

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

Directors J. Broome - Chairman
A. Husband
E.P. Harper

Secretary D.G. Layland F.C.C.A.

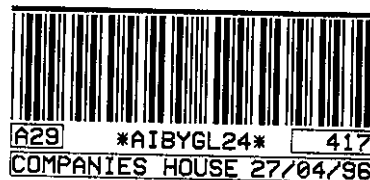
Registered Office Trow Way,
Diglis Estate,
Worcester.
WR5 3BX

Registered Number 00527081 England and Wales

Auditors Crombie, Lacon & Stevens,
Chartered Accountants,
Registered Auditor,
34, Waterloo Road,
Wolverhampton.
WV1 4DG

REPORT AND ACCOUNTS 30TH SEPTEMBER 1995

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ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS

The directors present their annual report with the accounts of the group for the year ended 30th September 1995.

Principal Activities

The principal activities of the group in the year under review were civil engineering and public works contractors, the design engineering and installation of automatic valve systems, the manufacture hire and sale of portable offices and estate management.

Review of Business

A summary of the results of the year's trading is given on page 4 of the accounts.

As anticipated in last years report, the results for the year show a satisfactory improvement over the previous year. New contract work has been taken on since the end of the year which, despite the continuing difficulties in the construction industry, is expected to enable the group to continue to show satisfactory trading results. The parent company has recently expanded its investment property portfolio by acquiring a fully let freehold office block at a cost of some £1.3m.

Dividends and Transfer to Reserves

The directors recommend a final dividend for 1995 of £57757 giving a retained profit for the group of £237090 to be transferred to reserves.

Directors

The directors in office in the year and their beneficial interests in the issued ordinary share capital of the company were as follows:

	<u>30.9.1995</u>	<u>30.9.1994</u>
J. Broome	825120	825120
A. Husband	75000	75000
E.P. Harper	-	-

Directors' Responsibilities

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 the group and of the profit or loss of the group 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS

(CONTINUED)

Fixed Assets

Details of acquisitions and disposals of fixed assets during the year are set out in notes 8 and 9 to the accounts.

Insurance of Directors

The company maintains insurance for its directors in respect of their duties as directors of the company.

Charitable Contributions

The group has made charitable contributions amounting to £505 during the year.

Auditors

The auditors Messrs. Crombie, Lacon & Stevens will be proposed for re-appointment in accordance with section 385A of the Companies Act 1985.

Signed on behalf of the
board of directors

D.G. Layland

Secretary



25th April 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF
ADROIT GROUP LIMITED

We have audited the accounts set out on pages 4 to 19 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 pages 9 and 10.

Respective Responsibilities of Directors and Auditors

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 30th September 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Crombie, Lacon & Stevens,

Chartered Accountants and
Registered Auditor

34 Waterloo Road,
Wolverhampton.

25th April 1996

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
<u>Turnover</u>	2	9704523	9740892
Cost of sales		(7402819)	(7788537)
<u>Gross Profit</u>		2301704	1952355
Distribution costs		(296769)	(247144)
Administrative expenses		(1597483)	(1664480)
Other operating income		44464	70416
		-----	-----
<u>Operating Profit</u>	3	451916	111147
Profit on sale of fixed assets		30089	56316
<u>Profit on Ordinary Activities Before Interest</u>		482005	167463
Bank interest receivable		22424	16721
Interest payable	5	(19529)	(39044)
		-----	-----
<u>Profit on Ordinary Activities Before Taxation</u>		484900	145140
Taxation	6	(190053)	(34539)
<u>Profit on Ordinary Activities After Taxation</u>		294847	110601
Dividends	7	(57757)	(63007)
<u>Transfer to Reserves</u>	18	237090	47594
		=====	=====

Continuing Operations

None of the group's activities were acquired or discontinued during the above two financial years.

The notes on pages 9 to 19 form part of these accounts.

