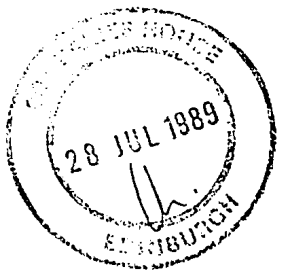
REGISTRAR OF COMPANIES
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A.M. GILLIES LIMITED

Report and Modified Accounts

For the year ended 31 July 1988



SCOTT-MONCRIEFF
THOMSON & SHIELLS
CHARTERED ACCOUNTANTS

A.M. GILLIES LIMITED

Report and Modified Accounts

For the year ended 31 July 1988



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A.M. GILLIES LIMITED

Report of the Auditors to the Directors

Under Section 247 of the Companies Act 1985

As auditors of A.M. Gillies Limited on ..... 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 31 July 1988 as follows:-

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

At the balance sheet date the company had net liabilities of £27,253. It's continued existence 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 31 July 1988, of its profit 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 31 July 1988 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
Chartered Accountants
17 Melville Street
Edinburgh

Scott-Moncrieff Thomson & Shiells, C.A.

17th July 1989

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A.M. GILLIES LIMITED

Balance Sheet

As at 31 July 1988

	Notes	1988 £	1988 £	1987 £	1987 £
Fixed assets					
Tangible assets			11,045		16,794
Current assets					
Stock		90,751		14,700	
Debtors		28,191		51,276	
Cash at bank and in hand		8,697		95	
		127,639		66,071	
Creditors : Amounts falling due within one year		(165,659)		(127,353)	
Net current liabilities			(38,020)		(61,282)
Total assets less current liabilities			(26,975)		(44,488)
Creditors : Amounts falling due after more than one year			-		(3,313)
Provision for liabilities and charges					
Deferred taxation			(278)		(1,331)
			(27,253)		(49,132)
Capital and reserves					
Called up share capital	2		20,000		5,000
Profit and loss account			(47,253)		(54,132)
			(27,253)		(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

..... Director

..... Director ..... Date

The notes on page 3 form part of these accounts

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A.M. GILLIES LIMITED

Notes to the Accounts

For the year ended 31 July 1988

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

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. Share capital

Authorised	1988 £	1987 £
Ordinary £1 shares	5,000	5,000
Redeemable preference £1 shares	15,000	-
	20,000	5,000

Issued		
Ordinary £1 shares	5,000	5,000
Redeemable preference £1 shares	15,000	-
	20,000	5,000

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