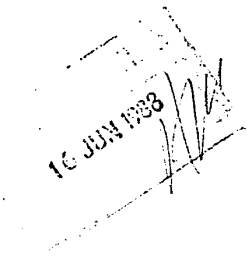
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A M GILLIES LIMITED

REPORT AND MODIFIED ACCOUNTS

For the year ended 31st July 1987



SCOTT-MONCRIEFF THOMSON & SHIELLS

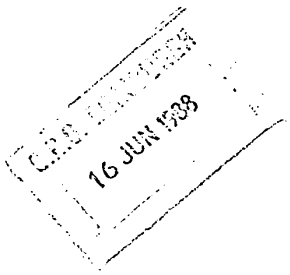
CHARTERED ACCOUNTANTS

EDINBURGH

A.M. GILLIES LIMITED

REPORT AND MODIFIED ACCOUNTS

For the year ended 31st July 1987



A.M. GILLIES LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS

UNDER SECTION 247 OF THE COMPANIES ACT 1987

As auditors of A.M. Gillies Limited on 16th October 1987 we reported under Section 236 of the Companies Act 1985 on the accounts of the company prepared under Section 227 of the Companies Act 1985 for the year ended 31st July 1987 as follows:-

We have audited the accounts on pages 3 to 10. Our audit was conducted in accordance with approved auditing standards having regard to the following matters.

At the balance sheet date the company had net liabilities of £49,132. Its continued existance is dependant upon future profitable trading and upon the continuing support of its bankers and the holding company Isertal Limited.

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

Subject to the matters referred to above, in our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st July 1987, of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985.

We have examined the modified accounts on pages 2 to 3, which have been properly prepared from the accounts of the company prepared under Section 227 of the Companies Act 1985 for the year ended 31st July 1987 in the manner permitted for a small company under Schedule 8 of the Companies Act 1985.

In our opinion, the company satisfied the requirements for exemption appropriate to a small company under Sections 247 and 249 of the Companies Act 1985.

Scott-Moncrieff Thomson Shiells

EDINBURGH 16 October 1987

SCOTT-MONCRIEFF, THOMSON & SHIELLS, C.A.

A.M. GILLIES LIMITED

BALANCE SHEET

As at 31st July 1987

1986			Notes		
		FIXED ASSETS			
£ 25,233		Tangible Assets			£ 16,794
		CURRENT ASSETS			
	£ 49,034	Stocks		£ 14,700	
	88,291	Debtors		51,276	
	381	Cash at Bank and in Hand		95	
	£137,706			£ 66,071	
	199,810	CURRENT LIABILITIES Creditors : Amounts falling due within one year		127,353	
(62,104)		NET CURRENT LIABILITIES			(61,282)
£(36,871)		TOTAL ASSETS LESS CURRENT LIABILITIES			£(44,488)
7,914		Creditors : Amounts falling due after more than one year H.P. Creditors			3,313
3,078		PROVISION FOR LIABILITIES AND CHARGES Deferred Taxation			1,331
£(47,863)		NET LIABILITIES			£(49,132)
£ 5,000		CAPITAL AND RESERVES Called up share capital	2		£ 5,000
(52,863)		Profit and Loss Account			(54,132)
£(47,863)		TOTAL CAPITAL EMPLOYED			£(49,132)

In preparing these Modified Accounts:

(a) We have relied upon the exemptions for individual accounts under Section 247 to 249 of the Companies Act 1985.
(b) We have done so on the grounds that the Company is entitled to the benefit of those exemptions as a Small Company.

W K Stein ..... Director

..... Director

15/10/87 ..... Date

The Notes on page 3 form part of these Accounts.

A.M. GILLIES LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31st July 1987

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the historical cost basis of accounting.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:-

Plant and Machinery	10 years
Motor Vehicles	4 years
Furniture and Fittings	10 years
Office Equipment	6 2/3 years

Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value in the ordinary course of business. Cost of work-in-progress includes all production overheads and the appropriate proportion of indirect overhead expenses.

Deferred Taxation

Deferred taxation is provided on the liability method unless there is reasonable probability that such liability will not arise within three years of the end of the financial year. Advance corporation tax recoverable is deducted from the deferred taxation liability.

2. CALLED UP SHARE CAPITAL

	1987	1986
Authorised		
Ordinary £1 shares	£ 5,000	£ 5,000
Issued		
Ordinary £1 shares fully paid	£ 5,000	£ 5,000