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

GROUP BALANCE SHEET

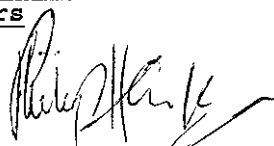
30TH SEPTEMBER 1995

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
<u>Fixed Assets</u>							
Tangible fixed assets	8		3901782			4220096	
<u>Current Assets</u>							
Stocks	11		138480			137977	
Debtors	12		2410166			2280135	
Cash at bank and in hand			1279726			1548910	
			-----			-----	
			3828372			3967022	
<u>Creditors: Amounts falling due within one year</u>	13		2506758			3191087	
			-----			-----	
<u>Net Current Assets</u>			1321614			775935	
<u>Total Assets Less Current Liabilities</u>			5223396			4996031	
<u>Creditors: Amounts falling due after more than one year</u>	14		25813			323981	
			-----			-----	
			5197583			4672050	
<u>Provision for Liabilities and Charges</u>	16		320686			133906	
			-----			-----	
<u>Net Assets</u>			4876897			4538144	
			=====			=====	
<u>Capital and Reserves</u>							
Called up share capital	17		1050120			1050120	
Capital redemption reserve	18		377500			377500	
Revaluation reserve	18		882155			882155	
Profit and loss account	18		2567122			2228369	
			-----			-----	
Shareholders' Funds	19		4876897			4538144	
			=====			=====	

Signed on behalf of the
board of directors

E.P. Harper

Director



Approved by the board: 25th April 1996

The notes on pages 9 to 19 form part of these accounts.

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>1995</u> £	<u>1994</u> £
Profit on ordinary activities after taxation	294847	110601
Foreign exchange differences on loans to group company	95865	-
Currency translation differences on foreign currency net investments	5798	6314
Unrealised surplus on revaluation of properties	-	882155
Premium and costs on purchase of own shares	-	(331167)
	-----	-----
<u>Total Recognised Gains and Losses</u> <u>Relating to the Year</u>	396510 =====	667903 =====

GROUP STATEMENT OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>1995</u> £	<u>1994</u> £
Reported profit on ordinary activities before taxation	484900	145140
Difference between historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount (excluding investment properties)	5548	(4464)
	-----	-----
<u>Historical Cost Profit on Ordinary Activities</u> <u>Before Taxation</u>	490448 =====	140676 =====
<u>Historical Cost Profit Retained After</u> <u>Taxation and Dividends</u>	242638 =====	43130 =====

ADROIT GROUP LIMITED

COMPANY BALANCE SHEET

30TH SEPTEMBER 1995

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
<u>Fixed Assets</u>							
Tangible fixed assets	9	2284437				2262951	
Investments	10	78232				78232	
		-----		2362669	-----		2341183
<u>Current Assets</u>							
Debtors							
Amounts falling due after one year	12	879473				725704	
Amounts falling due within one year	12	805217				1527017	
Cash at bank		368055				74149	
		-----				-----	
		2052745				2326870	
<u>Creditors: Amounts falling due within one year</u>	13	1029166				1283374	
		-----				-----	
<u>Net Current Assets</u>				1023579			1043496
				-----			-----
<u>Total Assets Less Current Liabilities</u>				3386248			3384679
<u>Creditors: Amounts falling due after more than one year</u>	14			-			300000
				-----			-----
				3386248			3084679
<u>Provision for Liabilities and Charges</u>							
Deferred taxation	16			39406			39406
				-----			-----
<u>Net Assets</u>				3346842			3045273
				=====			=====
<u>Capital and Reserves</u>							
Called up share capital	17			1050120			1050120
Capital redemption reserve	18			377500			377500
Revaluation reserve	18			882155			882155
Profit and loss account	18			1037067			735498
				-----			-----
Shareholders' Funds	19			3346842			3045273
				=====			=====

Signed on behalf of the
board of directors

E.P. Harper

Director



Approved by the board : 25th April 1996

The notes on pages 9 to 19 form part of these accounts.

