REG. OF COMP.

Registration number SC101049

Kelpie E-M Limited

Abbreviated Financial Statements

for the year ended 30 November 2002

Dickson Middleton

Chartered Accountants

Stirling Bonnybridge Callander Auchterarder

The UK 200 Group

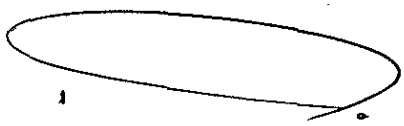
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Accountants' report on the unaudited abbreviated financial statements to the directors of Kelpie E-M Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 November 2002 set out on pages 2 to 6 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come, save where expressly agreed by our prior consent in writing.



Dickson Middleton
Chartered Accountants
P.O. Box 14
20 Barnton Street
Stirling
FK8 1NE

Date: 25 June 2003

Kelpie E-M Limited

Abbreviated balance sheet
as at 30 November 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	2		460,758		556,653
Investments	2		317,183		317,183
			777,941		873,836
Current assets					
Stocks		164,296		135,245	
Debtors		217,226		252,090	
Cash at bank and in hand		67,441		296,697	
		448,963		684,032	
Creditors: amounts falling due within one year		(135,249)		(227,955)	
Net current assets			313,714		456,077
Total assets less current liabilities			1,091,655		1,329,913
Creditors: amounts falling due after more than one year			(22,052)		(9,313)
Net assets			1,069,603		1,320,600
Capital and reserves					
Called up share capital	4		400,000		400,000
Profit and loss account			669,603		920,600
Shareholders' funds			1,069,603		1,320,600

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 4 to 6 form an integral part of these financial statements.

Abbreviated balance sheet (continued)

Directors' statements required by Section 249B(4) for the year ended 30 November 2002

In approving these abbreviated financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 November 2002 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These abbreviated financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The abbreviated financial statements were approved by the Board on 25 June 2003 and signed on its behalf by

Allan Syme
Director



The notes on pages 4 to 6 form an integral part of these financial statements.

Notes to the abbreviated financial statements for the year ended 30 November 2002

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deducting value added tax.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land	-	Nil
Heritable property	-	Straight Line over 30 years
Plant and machinery	-	Straight Line over 3 years
Fixtures, fittings and equipment	-	15% Reducing balance & Straight line over 3 years
Motor vehicles	-	25% Straight Line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value, where appropriate.

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.8. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Fixed assets

	Tangible fixed assets £	Investments £	Total £
Cost			
At 1 December 2001	960,515	317,183	1,277,698
Additions	59,907	-	59,907
Disposals	(210,171)	-	(210,171)
At 30 November 2002	810,251	317,183	1,127,434
Depreciation and			
At 1 December 2001	403,862	-	403,862
On disposals	(119,297)	-	(119,297)
Charge for year	64,928	-	64,928
At 30 November 2002	349,493	-	349,493
Net book values			
At 30 November 2002	460,758	317,183	777,941
At 30 November 2001	556,653	317,183	873,836

3 Secured creditors

	2002 £	2001 £
Hire purchase liabilities	44,531	45,415

4. Share capital	2002 £	2001 £
Authorised		
500,000 A Ordinary shares of 1 each	500,000	500,000
500,000 B Ordinary shares of 1 each	500,000	500,000
	1,000,000	1,000,000
Allotted, called up and fully paid		
200,000 A Ordinary shares of 1 each	200,000	200,000
200,000 B Ordinary shares of 1 each	200,000	200,000
	400,000	400,000

5. Transactions with directors

Creditors include £22,945 (2001 - £22,157) that is owed to individuals who are directors of the company.

During the year, a car was sold to a director at an independent valuation of £57,500 (2001 - Nil)