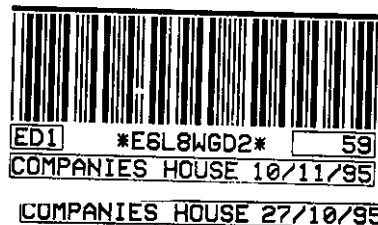


SCOTWOOD DEVELOPMENTS LIMITED  
MODIFIED FINANCIAL STATEMENTS  
YEAR ENDED 30 SEPTEMBER 1994



CHOWN HUGH  
Chartered Accountants  
CARDIFF

Company No: 2290252

REPORT OF THE AUDITORS TO THE DIRECTORS

OF SCOTWOOD DEVELOPMENTS LIMITED

YEAR ENDED 30 SEPTEMBER 1994

(UNDER PARAGRAPH 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 1994, 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 exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30 September 1994, 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 1994 and our audit opinion was as follows.

REPORT OF THE AUDITORS TO THE DIRECTORS (continued)

OF SCOTWOOD DEVELOPMENTS LIMITED

YEAR ENDED 30 SEPTEMBER 1994

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

"We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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 company's affairs at 30 September 1994 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  
and Registered Auditors  
25/27 Pantbach Road  
Birchgrove  
CARDIFF  
CF4 1TU

25 October 1995  
.....

SCOTWOOD DEVELOPMENTS LIMITED

MODIFIED BALANCE SHEET

30 SEPTEMBER 1994

	1994		1993	
	£	£	£	£
FIXED ASSETS				
Tangible Assets		16,854		10,885
CURRENT ASSETS				
Work in Progress	8,000		4,000	
Stock	6,000		4,000	
Debtors	57,558		49,352	
Balance at Bank and in Hand	2,404		3,921	
	-----		-----	
	73,962		61,273	
	-----		-----	
CREDITORS: Amounts falling due within one year	73,766		62,977	
	-----		-----	
NET CURRENT ASSETS/ (LIABILITIES)		196		(1,704)
		-----		-----
		17,050		9,181
Liabilities due after more than one year: Hire Purchase		(7,023)		(856)
		-----		-----
		10,027		8,325
		=====		=====
CAPITAL AND RESERVES				
Shareholders' Funds:				
Called-up Share Capital		1,000		1,000
Profit and Loss Account		9,027		7,325
		-----		-----
		10,027		8,325
		=====		=====

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

The financial statements were approved by the Board of Directors

on 23 October 1995

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.....  
A.T. Currie - Director

SCOTWOOD DEVELOPMENTS LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1994

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 the 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 contributions pension schemes are charged to the profit and loss account in the year in which they are payable.

(F) Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

2. DEBTORS

- a) No debtors fall due more than one year after the Balance Sheet date.
- b) Debtors include a balance of £17,776 due from a director, A T Currie. This balance was cleared subsequent to the year end. (1003 - £23,699 overdrawn)

SCOTWOOD DEVELOPMENTS LIMITED

NOTES TO THE MODIFIED FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1994

3. SECURITY

No security existed in relation to creditors at the balance sheet date (1993 - NIL).

4. AUTHORISED AND CALLED  
UP SHARE CAPITAL

	1994 £	1993 £
Authorised:		
1000 Ordinary Shares of £1 each	1,000 =====	1,000 =====
Issued and Fully Paid:		
1000 Ordinary Shares of £1 each	1,000 =====	1,000 =====