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u>		<u>1994</u>	
		£	£	£	£
<u>Net Cash Flow from Operating Activities</u>					
Operating profit		451916		111147	
Loss on foreign exchange		6679		9858	
Depreciation		753600		719329	
Stocks - (Decrease) Increase		(503)		395448	
Debtors - (Increase)		(130031)		(167225)	
Creditors - Increase (Decrease)		187747		(361930)	
Net increase in other provisions		213780		-	
		-----		-----	
<u>Net Cash Inflow from Operating Activities</u>			1483188		706627
<u>Net Cash Flow from Returns on Investments and Servicing of Finance</u>					
Interest received		22424		16721	
Interest paid		(19529)		(39044)	
Dividends paid		(21002)		(42005)	
		-----		-----	
<u>Net Cash Outflow from Returns on Investments and Servicing of Finance</u>			(18107)		(64328)
<u>Taxation</u>					
U.K. Corporation tax paid			(53499)		(12194)
			-----		-----
<u>Net Cash Inflow before Investing and Finance</u>			1411582		630105
<u>Net Cash Flow from Investing Activities</u>					
Payments to acquire tangible fixed assets		(402060)		(462618)	
Receipts from sales of tangible fixed assets		96987		147551	
		-----		-----	
<u>Net Cash Outflow from Investing Activities</u>			(305073)		(315067)
<u>Net Cash Inflow Before Financing</u>			1106509		315038
			=====		=====
<u>Net Cash Flow From Financing</u>					
Purchase of own shares					
Nominal value		-		375000	
Premium and expenses		-		331167	
New secured loan repayable in 1996		-		(300000)	
New unsecured loan		(12987)		-	
Repayment of amounts borrowed		207390		10504	
		-----	194403	-----	416671
<u>Increase (Decrease) in Cash and Cash Equivalents</u>	20(a)		912106		(101633)
			-----		-----
			1106509		315038
			=====		=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

1. Accounting Policies

a) Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with applicable Accounting Standards.

b) Basis of consolidation

The group accounts consolidate the accounts of Adroit Group Limited and its subsidiaries made up to 30th September 1995.

The accounts of the overseas subsidiary do not conform with the group's accounting policies because of legislation and accounting practices of the country concerned. Appropriate adjustments have been made on consolidation in order to present the group financial statements on a uniform basis.

Goodwill arising on consolidation, which represents the fair value of the net tangible assets acquired, has been written off against reserves.

In the company's own accounts, investment in subsidiaries is stated at cost.

No profit and loss account is presented for Adroit Group Limited as provided by Section 230 of the Companies Act 1985.

c) Turnover

Turnover represents, with the exception of civil engineering contracts, the invoiced value of goods and services, excluding value added tax and sales between group companies. Civil engineering contracts are included in turnover at the sales value of work certified up to the balance sheet date.

d) Tangible fixed assets

i) In accordance with S.S.A.P.19, investment properties are revalued annually and any temporary aggregate surplus or deficit transferred to a revaluation reserve. Any deficit (or its reversal) on an individual investment property which is expected to be permanent is taken to the profit and loss account. No depreciation is provided in respect of freehold investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in S.S.A.P.19. The directors consider that to depreciate such properties would not give a true and fair view, but that a true and fair view is given by following S.S.A.P.19 as described above. If this departure had not been made the profit for the financial year would have been reduced by depreciation on revalued investment properties of £33500 (1994 £26390) and this charge would have been reduced by £13568 (1994 £10688) if the historical cost accounting rules had been used.

ii) Valuations are made by the directors with the assistance of independent professional advice as required. The basis of valuation is given in note 9.

