COMPANY REGISTRATION NUMBER SC 108713

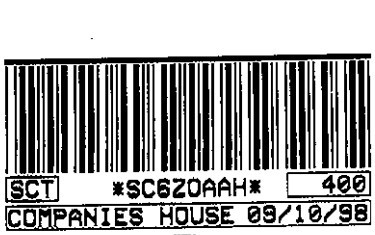
DUNBAR MANAGEMENT INVESTMENT LTD

ABBREVIATED FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 30 JUNE 1998

THE McCABE PARTNERSHIP
Chartered Accountants & Registered Auditors



DUNBAR MANAGEMENT INVESTMENT LTD

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1998

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DUNBAR MANAGEMENT INVESTMENT LTD

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 June 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

THE McCABE PARTNERSHIP
Chartered Accountants
& Registered Auditors

56 Palmerston Place
Edinburgh
EH12 5AY

2 October 1998

DUNBAR MANAGEMENT INVESTMENT LTD

ABBREVIATED BALANCE SHEET

30 JUNE 1998

	Note	1998 £	1997 £
FIXED ASSETS	2		
Tangible assets		**302,357**	289,535
CURRENT ASSETS			
Stocks		**388,423**	476,600
Debtors		**4,464**	62,342
Cash at bank and in hand		**3,323**	11,944
		396,210	550,886
CREDITORS: Amounts falling due within one year	3	**(89,549)**	(478,518)
NET CURRENT ASSETS		**306,661**	72,368
TOTAL ASSETS LESS CURRENT LIABILITIES		**609,018**	361,903
CREDITORS: Amounts falling due after more than one year	4	**(350,625)**	(106,608)
GOVERNMENT GRANTS	5	**(169,657)**	(259,257)
		88,736	(3,962)
CAPITAL AND RESERVES			
Called-up equity share capital	6	**90,000**	90,000
Share premium account		**80,000**	80,000
Revaluation reserve		**88,704**	74,704
Profit and loss account		**(169,968)**	(248,666)
SHAREHOLDERS' FUNDS /(DEFICIENCY)		**88,736**	(3,962)

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

These financial statements were approved by the directors on the 2nd OCT. 1998 and are signed on their behalf by:

.....
MR G DUNBAR

The notes on pages 3 to 5 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover
The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill
Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

20% Straight Line

Investment properties
In accordance with Statement of Standard Accounting Practice No.19 (i) investment properties are revalued annually, and the aggregate surplus or defecit is transferred to the revaluation reserve, and (ii) no depreciation is provided in respect of freehold or leasehold investment properties with over 20 years to run. The director considers that this accounting policy results in the financial statements giving a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

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

2. FIXED ASSETS

	Tangible Fixed Assets £
COST OR VALUATION	
At 1 July 1997	291,891
Revaluation	14,000
At 30 June 1998	**305,891**
DEPRECIATION	
At 1 July 1997	2,356
Charge for year	1,178
At 30 June 1998	**3,534**
NET BOOK VALUE	
At 30 June 1998	**302,357**
At 30 June 1997	289,535

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	**50,677**	426,308

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	**350,625**	106,608

5. GOVERNMENT GRANTS

	1998 £	1997 £
Received and receivable	**259,257**	259,257
Amortisation	**89,600**	-
	169,657	259,257

6. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
200,000 Ordinary shares of £1 each	**200,000**	200,000

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	**90,000**	90,000

7. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of George Dunbar and Sons Limited.