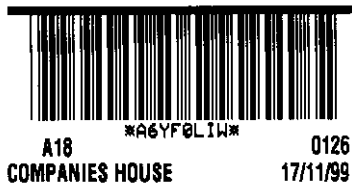


Abbreviated Financial Statements
for the Period 3 January 1998 to 1 January 1999
for
Tunnel Tech North Limited



Tunnel Tèch North Limited

Contents of the Abbreviated Financial Statements
for the Period 3 January 1998 to 1 January 1999

	Page
Company Information	1
Report of the Auditors on the Abbreviated Financial Statements	2
Abbreviated Balance Sheet	3
Notes to the Abbreviated Financial Statements	4

Tunnel Tech North Limited

Company Information

for the Period 3 January 1998 to 1 January 1999

DIRECTORS:

M J Dewhurst
B J Dyer
D B E Johnson

SECRETARY:

B J Dyer

REGISTERED OFFICE:

The Old Airfield
Winchester Street
Leckford
Stockbridge
Hampshire
SO20 6JF

REGISTERED NUMBER:

2356763

AUDITORS:

Sheppard & Co
Chartered Accountants
15 City Business Centre
Hyde Street
Winchester
Hampshire
SO23 7TA

Tunnel Tech North Limited

Report of the Auditors to

Tunnel Tech North Limited

Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages three to five, together with the full financial statements of the company for the period ended 1 January 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

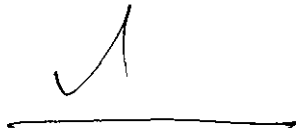
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to five are properly prepared in accordance with those provisions.



Sheppard & Co
Chartered Accountants
15 City Business Centre
Hyde Street
Winchester
Hampshire
SO23 7TA



Dated: 28 May 1999.

Tunnel Tech North Limited

Abbreviated Balance Sheet
1 January 1999

		1.1.99		2.1.98	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		1,861,321		1,839,248
CURRENT ASSETS:					
Stocks		182,907		167,069	
Debtors		560,080		382,345	
Cash in hand		100		136	
		743,087		549,550	
CREDITORS: Amounts falling due within one year	3	1,263,607		1,002,621	
NET CURRENT LIABILITIES:			(520,520)		(453,071)
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,340,801		1,386,177
CREDITORS: Amounts falling due after more than one year	3		(391,175)		(598,588)
PROVISIONS FOR LIABILITIES AND CHARGES:			(17,193)		-
			£932,433		£787,589
CAPITAL AND RESERVES:					
Called up share capital	4		351,000		351,000
Profit and loss account			581,433		436,589
Shareholders' funds			£932,433		£787,589

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



M J Dewhurst - DIRECTOR

Approved by the Board on 27.5.99

Tunnel Tèch North Limited

Notes to the Abbreviated Financial Statements for the Period 3 January 1998 to 1 January 1999

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided, at the following annual rates, in order to write off each asset over its estimated useful life.

Freehold land	- Nil
Freehold buildings	- 5% to 20% on cost
Plant, machinery etc	- 10% to 50% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Costs include all direct expenditure and an appropriate proportion of fixed and variable overheads.

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.

Hire purchase and leasing commitments

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Investments

Investments are stated at cost.

2. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 3 January 1998	2,710,674
Additions	317,784
Disposals	(77,820)
At 1 January 1999	2,950,638
DEPRECIATION:	
At 3 January 1998	871,427
Charge for period	254,801
Eliminated on disposals	(36,911)
At 1 January 1999	1,089,317
NET BOOK VALUE:	
At 1 January 1999	1,861,321
At 2 January 1998	1,839,248

Tunnel Tech North Limited

Notes to the Abbreviated Financial Statements for the Period 3 January 1998 to 1 January 1999

3. CREDITORS

The following secured debts are included within creditors:

	1.1.99	2.1.98
	£	£
Bank overdrafts	93,273	282,813
Bank loans	431,875	527,362
Finance leases	172,298	313,999
	<u>697,446</u>	<u>1,124,174</u>

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	1.1.99	2.1.98
			£	£
351,000	Ordinary	£1	<u>351,000</u>	<u>351,000</u>

5. ULTIMATE PARENT COMPANY

The directors are of the opinion that Bromcraft Limited, incorporated in England, was the company's ultimate parent company at 1 January 1999.

6. TRANSACTIONS WITH DIRECTORS

Mr D Johnson is a director of, and materially interested in the shares of, Northern Straw Limited. Northern Straw Limited which trades with Tunnel Tech North Limited on normal commercial terms. Invoices from Northern Straw Limited to Tunnel Tech North Limited during the period ended 1 January 1999 totalled £778,813 (1998: £407,742).

Northern Straw Limited received an invoice in the sum of £1,035 (1998: Nil) from Tunnel Tech North Limited during the same period.

Northern Straw Limited also holds 40% of the shares of Bromcraft Limited, the holding company of Tunnel Tech North Limited.

Mr M J Dewhurst is a director of, and materially interested in the shares of Mushroom Madness Limited. Mushroom Madness Limited supplies goods to Tunnel Tech North Limited on normal commercial terms. Invoices from Mushroom Madness Limited to Tunnel Tech North Limited during the period ended 1 January 1999 totalled £1,147 (1998: Nil).