(iii) Depreciation is provided at the following annual rates on all other tangible fixed assets in order to write off each asset over its estimated useful life:-

Freehold buildings	2%	straight line
Leasehold buildings	2%	straight line
Improvements to leasehold property	straight line over the period from commencement of the lease to the date of the first break clause.	
Plant and machinery	25%	straight line
Site offices and equipment	15% - 20%	straight line
Office equipment	20%	straight line
Computers	25%	straight line
Motor vehicles	25%	straight line

The group reappraised its annual rates of depreciation with effect from 1st October 1994. The new rates apply to all assets purchased from that date. The estimated remaining useful economic lives of existing assets at that date have been assessed by the directors and the depreciation charge calculated in order to write off the net book value of these assets over their revised useful economic lives.

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

1. Accounting Policies (Continued)

e) Stock and work in progress

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

f) Civil engineering contracts

Amounts recoverable on contracts, which are included in debtors, represent the sales value of work certified not invoiced at the balance sheet date, less any necessary provisions for remedial or guarantee work. Contract provisions on individual contracts which are in excess of the amounts recoverable on contracts are shown as provisions for liabilities and charges. A prudent estimate of the profit attributable to work certified is recognised when the outcome of the contract can be reasonably foreseen.

g) Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

h) Foreign currencies

In the accounts of individual companies, assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account in the year in which they arise. For the purpose of consolidation, the assets, liabilities and results over the overseas subsidiary company are translated into sterling as the year end rate. Exchange differences arising from the retranslation of the opening net investment in the overseas subsidiary and long term loans which form part of the group's net investment are taken to reserves and reported in the statement of total recognised gains and losses.

i) Pension Costs

Contributions in respect of the groups' defined contributions pension schemes are charged to the profit and loss account for the year in which they are payable to the schemes.

j) Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

2. Segmental Analysis

i) Analysis of the turnover and profit on ordinary activities before interest and taxation is as follows:

a) By Class of Business

	<u>1995</u>		<u>1994</u>	
	<u>Turnover</u>	<u>Profit/ (Loss)</u>	<u>Turnover</u>	<u>Profit/ (Loss)</u>
	£	£	£	£
Estates division	271288	113808	215865	39494
Civil engineering division	6662718	291039	6895073	(6673)
Portable office division - U.K.	1622045	82426	1690431	104777
- France	1148472	(5268)	939523	29865
	-----	-----	-----	-----
	9704523	482005	9740892	167463
	=====	=====	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

2. Segmental Anaylysis (continued)

b) By Geographical Destination	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
United Kingdom	8556051	8801369
Europe (E.C.) - originating in France	1148472	939523
	-----	-----
	9704523	9740892
	=====	=====

ii) The net assets of the group analysed by class of business are as follows:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Estates division	3268610	2967041
Civil engineering division	128830	122899
Portable office division - U.K.	1305691	1269952
- France	173766	178252
	-----	-----
	4876897	4538144
	=====	=====

3. Operating Profit

The operating profit is stated after charging:

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets	753600	719329
Depreciation includes an amount of £70419 arising from the change in rates of depreciation of existing assets (note 1d) (iii) refers)		
Hire of plant and machinery	1002230	1070815
Staff costs	1642787	1694449
Auditors' remuneration	28000	28000
Operating lease rental - land	19250	19250
Loss on foreign exchange	6679	9858
	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

<u>4. Staff Costs</u>	<u>1995</u> £	<u>1994</u> £
Directors emoluments -		
For services as directors	95259	99081
Other emoluments	27507	26698
Wages and salaries	1322954	1349065
Social security costs	167414	172555
Other pension costs	29653	47050
	-----	-----
	1642787	1694449
	=====	=====

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

Production and sales	61	69
Office and management	17	22
	--	--
	78	91
	==	==

Emoluments, excluding pension contributions, of the directors who served during the year ended 30th September 1995 were as follows:-

	<u>Number of Directors</u>	
	<u>1995</u>	<u>1994</u>
£15001 - £20000	1	-
£30001 - £35000	-	1
£35001 - £40000	-	1
£40001 - £45000	1	1
£45001 - £50000	1	-

The emoluments, excluding pension contributions, of the chairman amounted to £16265 (1994 £30966) and those of the highest paid director £46581 (1994 £44757).

