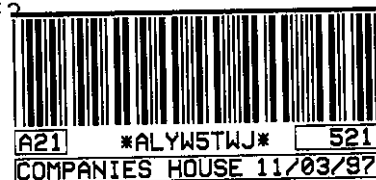


SCOTWOOD DEVELOPMENTS LIMITED
MODIFIED FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 1995

Chown Hugh
Chartered Accountants
CARDIFF

Company Number: 2290252



AUDITORS' REPORT TO THE DIRECTORS OF

SCOTWOOD DEVELOPMENTS LIMITED

YEAR ENDED 30 SEPTEMBER 1995

(UNDER PARAGRAPH 24 OF SCHEDULE 8 OF THE 1985 COMPANIES ACT)

We have examined the modified financial statements set out on pages 3 to 5, together with the full statutory financial statements of the company for the year ended 30 September 1995, prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the full statutory financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purposes of this report does not include examining or dealing with events after the date of our report on the full statutory financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30 September 1995, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

We reported as auditors of Scotwood Developments Limited to the members on the financial statements, prepared under Schedule 4 of the 1985 Companies Act, for the year ended 30 September 1995 and our audit opinion was as follows:-

"We have audited the financial statements on pages 4 to 11 which has been prepared under the historical cost convention.

AUDITORS' REPORT TO THE DIRECTORS OF

SCOTWOOD DEVELOPMENTS LIMITED

YEAR ENDED 30 SEPTEMBER 1995

(UNDER PARAGRAPH 24 OF SCHEDULE 8 OF THE 1985 COMPANIES ACT) (continued)

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

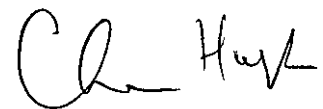
Basis of opinion

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 judgments 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 September 1995 and of its profit and cash flow statement for the year then ended and have been properly prepared in accordance with the Companies Act 1985".



CHOWN HUGH
Chartered Accountants
& Registered Auditors
25/27 Pantbach Road
Birchgrove
Cardiff
CF4 1TU

.....7 March 1997
Date

SCOTWOOD DEVELOPMENTS LIMITED

MODIFIED BALANCE SHEET

30 SEPTEMBER 1995

	1995	1994
	£	£
FIXED ASSETS		
Tangible Assets	18,871	16,854
CURRENT ASSETS		
Work in Progress	14,000	8,000
Stocks	6,000	6,000
Debtors	52,882	57,558
Cash at Bank and in Hand	-	2,404
	-----	-----
	72,882	73,962
	-----	-----
CREDITORS: Amounts falling due within one year	71,085	73,766
	-----	-----
NET CURRENT ASSETS	1,797	196
	-----	-----
	20,668	17,050
Liabilities due after more than one year: Hire Purchase	(3,823)	(7,023)
	-----	-----
	16,845	10,027
	=====	=====
CAPITAL AND RESERVES		
Shareholders' Funds:		
Called-up Share Capital	1,000	1,000
Profit and Loss Account	15,845	9,027
	-----	-----
	16,845	10,027
	=====	=====

In preparing these modified financial statements I have relied upon the exemptions for individual accounts provided in Sections 247 to 249 of the 1985 Companies Act on the grounds that the company is entitled to the benefit of those exemptions as a small company.


.....
A T Currie

5 Mar 1997
.....
Date

SCOTWOOD DEVELOPMENTS LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1995

1. ACCOUNTING POLICIES

A) BASIS OF ACCOUNTING

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

B) TANGIBLE FIXED ASSETS

Depreciation is provided on the cost of tangible fixed assets at the following annual rates in order to write off the cost of each asset over its estimated useful life:-

Motor Vehicles	-	25% on written down value
Machinery and Equipment	-	25% on written down value

C) STOCKS AND WORK IN PROGRESS

Stocks and Work in Progress are stated at the lower of cost and net realisable value after providing for obsolete and slow moving items.

D) DEFERRED TAXATION

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

E) PENSION COSTS

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable.

2. DEBTORS

No debtors fell due more than one year after the Balance Sheet date.

3. SECURITY

The bank overdraft of £9,729, shown in the figure for "Creditors: Amounts due within one year" in the Balance Sheet, is secured by way of a charge over the company's assets.

4. AUTHORISED AND CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised:		
1,000 Ordinary Shares of £1 each	1,000	1,000
	=====	=====
Issued and Fully Paid:		
1,000 Ordinary Shares of £1 each	1,000	1,000
	=====	=====

SCOTWOOD DEVELOPMENT LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1995

5. CAPITAL COMMITMENTS

There were no capital commitments at the Balance Sheet date (1994 - Nil).

6. CONTINGENT LIABILITIES

There were no contingent liabilities at the Balance Sheet date (1994 - Nil).