCOUNT AT 31ST MAY 1996

Balance Brought Forward		21,317		6,172
Profit/(Loss) for the year	(11,044)		11,846	
Provision for Corpn. Tax	<u>4,101</u>		<u>-</u>	
		<u>(15,145)</u>		<u>(11,846)</u>
		6,172		( 5,674)
<u>LESS: Dividend Gross</u>		-		-
Balance Carried Forward		<u>6,172</u>		<u>( 5,674)</u>