<u>5. Interest Payable</u>	<u>1995</u> £	<u>1994</u> £
Interest payable on bank overdrafts	485	1150
Interest payable on hire purchase agreements	396	1713
Other interest payable	18648	36181
	-----	-----
	19529	39044
	=====	=====

<u>6. Taxation</u>	<u>1995</u> £	<u>1994</u> £
The tax charge is made up as follows:		
U.K. Corporation tax at 33% based on the adjusted results for the year	215170	66800
Overseas taxation	1883	1739
Deferred taxation computed at 33%	(27000)	(34000)
	-----	-----
	190053	34539
	=====	=====

<u>7. Dividends</u>	<u>1995</u> £	<u>1994</u> £
Interim dividend paid on ordinary shares		
£Nil per share (1994 £0.04)	-	42005
Final dividend proposed on ordinary shares		
£0.055 per share (1994 £0.02)	57757	21002
	-----	-----
	57757	63007
	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

8. Tangible Fixed Assets

<u>The Group</u>	<u>Freehold Investment Properties</u>	<u>Freehold Land and Buildings</u>	<u>Leasehold Land and Buildings</u>	<u>Improvements to Property</u>	<u>Plant and Machinery</u>
<u>Cost or Valuation</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st October 1994	1675000	100135	575000	23207	175131
Exchange differences	-	8323	-	-	770
Additions	-	779	-	-	1894
Disposals	-	-	-	-	(114992)
<u>At 30th September 1995</u>	<u>1675000</u>	<u>109237</u>	<u>575000</u>	<u>23207</u>	<u>62803</u>
<u>Depreciation</u>					
At 1st October 1994	-	20942	-	9525	149899
Exchange differences	-	2604	-	-	300
On disposals	-	-	-	-	(111728)
Charge for year	-	1231	11500	3157	17900
<u>At 30th September 1995</u>	<u>-</u>	<u>24777</u>	<u>11500</u>	<u>12682</u>	<u>56371</u>
<u>Written Down Values</u>					
At 30th September 1995	1675000	84460	563500	10525	6432
At 30th September 1994	1675000	79193	575000	13682	25232
<u>Cost or Valuation at 30th September 1995 is represented by:-</u>					
Valuation	1675000	-	575000	-	-
Cost	-	109237	-	23207	62803
	1675000	109237	575000	23207	62803

	<u>Site Offices and Equipment</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1st October 1994	5374759	299578	418511	8641321
Exchange differences	209865	2349	507	221814
Additions	232026	40575	126786	402060
Disposals	(291612)	(73919)	(38972)	(519495)
<u>At 30th September 1995</u>	<u>5525038</u>	<u>268583</u>	<u>506832</u>	<u>8745700</u>
<u>Depreciation</u>				
At 1st October 1994	3756213	193084	291562	4421225
Exchange differences	116802	1842	142	121690
On disposals	(250103)	(54856)	(35910)	(452597)
Charge for year	557286	75490	87036	753600
<u>At 30th September 1995</u>	<u>4180198</u>	<u>215560</u>	<u>342830</u>	<u>4843918</u>
<u>Written Down Values</u>				
At 30th September 1995	1344840	53023	164002	3901782
At 30th September 1994	1618546	106494	126949	4220096

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

	<u>Site Offices and Equipment</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
<u>Cost or Valuation at 30th September 1995 is represented by:-</u>				
Valuation	-	-	-	2250000
Cost	5525038	268583	506832	6495700
	-----	-----	-----	-----
	5525038	268583	506832	8745700
	=====	=====	=====	=====

Details of the valuation of properties, which all relate to the company, are given in note 9.

No assets are subject to outstanding hire purchase agreements at 30th September 1995 (1994 net book value of motor vehicles of £126949 included £2656 which was subject to an outstanding hire purchase agreement).

