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Townhead Properties Limited

MODIFIED ACCOUNTS

AS AT

31 March 1985

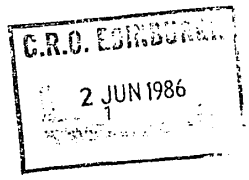
C.R.O. EDINBURGH
2 JUN 1986

24 APR 1986

Townhead Properties Limited

COMPANY INFORMATION

DIRECTORS:	AWD Samuel E Collingwood-Cameron
SECRETARY:	E Collingwood-Cameron
REGISTERED OFFICE:	126 Drymen Road Bearsden G61 3RB
AUDITORS:	Campbell and Bell Chartered Accountants 126 Drymen Road Bearsden Glasgow G61 3RB



Townhead Properties Limited

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C.R.O. EDINBURGH
2 JUN 1986

Townhead Properties Limited

AUDITORS REPORT TO THE DIRECTORS
FOR THE PURPOSES OF PARAGRAPH 10 OF
SCHEDULE 8 OF THE COMPANIES ACT 1985

In our opinion the directors are entitled under sections 247-249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31 March 1985, and the modified accounts on pages three to five have been properly prepared in accordance with Schedule 8 to that Act.

On 26 April 1986 we reported, as auditors of Townhead Properties Limited, to the members on the company's financial statements prepared under section 227 of the Companies Act 1985 for the year ended 31 March 1985 and our audit opinion was as follows:-

"We have audited the financial statements on pages four to twelve. Our audit was conducted in accordance with approved auditing standards having regard to matters referred to in the following paragraphs.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors (who are the shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

The financial statements reflect the substantial losses incurred by the company as explained at note 8. We have examined the computation of the estimated losses and based on the information available to us, consider the provision to be adequate. However, until the contract is totally concluded and audited financial statements for subsequent periods are prepared we are not in a position to certify the adequacy of the provision.

The financial statements are prepared on a going concern basis and assume the continuing support of the company's bankers. In the event of support being withdrawn, the amounts realised in respect of assets may fall short of amounts shown in the Balance Sheet.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31 March 1985 and of its results and source and application of funds for the year then ended and comply with the Companies Act 1985."

Campbell and Bell
Chartered Accountants
126 Drymen Road
Bearsden
Glasgow G61 3RB

Date: 20 May 1986

Townhead Properties Limited

MODIFIED BALANCE SHEET
As at 31 March 1985

	Notes	£	£	1984 £
FIXED ASSETS			-	-
CURRENT ASSETS				
Stocks	1	92,594		257,286
Debtors		3,285		16,329
		95,879		273,615
CREDITORS Amounts falling due within one year	2	131,436		248,715
NET CURRENT LIABILITIES			(35,557)	24,900
TOTAL ASSETS LESS CURRENT LIABILITIES			(35,557)	24,900
PROVISION FOR LIABILITIES AND CHARGES	4		22,110	82,408
			£(57,667)	£(57,508)
CAPITAL AND RESERVES				
Share Capital	3		250	250
Profit & Loss Account			(57,917)	(57,758)
			£(57,667)	£(57,508)

In preparing these modified accounts, we have relied on the provisions of sections 247-249 of the Companies Act 1985 , on the ground that the company is entitled to the benefit of those sections as a small company.

DIRECTOR.....

DIRECTOR.....

Approved by the Board: 20 May 1986

The notes form part of these accounts.

Townhead Properties Limited

NOTES TO THE MODIFIED ACCOUNTS
for the Year Ended 31 March 1985

1. ACCOUNTING POLICIES

Basis of Accounting
The accounts have been prepared under the historical cost convention.

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

Tangible Fixed Assets
Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Plant & machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads. On the major contract direct costs to completion have been estimated including an appropriate proportion of overheads, less full provision for estimated losses which are currently expected to arise over the duration of the contract.

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.

2. BANK LOANS AND OVERDRAFTS
The aggregate amount of bank loans and overdrafts was as follows:

	1985 £	1984 £
Falling due within one year		
Bank overdraft	120,541	207,859
	120,541	207,859

SECURITY
The bank overdraft is secured by a bond and floating charge over the company's heritable and moveable assets.

NOTES TO THE MODIFIED ACCOUNTS (continued)
for the Year Ended 31 March 1985

3. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal Value:	1985 £	1984 £
100000	Ordinary	£1	£100000	£100000
			£100000	£100000
Allotted, issued and fully paid 250 Ordinary shares of £1 each			£250	£250

4. EXTRAORDINARY ITEMS

Note 8 to the financial accounts is hereby reproduced in full:-

	1985 £	1984 £
Income:		
Provision for losses	60,298	-
Directors loans written off	20,000	10,603
	£80,298	£10,603
Charges:		
Provision for losses	-	82,408
	-	£82,408
	£80,298	£(71,805)

Out of the total provision of £82,408 for losses on a major contract adjusted in the year to 31 March 1984, £60,298 has been written back as relating to the year to 31 March 1985. The directors having again recognised the financial position of the company have agreed that further amounts of £20,000 paid in by them personally should be written off thus increasing the credit to £80,298.