136290.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH, 2000
FOR
MILRO COMPANY LIMITED

GORDON M. LEFEVRE & CO
CHARTERED CERTIFIED ACCOUNTANTS
14 GOLDEN SQUARE
ABERDEEN
AB10 1WJ





MILRO COMPANY LIMITED

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MILRO COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS:	**Ian Miller** **Amy Miller**
SECRETARY:	**Amy Miller**
REGISTERED OFFICE:	**28 Mavis Bank,** **Newburgh,** **Aberdeenshire.** **AB41 0FB**
REGISTERED NUMBER:	**SC136290**
ACCOUNTANTS:	***Gordon M. Lefevre & Co.,*** **Chartered Certified Accountants,** **14 Golden Square,** **Aberdeen.** **AB10 1WJ**

MILRO COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report with the financial statements of the Company for the year ended 31st March, 2000.

PRINCIPAL ACTIVITY

The company's principal activity for the year under review was the provision of engineering consultancy services. The results for the period and the financial position at the period end were considered satisfactory and continued growth is expected in the foreseeable future.

RESULTS AND DIVIDEND

The results of the company for the period and dividends paid are set out on page four. The directors recommend that no further dividend be paid in respect of the period under review.

DIRECTORS

The Directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:-

Name	Class of Capital	2000	1999
Ian Miller	Ordinary £1 Shares	50	50
Amy Miller	Ordinary £1 Shares	50	50

THE YEAR 2000

Assuring the ongoing operation of the business and computer systems is a key focus of the directors. A comprehensive review of all systems has been carried out to ensure that:-

(1) all business and computer systems will correctly process future dates; and
(2) our trading relationships with suppliers and customers will continue to operate without disruption.

The total estimated costs of these reviews have not been quantified but are not expected to be material.

In preparing this report, the directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD

X A Miller

Amy Miller
SECRETARY
Approved by the Board on 8th August, 2000

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF MILRO COMPANY LIMITED

As described on the balance sheet on page five you are responsible for the preparation of the accounts for the year ended 31st March, 2000, set out on pages four to eight, and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Gordon M. Lefevre & Co.,
Chartered Certified Accountants.
14 Golden Square,
Aberdeen.
AB10 1WJ
8th August, 2000

Gordon M Lefevre & Co.
FCCA

MILRO COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March, 2000

	Notes	2000 £	1999 £
TURNOVER	2	47,167	49,220
Administrative Expenses		41,872	43,194
OPERATING PROFIT	3	5,295	6,026
Interest Receivable and Similar Income		1	-
		5,296	6,026
Interest Payable and Similar Charges		660	1,145
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,636	4,881
Tax on Profit on Ordinary Activities		1,047	1,297
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		3,589	3,584
Dividends	4	1,000	2,000
		2,589	1,584
Retained Profits brought forward		9,332	7,748
RETAINED PROFITS CARRIED FORWARD		11,921	9,332

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current or previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

MILRO COMPANY LIMITED

BALANCE SHEET
as at 31st March, 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS:					
Tangible Assets	5		9,097		12,127
CURRENT ASSETS:					
Stock	6	-		300	
Debtors	7	7,242		4,797	
Cash at bank		5,975		4,239	
		13,217		9,336	
CREDITORS: Amounts falling due within one year	8	10,293		7,241	
NET CURRENT ASSETS:			2,924		2,095
TOTAL ASSETS LESS CURRENT LIABILITIES:			12,021		14,222
CREDITORS: Amounts falling due after one year	9		-		4,790
			12,021		9,432
CAPITAL AND RESERVES:					
Called up share capital	11		100		100
Profit and loss account			11,921		9,332
Shareholders' funds	12		12,021		9,432

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 31st March, 2000.
No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

ON BEHALF OF THE BOARD

Ian Miller
DIRECTOR
Approved by the Board on 8th August, 2000

The notes form part of these financial statements

MILRO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2000

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Motor Vehicles	-	25% on reducing balance
Computer Equipment	-	25% on reducing balance

Stocks
Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.
Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period.
The capital element of the future payments is treated as a liability.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company, and derive wholly from the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging

		2000	1999
Depreciation - owned assets		330	441
Depreciation - assets on hire purchase		2,700	3,600
		3,030	4,041
Directors Emoluments	- Salaries	26,004	25,224
	- Pension Contributions	2,451	3,600

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MILRO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2000

4. DIVIDENDS

	2000	1999
Final	1,000	2,000

5. TANGIBLE FIXED ASSETS

	Motor Vehicles	Computer Equipment	Total
COST OR VALUATION:			
At 1st April, 1999 /At 31st March, 2000	19,208	2,426	21,634
DEPRECIATION:			
At 1st April, 1999	8,403	1,104	9,507
Charge for year	2,700	330	3,030
At 31st March, 2000	11,103	1,434	12,537
NET BOOK VALUE:			
At 31st March, 2000	8,105	992	9,097
At 31st March, 1999	10,805	1,322	12,127

Motor Vehicles above are held under hire purchase contracts.

6. STOCKS

	2000	1999
Work in progress	-	300

7. DEBTORS

	2000	1999
Amounts falling due within one year:		
Trade debtors	7,077	4,420
Other debtors	-	189
Prepayments	165	188
	7,242	4,797

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
Hire purchase and finance leases (See Note 10)	4,788	2,903
Other creditors	1,297	219
Other Taxes and P.A.Y.E.	2,429	1,388
Corporation Tax	1,047	797
Accrued expenses	732	1,934
	10,293	7,241

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MILRO COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31st March, 2000

9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2000	1999
Hire purchase and finance leases (See Note 10)	-	4,790

10. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2000	1999
Gross obligations repayable:		
Within one year	4,968	3,563
Between one and five years	-	4,968
	4,968	8,531
Finance charges repayable:		
Within one year	180	660
Between one and five years	-	178
	180	838
Net obligations repayable:		
Within one year	4,788	2,903
Between one and five years	-	4,790
	4,788	7,693

11. CALLED UP SHARE CAPITAL

			2000	1999
Authorised:				
Number:	**Class:**	**Nominal Value:**		
1,000	Ordinary	£1	1,000	1,000
Allotted, issued and fully paid:				
Number:	**Class:**	**Nominal Value:**		
100	Ordinary	£1	100	100

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
Profit/ (Loss) for the financial year	3,589	3,584
Dividends	1,000	2,000
	2,589	1,584
Opening shareholders' funds	9,432	7,848
CLOSING SHAREHOLDERS' FUNDS	12,021	9,432