9. Tangible Fixed Assets

<u>The Company</u>	<u>Freehold Investment Properties</u>	<u>Leasehold Land and Buildings</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1st October 1994	1675000	575000	29152	2267	2281419
Additions	-	-	16115	24304	40419
Disposals	-	-	(8680)	-	(8680)
	-----	-----	-----	-----	-----
<u>At 30th September 1995</u>	1675000	575000	36587	26571	2313158
	=====	=====	=====	=====	=====
<u>Depreciation</u>					
At 1st October 1994	-	-	17976	492	18468
On disposals	-	-	(8680)	-	(8680)
Charge for year	-	11500	5361	2072	18933
	-----	-----	-----	-----	-----
<u>At 30th September 1995</u>	-	11500	14657	2564	28721
	=====	=====	=====	=====	=====
<u>Written Down Values</u>					
<u>At 30th September 1995</u>	1675000	563500	21930	24007	2284437
	=====	=====	=====	=====	=====
<u>At 30th September 1994</u>	1675000	575000	11176	1775	2262951
	=====	=====	=====	=====	=====
<u>Cost or Valuation at 30th September 1995 is represented by:-</u>					
Valuation	1675000	575000	-	-	2250000
Cost	-	-	36587	26571	63158
	-----	-----	-----	-----	-----
	1675000	575000	36587	26571	2313158
	=====	=====	=====	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

9. Tangible Fixed Assets (Continued)

The Company

The directors, having taken independent professional advice, consider there to be no change during the year to the open market valuations for existing use of the company's freehold investment properties.

The leasehold land and buildings were valued at open market valuation for existing use at 30th September 1994 by the directors with the assistance of independent professional advice.

If properties had not been revalued they would have been included at the following amounts.

	<u>1995</u>		<u>1994</u>	
	<u>Freehold</u>	<u>Leasehold</u>	<u>Freehold</u>	<u>Leasehold</u>
	<u>Investment</u>	<u>Land and</u>	<u>Investment</u>	<u>Land and</u>
	<u>Properties</u>	<u>Buildings</u>	<u>Properties</u>	<u>Buildings</u>
	£	£	£	£
Cost	1197798	297600	1197798	297600
Aggregate depreciation based on cost	95291	78312	75359	72360
Written down value based on cost	1102507	219288	1122439	225240
Depreciation has not been charged on freehold land which is included at a cost of £201153.				

10. Fixed Asset Investments

The Company

The following are included in the net book value of fixed asset investments.

	<u>1995</u>	<u>1994</u>
	£	£
<u>Shares in subsidiary undertakings</u>		
<u>Cost at 1st October 1994 and at</u>		
<u>30th September 1995</u>	78232	78232
	=====	=====

At 30th September 1995 the group owned 100% of the ordinary share capital of the following group undertakings included in the group accounts:-

	<u>Country of</u>	<u>Principal</u>
	<u>Incorporation</u>	<u>Activity</u>
Droicon plc	Great Britain	Civil engineering and public works contractors
Dial-a-Unit plc	Great Britain	Manufacture, hire and sale of portable offices
Gamma Automation Controls Limited (Subsidiary of Droicon plc)	Great Britain	Design engineering and installation of automatic valve systems
Logimobile S.A.R.L. (Subsidiary of Dial-a-Unit plc)	France	Hire and sale of portable offices

All shares held are ordinary shares.

Dormant group undertakings have been excluded from the above list by virtue of Section 231 and Schedule 5 of the Companies Act 1985.

