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**Report of the Directors and
Financial Statements for the Year Ended 30 September 1997
for
W NELSON & CO LIMITED**

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for the Year Ended 30 September 1997**

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W NELSON & CO LIMITED

**Company Information
for the Year Ended 30 September 1997**

DIRECTORS:	W Nelson Mrs P M Nelson
SECRETARY:	P M Nelson
REGISTERED OFFICE:	Paxton House 11 Woodside Crescent Charing Cross GLASGOW G3 7UL
REGISTERED NUMBER:	80791
AUDITORS:	MacLeod Paxton Woolard & Co. Paxton House 11 Woodside Crescent Charing Cross GLASGOW G3 7UL
BANKERS:	Bank of Scotland 39 Union Street LARKHALL ML9 1DT
SOLICITORS:	Gebbie & Wilson 18 Commongreen STRATHAVEN ML10 6AG

W NELSON & CO LIMITED

Report of the Directors for the Year Ended 30 September 1997

The directors present their report with the financial statements of the company for the year ended 30 September 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of specialised furniture.

DIRECTORS

The directors during the year under review were:

W Nelson
Mrs P M Nelson

The beneficial interests of the directors holding office on 30 September 1997 in the issued share capital of the company were as follows:

	30.9.97	1.10.96
Ordinary 1 shares		
W Nelson	50	50
Mrs P M Nelson	50	50

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

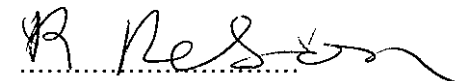
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, MacLeod Paxton Woolard & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



P M Nelson - SECRETARY

Dated:

**Report of the Auditors to the Shareholders of
W Nelson & Co Limited**

We have audited the financial statements on pages four to nine which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MacLeod Paxton Woolard & Co.
Paxton House
11 Woodside Crescent
Charing Cross
GLASGOW
G3 7UL

MacLeod Paxton Woolard & Co.

Dated: *24/7/98*

W NELSON & CO LIMITED

**Profit and Loss Account
for the Year Ended 30 September 1997**

		30.9.97	30.9.96
	Notes	£	£
TURNOVER	2	763,856	777,971
Cost of sales		574,177	591,238
GROSS PROFIT		189,679	186,733
Administrative expenses		121,507	108,085
OPERATING PROFIT	3	68,172	78,648
Interest receivable and similar income	4	23,231	19,968
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		91,403	98,616
Tax on profit on ordinary activities	5	22,529	25,443
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		68,874	73,173
Dividends	6	60,000	30,000
		8,874	43,173
Retained profit brought forward		377,484	334,311
RETAINED PROFIT CARRIED FORWARD		£386,358	£377,484

The notes form part of these financial statements

W NELSON & CO LIMITED

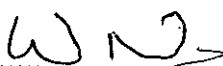
Balance Sheet

30 September 1997

		30.9.97		30.9.96	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		37,115		27,843
CURRENT ASSETS:					
Stocks		69,256		47,712	
Debtors	8	36,424		10,440	
Cash at bank		431,543		422,442	
		<u>537,223</u>		<u>480,594</u>	
CREDITORS: Amounts falling due within one year	9	<u>187,880</u>		<u>130,853</u>	
NET CURRENT ASSETS:			<u>349,343</u>		<u>349,741</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£386,458</u>		<u>£377,584</u>
CAPITAL AND RESERVES:					
Called up share capital	10		100		100
Profit and loss account			<u>386,358</u>		<u>377,484</u>
Shareholders' funds			<u>£386,458</u>		<u>£377,584</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:


 W Nelson - DIRECTOR

Approved by the Board on ...11/12/97...

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 September 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 20% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.9.97	30.9.96
	£	£
Depreciation - owned assets	10,699	7,189
(Profit)/Loss on disposal of fixed assets	(5,644)	1,400
Auditors' remuneration	1,500	1,000
Pension costs	10,000	5,000
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	18,720	18,720
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	30.9.97	30.9.96
	£	£
Deposit account interest	23,231	19,968
	<u> </u>	<u> </u>

Notes to the Financial Statements
for the Year Ended 30 September 1997

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.97	30.9.96
	£	£
UK Corporation Tax	22,529	25,443

UK Corporation Tax has been charged at 24% (1996 - 25%).

6. DIVIDENDS

	30.9.97	30.9.96
	£	£
Interim - share type 1	60,000	30,000

7. TANGIBLE FIXED ASSETS

	Leasehold property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 October 1996	112,774	2,682	21,124	136,580
Additions	-	-	22,710	22,710
Disposals	-	-	(21,124)	(21,124)
At 30 September 1997	112,774	2,682	22,710	138,166
DEPRECIATION:				
At 1 October 1996	88,274	2,078	18,385	108,737
Charge for year	4,900	121	5,678	10,699
Eliminated on disposals	-	-	(18,385)	(18,385)
At 30 September 1997	93,174	2,199	5,678	101,051
NET BOOK VALUE:				
At 30 September 1997	19,600	483	17,032	37,115
At 30 September 1996	24,500	604	2,739	27,843

8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	30.9.97	30.9.96
	£	£
Trade debtors	31,075	8,440
Other debtors	5,349	2,000
	36,424	10,440

W NELSON & CO LIMITED

Notes to the Financial Statements for the Year Ended 30 September 1997

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.9.97	30.9.96
	£	£
Bank loans and overdrafts	2,009	-
Trade creditors	23,857	30,558
Directors current accounts	87,386	31,120
Other creditors	8,581	-
V.A.T.	19,582	18,833
Social security & other taxes	1,713	1,450
Taxation	22,000	25,000
Accrued expenses	22,752	23,892
	<u>187,880</u>	<u>130,853</u>

10. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.97	30.9.96
			£	£
100	Ordinary	1	<u>100</u>	<u>100</u>