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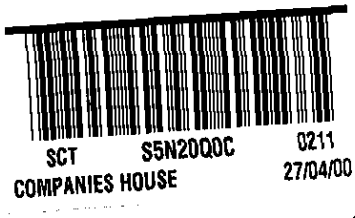
LACHMANSKI ROSS INSPECTION LIMITED

ACCOUNTS

For the year ended 31st January 2000

SC-136253

A W GRAY & BUTLER
Chartered Accountants
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LACHMANSKI ROSS INSPECTION LIMITED
COMPANY NUMBER: 136253

DIRECTORS	MR CHARLES ROSS MRS ISOBEL M ROSS
SECRETARY	MRS I M ROSS
REGISTERED OFFICE	74b SALTBURN INVERGORDON ROSS-SHIRE

DIRECTORS' REPORT for the year ended 31st January 2000

The Directors' Report and Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

RESULTS AND DIVIDENDS

The Trading Profit for the year amounted to £11,780. An interim dividend of £14,400 net was paid during the year. The Directors recommend that no final dividend should be paid.

REVIEW OF THE BUSINESS

The Company has been successful in obtaining contracts the current year.

DIRECTORS' INTERESTS

The Directors' interests in the share capital of the Company during the year under review were:

Mr C Ross	1 Ordinary Share
Mrs I M Ross	1 Ordinary Share

BY ORDER OF THE BOARD

I. M. Ross

Mrs I M Ross
Secretary

20th April 2000
INVERGORDON, Ross-Shire

ACCOUNTANT'S REPORT TO THE DIRECTORS OF

LACHMANSKI ROSS INSPECTION LIMITED

As described on pages 3 to 5 you are responsible for the preparation of the accounts and you consider that the Company is exempt from an audit. In accordance with your instructions and in order to assist you to fulfil your responsibilities, we have prepared the accounts on pages 4 to 7 from the accounting records and from the information and explanations supplied to us. We have not carried out an audit.

A W Gray & Butler
Chartered Accountants &
Registered Auditors
10 Knockbreck Street
Tain, Ross-shire
IV19 1BJ

20th April 2000

LACHMANSKI ROSS INSPECTION LIMITED

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- 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.

LACHMANSKI ROSS INSPECTION LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31st January 2000

1998/99				
£ 36737	TURNOVER	[Note 2]	£	40871
24549	Administrative Costs	[Note 4]		26061
£ 12188	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		£	14810
2559	Taxation	[Note 5]		3030
£ 9629	PROFIT FOR THE FINANCIAL YEAR	[Note 10]	£	11780
11000	INTERIM DIVIDEND PAID [Net]			14400
£ -1371	RETAINED LOSS		£	-2620
8623	RETAINED PROFIT BROUGHT FORWARD			7252
£ **7252**	RETAINED PROFIT CARRIED FORWARD		£	**4632**

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than those included in the above profit and loss account.

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

LACHMANSKI ROSS INSPECTION LIMITED

BALANCE SHEET at 31st January 2000

31st January 1999							
			FIXED ASSETS				
£	6507		Tangible Assets	[Note 6]		£	11727
			CURRENT ASSETS				
	£	5215	Cash at Bank		£	4743	
		3984	Debtors and Work in Progress			2952	
		2750	Advance Corporation Tax			-	
	£	11949			£	7695	
			CREDITORS - Amounts falling due within one year				
	£	8521	Trade Creditors and Accruals		£	5892	
		2449	Corporation Tax			3030	
		232	Directors' Loan Account			5866	
	£	11202			£	14788	
747			NET CURRENT LIABILITIES/ASSETS				-7093
£ **7254**			TOTAL ASSETS			£	**4634**
			CAPITAL AND RESERVES	[Note 10]			
£ 2			Called up Share Capital	[Note 7]		£	2
7252			Profit and Loss Account				4632
£ **7254**						£	**4634**

The Directors:

1) Confirm for the year ended 31st January 2000 the Company was entitled to the exemption under subsection (1) of section 249A;

2) Confirm that no notice requiring an audit had been deposited under subsection (2) of s249B in relation to the accounts for the financial year; and

3) Acknowledge their responsibility for:
   a) ensuring that the Company keeps accounting records which comply with section 221; and
   b) preparing accounts 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

C Ross
Director

I M Ross
Director

20th April 2000

LACHMANSKI ROSS INSPECTION LIMITED

NOTES TO THE ACCOUNTS at 31st January 2000

1. **ACCOUNTING POLICIES**

The following accounting policies have been applied consistently when dealing with items which are deemed material to the Company's Financial Statements.

BASIS OF ACCOUNTING

The accounts have been prepared under the accounting rules set out in the 4th Schedule to the Companies Act 1985 and under the historical cost convention.

CASHFLOW

The Company has taken advantage of the exemption available to small companies not to produce a cashflow statement.

DEPRECIATION

Depreciation is provided on all tangible assets to write off the cost of each asset over its expected useful life as follows:-

Equipment	25% of Reducing Balance
Workshop/Office	10% of Reducing Balance

2. **TURNOVER**

Turnover represents the invoiced amount of services provided, stated net of value added tax.

The turnover and pretax profit is mostly attributable to one activity, the provision of inspection services.

3. **STAFF COSTS**

		1999/00		1998/99
Wages and Salaries	£	11616	£	10884
Social Security Costs		556		737
	£	**12172**	£	**11621**

The average weekly number of employees was two, one principally involved in inspection services and the other in administration.

4. **OPERATING PROFIT** - stated after charging

		1999/00		1998/99
Directors' Fees and other emoluments	£	9900	£	9250
Accountants' Remuneration		680		780
Depreciation		1400		853

LACHMANSKI ROSS INSPECTION LIMITED

NOTES TO THE ACCOUNTS at 31st January 2000 [cont'd]

5. **TAXATION**

The provision for Corporation Tax has been made at the Small Company Rates of taxation for the year concerned.

6. **TANGIBLE FIXED ASSETS**

	Workshop/ Office	Equipment	Total
Cost			
At 31st January 1999	£ 6579	£ 4170	£ 10749
Added During Year	6620	-	6620
	£ 13199	£ 4170	£ 17369
Depreciation			
At 31st January 1999	£ 658	£ 3584	£ 4242
Charge for year	1254	146	1400
	£ 1912	£ 3730	£ 5642
NET BOOK VALUE at 31st January 2000	£ **11287**	£ **440**	£ **11727**
NET BOOK VALUE at 31st January 1999	£ **5921**	£ **586**	£ **6507**

7. **SHARE CAPITAL**

	Authorised	Issued and Fully Paid
Ordinary Shares of £1 each	100	2

8. **CAPITAL COMMITMENTS**

There were no capital commitments either authorised or contracted for at the Balance Sheet date.

9. **CONTINGENT LIABILITIES**

There were no contingent liabilities at the Balance Sheet date.

10. **MOVEMENT ON SHAREHOLDERS' FUNDS**

	1999/00	1998/99
Profit for Year	£ 11780	£ 9629
Less Dividends	14400	11000
	£ -2620	£ -1371
Opening Shareholders' Funds	7254	8625
Closing Shareholders' Funds	£ **4634**	£ **7254**