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

11. <u>Stocks</u>	1995	1994
	£	£
<u>The Group Only</u>		
Raw materials and consumables	100046	87365
Work in progress	38434	38981
Civil engineering contracts in progress		
Net cost less foreseeable losses	-	11631
	-----	-----
	138480	137977
	=====	=====
 12. <u>Debtors</u>	<u>Group</u>	<u>Company</u>
	1995 1994	1995 1994
	£ £	£ £
Trade debtors	824033	848925
Amounts recoverable on contracts	1491036	1263616
Other debtors	69930	139837
Prepayments and accrued income	25167	27757
Amounts owed by group undertakings		
Due within one year	-	777077
Due after more than one year	-	879473
	-----	-----
	2410166	2280135
	=====	=====
 13. <u>Creditors: Amounts falling due within one year</u>	<u>Group</u>	<u>Company</u>
	1995 1994	1995 1994
	£ £	£ £
Trade creditors	1496009	1345584
Other taxes and social security	310131	243792
Accruals and deferred income	188593	204230
Obligation under hire purchase agreements	-	914
Other creditors	15506	28886
Loan (secured)	100000	-
Loans	10674	5995
Amounts owed to group undertakings	-	750999
	-----	-----
	2120913	1829401
Bank overdrafts	-	1176294
Taxation	328088	164390
Proposed dividend	57757	21002
	-----	-----
	2506758	3191087
	=====	=====

The bank overdrafts are secured by debentures and charges over the assets of the group and by cross guarantees and debentures amongst group companies.

The secured loan is repayable in full on 30th April 1996 or earlier at the borrowers option, and is secured on one of the company's freehold investment properties. Interest at 8% per annum is payable half yearly.

Hire purchase liabilities are secured on the related assets.

14. <u>Creditors: Amounts falling due after more than one year</u>	<u>Group</u>	<u>Company</u>
	1995 1994	1995 1994
	£ £	£ £
Loan (secured)	-	300000
Loans	25813	23981
	-----	-----
	25813	323981
	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

15. Loans and Overdrafts

	<u>Group</u>		<u>Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Loans and overdrafts are repayable as follows:-				
In one year or less				
Bank overdraft	-	1176294	-	1170202
Hire purchase	-	914	-	-
Loans	10674	5995	-	-
Loan (secured)	100000	-	100000	-
Between one and two years				
Loans	11156	5995	-	-
Loan (secured)	-	300000	-	300000
Between two and five years				
Loan	14657	17986	-	-
	-----	-----	-----	-----
	136487	1507184	100000	1470202
	=====	=====	=====	=====

16. Provisions for Liabilities and Charges

	<u>Deferred</u>	<u>Contract</u>	<u>Total</u>
	<u>Taxation</u>	<u>Provisions</u>	<u></u>
	£	£	£
<u>The Group</u>			
At 1st October 1994	133906	-	133906
Provided	-	213780	213780
Released	(27000)	-	(27000)
	-----	-----	-----
At 30th September 1995	106906	213780	320686
	=====	=====	=====

The Company

At 1st October 1994 and 30th September 1995	39406	-	39406
	=====		

Deferred Taxation

	<u>Amount Provided</u>		<u>Amount Unprovided</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
<u>The Group</u>				
Accelerated capital allowances	67500	94500	174250	169200
Other timing differences	39406	39406	-	-
Property revaluations	-	-	-	-
	-----	-----	-----	-----
	106906	133906	174250	169200
	=====	=====	=====	=====
<u>The Company</u>				
Accelerated capital allowances	-	-	174250	169200
Other timing differences	39406	39406	-	-
Property revaluations	-	-	-	-
	-----	-----	-----	-----
	39406	39406	174250	169200
	=====	=====	=====	=====

17. Called Up Share Capital

	<u>1995</u>	<u>1994</u>
	£	£
Authorised		
1500000 ordinary shares of £1 each	1500000	1500000
	=====	=====
Allotted, issued and fully paid		
1050120 ordinary shares of £1 each	1050120	1050120
	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

18. <u>Reserves</u> <u>The Group</u>	<u>Capital</u>	<u>Non-Distributable</u>		<u>Distributable</u>
	<u>Redemption</u> <u>Reserve</u>	<u>Revaluation</u> <u>Reserve</u>		<u>Profit</u> <u>and Loss</u> <u>Account</u>
	<u>Reserve</u>	<u>Investment</u> <u>Properties</u>	<u>Other</u> <u>Property</u>	
	£	£	£	£
At 1st October 1994	377500	536859	345296	2228369
Foreign exchange differences	-	-	-	95865
Currency translation differences on foreign currency net investment	-	-	-	5798
Retained profit for the year	-	-	-	237090
	-----	-----	-----	-----
<u>At 30th September 1995</u>	<u>377500</u>	<u>536859</u>	<u>345296</u>	<u>2567122</u>
	=====	=====	=====	=====

The profit and loss account balance is stated after writing off goodwill. The total goodwill written off is £530369, all of which relates to subsidiary undertakings.

