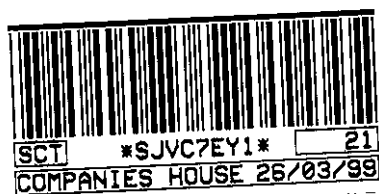


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BEEKNOWE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 MAY 1998

Registered in Scotland No: 166312

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FRASER KERR & Co
chartered accountants

BEEKNOWE LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 May 1998

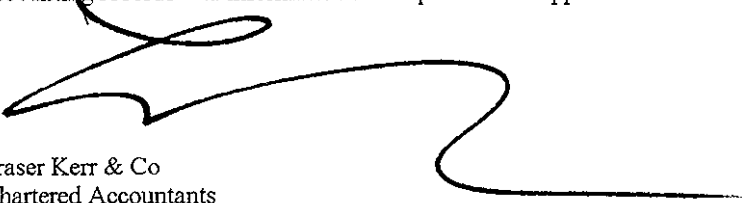
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BEEKNOWE LIMITED**ACCOUNTANTS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS****Accountants' report
on the unaudited financial statements to the directors of
Beesknowe Limited**

The following reproduces the text of the report prepared for the purposes of section 249A(1) of the Companies Act 1985 in respect of the company's annual financial statements, from which the abbreviated financial statements (set out on pages 2 - 4) have been prepared.

'As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 May 1998, set out on pages 4 - 9, 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 and explanations supplied to us.'



Fraser Kerr & Co
Chartered Accountants
'Q' Court
3 Quality Street
EDINBURGH
EH4 5BP

23 March 1999

BEEKNOWE LIMITED
ABBREVIATED BALANCE SHEET
at 31 May 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	2		-		880
Investments	2		115,000		-
			<u>115,000</u>		<u>880</u>
Current assets					
Debtors		3,275		96	
Cash at bank and in hand		1,519		101,172	
		<u>4,794</u>		<u>101,268</u>	
Creditors: amounts falling due within one year		(1,136)		(882)	
Net current assets			<u>3,658</u>		<u>100,386</u>
Total assets less current liabilities			<u>118,658</u>		<u>101,266</u>
Provision for liabilities and charges			-		(9)
			<u>118,658</u>		<u>101,257</u>
Capital and reserves					
Called up share capital	3		115,000		100,000
Profit and loss account			3,658		1,257
Total shareholders' funds			<u>118,658</u>		<u>101,257</u>

continued

BEESKNOWE LIMITED

ABBREVIATED BALANCE SHEET
(continued)

at 31 May 1998

The directors consider that for the year ended 31 May 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These 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 on pages 2 - 4 were approved by the board of directors on 23 March 1999 and signed on its behalf by:

 23 MARCH 99

Charles Spence
Director

BEESKNOWE LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 May 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

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

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	20% per annum reducing balance
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Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Fixed assets

Cost	Tangible fixed assets £	Fixed asset investments £	Total £
1 June 1997	1,100	-	1,100
Additions	-	115,000	115,000
Disposals	(1,100)	-	(1,100)
31 May 1998	-	115,000	115,000
Depreciation			
1 June 1997	220	-	220
Disposals	(220)	-	(220)
31 May 1998	-	-	-
Net book amount			
31 May 1998	-	115,000	115,000
1 June 1997	880	-	880

The director believes that the market value of the investment in the partnership of CJ Spence to be not less than cost i.e. £115,000.

BEESKNOWE LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 May 1998

3 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>115,000</u>	<u>115,000</u>	<u>100,000</u>	<u>100,000</u>

During the period 15,000 fully paid ordinary shares of £1 each were issued at par value. The issue was made for the purpose of strengthening the capital base of the company.

4 Related parties

Included in other debtors is an amount of £3,275 (1997-£0) due from the partnership of CJ Spence. The partnership is between Beesknowe Limited and CJ Spence, a director of the company.