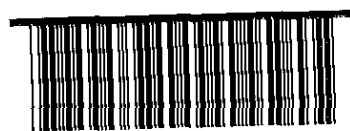


**ASSOCIATION OF INDEPENDENT ACCOUNTANTS
IN SCOTLAND**

FINANCIAL STATEMENTS

30 JUNE 2001

Company Registration Number SC101466



SCT SR76Y5LK 0044
COMPANIES HOUSE 08/11/01

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2001

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ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

J W Mathie
Mrs A H S Gray
J D Ritchie
J R Byers
J W Morren
D A Main
Ms H Oliver
D J Miller

Company secretary

J D Ritchie

Registered office

9 Ainslie Place
Edinburgh
EH3 6AT

Bankers

Bank of Scotland
52 Shandwick Place
Edinburgh
EH2 4SB

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2001

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 June 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to provide any service or services to assist Chartered Accountants in their business.

DIRECTORS

The directors who served the company during the year were as follows:

J W Mathie
Mrs A H S Gray
J D Ritchie
J R Byers
J W Morren
D A Main
Ms H Oliver
D J Miller

RETIREMENT OF DIRECTORS

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

Mrs A H S Gray
J W Morren

CLOSE COMPANY PROVISIONS

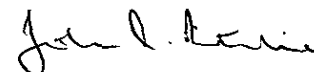
In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
9 Ainslie Place
Edinburgh
EH3 6AT

Signed by order of the directors



J D RITCHIE
Company Secretary

Approved by the directors on 3 October 2001

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2001

| | Note | 2001 £ | 2000 £ |
|---|----------|-----------|-----------|
| TURNOVER | | 11,825 | 7,866 |
| Cost of sales | | 8,229 | 6,739 |
| GROSS PROFIT | | 3,596 | 1,127 |
| Administrative expenses | | 1,852 | 1,755 |
| OPERATING PROFIT/(LOSS) | 2 | 1,744 | (628) |
| Interest receivable | | 73 | 43 |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,817 | (585) |
| Tax on profit/(loss) on ordinary activities | 3 | (182) | 70 |
| RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 1,635 | (515) |

The notes on pages 5 to 6 form part of these financial statements.

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND

BALANCE SHEET

30 JUNE 2001

| | Note | 2001 £ | £ | 2000 £ | £ |
|---|------|-----------|-------|-----------|------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | - | | - |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 30 | | 708 | |
| Cash at bank | | 2,357 | | 19 | |
| | | 2,387 | | 727 | |
| CREDITORS: Amounts falling due within one year | 6 | (798) | | (773) | |
| NET CURRENT ASSETS/(LIABILITIES) | | | 1,589 | | (46) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,589 | | (46) |
| RESERVES | 8 | | | | |
| Profit and Loss Account | 9 | | 1,589 | | (46) |
| MEMBERS' FUNDS/(DEFICIENCY) | | | 1,589 | | (46) |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

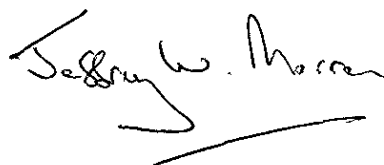
The directors acknowledge their responsibilities for:

- ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- preparing financial statements 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 or 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 financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 3 October 2001 and are signed on their behalf by:

J W MORREN



The notes on pages 5 to 6 form part of these financial statements.

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment 25% straight line

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

| | 2001 £ | 2000 £ |
|-----------------------|-----------|-----------|
| Directors' emoluments | — | — |

3. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES

| | 2001 £ | 2000 £ |
|---|-----------|-----------|
| Corporation Tax based on the results for the year at 10% (2000 - 20%) | 182 | (70) |

4. TANGIBLE FIXED ASSETS

| | Equipment £ |
|---------------------------------|----------------|
| COST | |
| At 1 July 2000 and 30 June 2001 | 1,074 |
| DEPRECIATION | |
| At 1 July 2000 | 1,074 |
| At 30 June 2001 | 1,074 |
| NET BOOK VALUE | |
| At 30 June 2001 | — |

ASSOCIATION OF INDEPENDENT ACCOUNTANTS IN SCOTLAND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2001

5. DEBTORS

| | 2001 | 2000 |
|--------------------------------|-----------|------------|
| | £ | £ |
| Corporation Tax repayable | - | 70 |
| Prepayments and accrued income | 30 | 638 |
| | <u>30</u> | <u>708</u> |

6. CREDITORS: Amounts falling due within one year

| | 2001 | | 2000 |
|-------------------------------------|-----------|------------|------------|
| | £ | £ | £ |
| Trade creditors | | 593 | 720 |
| Other creditors including taxation: | | | |
| Corporation Tax | 182 | | - |
| VAT | <u>23</u> | | <u>53</u> |
| | | 205 | 53 |
| | | <u>798</u> | <u>773</u> |

7. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

8. COMPANY LIMITED BY GUARANTEE

The Association, which is registered in Scotland, is a company limited by guarantee and does not have a share capital.

9. PROFIT AND LOSS ACCOUNT

| | 2001 | 2000 |
|---|--------------|-------------|
| | £ | £ |
| Balance brought forward | (46) | 469 |
| Retained profit/(loss) for the financial year | 1,635 | (515) |
| Balance carried forward | <u>1,589</u> | <u>(46)</u> |