<u>The Company</u>	<u>Capital</u>	<u>Non-Distributable</u>		<u>Distributable</u>
	<u>Redemption</u> <u>Reserve</u>	<u>Revaluation</u> <u>Reserve</u>		<u>Profit</u> <u>and Loss</u> <u>Account</u>
	<u>Reserve</u>	<u>Investment</u> <u>Properties</u>	<u>Other</u> <u>Property</u>	
	£	£	£	£
At 1st October 1994	377500	536859	345296	735498
Foreign exchange differences	-	-	-	67489
Retained profit for the year	-	-	-	234080
	-----	-----	-----	-----
<u>At 30th September 1995</u>	<u>377500</u>	<u>536859</u>	<u>345296</u>	<u>1037067</u>
	=====	=====	=====	=====

19. Reconciliation of Movement on Shareholders' Funds

	<u>The Group</u>		<u>The Company</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£	£	£	£
Profit for the financial year	294847	110601	291837	392167
Dividends	(57757)	(63007)	(57757)	(63007)
	-----	-----	-----	-----
	237090	47594	234080	329160
Other recognised gains and losses relating to the year (net)	101663	557302	67489	550988
Purchase of own shares	-	(375000)	-	(375000)
	-----	-----	-----	-----
Movement in shareholders' funds	338753	229896	301569	505148
Opening shareholders' funds at 1st October 1994	4538144	4308248	3045273	2540125
	-----	-----	-----	-----
<u>Closing Shareholders' Funds at</u> <u>30th September 1995</u>	<u>4876897</u>	<u>4538144</u>	<u>3346842</u>	<u>3045273</u>
	=====	=====	=====	=====

ADROIT GROUP LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO THE ACCOUNTS

30TH SEPTEMBER 1995

(CONTINUED)

20. Notes to the Cash Flow Statement

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
a) <u>Analysis of Changes in Cash and Cash Equivalents</u>		
Balance at 1st October 1994		
· Cash at bank and in hand	1548910	1185661
Bank overdrafts	(1176294)	(696073)
	-----	-----
	372616	489588
Increase/(decrease) in cash and cash equivalents before adjustments for the effect of foreign exchange rates	912106	(101633)
Effect of foreign exchange rate changes	(4996)	(15339)
	-----	-----
	1279726	372616
	=====	=====
Balance at 30th September 1995		
Cash at bank and in hand	1279726	1548910
Bank overdrafts	-	(1176294)
	-----	-----
	1279726	372616
	=====	=====
b) <u>Analysis of Changes in Financing During the Year</u>		
	<u>Share Capital</u>	
	<u>(including</u>	
	<u>Capital Redemption</u>	
	<u>Reserve)</u>	<u>Loans</u>
	<u>£</u>	<u>£</u>
Balance at 1st October 1994	1427620	330890
Cash outflow from financing during the year	-	(194403)
	-----	-----
Balance at 30th September 1995	1427620	136487
	=====	=====

21. Group Pension Scheme

The group operates defined contributions pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the schemes and amounted to £46092 (1994 £61403).

22. Commitments

a) Capital Commitments

The Group and the Company

Capital expenditure authorised by the directors, not contracted for

<u>1995</u>	<u>1994</u>
<u>£</u>	<u>£</u>
1331191	-
=====	=====

b) Operating Leases

The Group Only

Annual commitments at 30th September 1995 for land are as follows:-

	<u>£</u>
Expiring after 5 years	19250
	=====