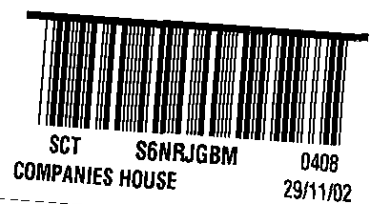


WALLACE ALLAN LIMITED
COMPANY REGISTERED NUMBER SC033131
REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST JANUARY 2002



ACCOUNTANTS' REPORT TO THE DIRECTORS OF
WALLACE ALLAN LIMITED

The following reproduces the text of the report prepared for the purposes of Section 249A (2) of the Companies Act 1985, as amended, in respect of the company's Annual Accounts, from which the Abbreviated Accounts set out on Pages 2 to 4 have been prepared.

As described on Page 3, you are responsible for the preparation of the Accounts and you consider that the company is exempt from an audit. In accordance with your instructions and in order to assist you to fulfil your responsibilities, we have prepared the Accounts on Pages 5 to 13 from the accounting records and from the information and explanations supplied to us. We have not carried out an audit.



AYR:
26th November 2002

Galbraith McEwan & Company
CHARTERED ACCOUNTANTS

WALLACE ALLAN LIMITED

BALANCE SHEET AS AT

31ST JANUARY 2002

	Notes	2002	2001
TANGIBLE FIXED ASSETS	3	401,745	401,418
		401,745	401,418
CURRENT ASSETS			
Stock at Valuation		387,186	355,606
Debtors		34,740	4,701
Cash at Bank and in Hand		402	432
		422,328	360,739
CREDITORS			
Amounts falling due within one year		240,524	248,929
NET CURRENT ASSETS		181,804	111,810
		583,549	513,228
CREDITORS			
Amounts falling due after more than one year	2	170,074	187,277
TOTAL ASSETS LESS CURRENT LIABILITIES		413,475	325,951
		=====	=====
CAPITAL AND RESERVES			
Called Up - Share Capital	4	22,000	22,000
Revaluation Reserve		89,948	89,948
Profit and Loss Account		301,527	214,003
SHAREHOLDERS FUNDS		413,475	325,951
		=====	=====

AUDIT EXEMPTION STATEMENT

For the year ended 31st January 2002 the Company was entitled to the exemption under Sub-Section (1) of Section 249A;

No notice requiring an audit had been deposited under Sub-Section (2) of Section 249B in relation to the accounts for the financial year; and

The Directors acknowledge their responsibilities for:

- (i) Ensuring that the company keeps accounting records which comply with Section 221; and

/.....

WALLACE ALLAN LIMITED
BALANCE SHEET AS AT
31ST JANUARY 2002 (CONT'D)

- (ii) Preparing accounts 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 for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

In preparing these Abbreviated Financial Statements:-

Advantage has been taken of the exemption conferred by Part III, Schedule 8 of the Companies Act 1985, as amended, on the grounds that in the Directors' opinion, the company is a small company as defined because it satisfies the criteria for exemption.

The Accounts were approved by the Board of Directors on 26th November 2002 and signed on their behalf by:-


.....
W.G. Allan, Director

The Notes on Pages 3 and 4 form part of theses Accounts.

WALLACE ALLAN LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST JANUARY 2002

1. ACCOUNTING POLICIES

The Accounts have been prepared in accordance with the Companies Act 1985, as amended, and with applicable Accounting Standards. The following accounting policies have been applied.

DEPRECIATION

Contrary to Financial Reporting Standards 15, no depreciation is provided on Heritable Property. Depreciation is provided on all other Tangible Fixed Assets as follows:-

Plant and Machinery	-	20%	Reducing Balance
Fixtures & Fittings	-	20%	Reducing Balance
Motor Vehicles	-	25%	Reducing Balance
Office Equipment	-	33.33%	Straight Line

STOCKS

Stocks are stated at the lower of cost and net realisable value on a basis consistent with that used in previous years, due allowance being made for slow moving and obsolete items.

DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income & expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

LEASES

Assets held under finance leases or hire purchase contracts are capitalised as Tangible Assets (together with a corresponding capital creditor) and depreciated in line with Company depreciation policies. Finance charges and interest are taken to the Profit and Loss Account in constant proportion to the remaining balance of capital repayments and net obligations outstanding. Rental costs under operating leases are charged to the Profit and Loss Account in equal amounts over the periods of the lease.

PENSION COSTS

Contributions to the Company's pension scheme are charged to the Profit and Loss Account in the year which they become payable.

TURNOVER

Turnover represents the amount of goods sold and services provided excluding Value Added Tax, and is wholly derived from the United Kingdom.

2. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

WALLACE ALLAN LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST JANUARY 2002 (CONTINUED)

2. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
Mortgage	25,189	30,008
Bank Loan	144,885	157,269
	<u>170,074</u>	<u>187,277</u>
	=====	=====

The total Mortgage balance outstanding to the Northern Rock Building Society amounted to £27,701. This is payable in monthly instalments plus interest.

3. TANGIBLE FIXED ASSETS

	HERITABLE PROPERTY	FITTINGS & EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT	PLANT & MACHINERY	TOTAL
COST:						
As at 1st Feb 2001	371,205	25,874	46,414	14,836	16,033	474,362
Additions	-	926	21,500	1,878	-	24,304
Disposals	-	-	(18,235)	-	-	(18,235)
As at 31st Jan 2002	<u>371,205</u>	<u>26,800</u>	<u>49,679</u>	<u>16,714</u>	<u>16,033</u>	<u>480,431</u>
	=====	=====	=====	=====	=====	=====
DEPRECIATION:						
As at 1st Feb 2001	11,655	20,713	20,942	13,318	6,316	72,944
Provided during year	-	1,218	9,179	1,380	1,943	13,720
Disposals	-	-	(7,978)	-	-	(7,978)
As at 31st Jan 2002	<u>11,655</u>	<u>21,931</u>	<u>22,143</u>	<u>14,698</u>	<u>8,259</u>	<u>78,686</u>
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE:						
31st January 2001	<u>359,550</u>	<u>5,161</u>	<u>25,472</u>	<u>1,518</u>	<u>9,717</u>	<u>401,418</u>
	=====	=====	=====	=====	=====	=====
31st January 2002	<u>359,550</u>	<u>4,869</u>	<u>27,536</u>	<u>2,016</u>	<u>7,774</u>	<u>401,745</u>
	=====	=====	=====	=====	=====	=====

The Net Book Value of Tangible Assets at 31st January 2002 includes £Nil (2001-£13,837) for assets held under Hire Purchase Contracts & Finance Leases.

4. SHARE CAPITAL

	AUTHORISED		ISSUED AND FULLY PAID	
	2002	2001	2002	2001
Ordinary Shares of £1 each	<u>30,000</u>	<u>30,000</u>	<u>22,000</u>	<u>22,000</u>
	=====	=====	=====	=====