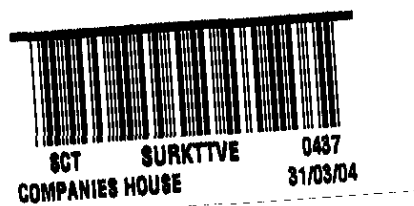


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**BON-ACCORD ENGINEERING SUPPLIES
(CASPIAN) LIMITED**
(Company Number: 192592)

ABBREVIATED ACCOUNTS

31 OCTOBER 2002



Anderson Anderson & Brown
Chartered Accountants

BON-ACCORD ENGINEERING SUPPLIES (CASPIAN) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts 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 which enable them to ensure that the accounts 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.

**AUDITORS REPORT TO BON-ACCORD ENGINEERING SUPPLIES
(CASPIAN) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 2002.

Respective responsibilities of the director and auditors

The director is 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 the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our responsibilities set out above. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

Included in the audit report on the full accounts were the following paragraphs:

Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in Note 1 of the accounts concerning the net liability position of the company. Our opinion is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to attend the year end stockcount, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 October 2002 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Anderson Anderson & Brown
Chartered Accountants
Registered Auditors
Aberdeen

29 March 2004

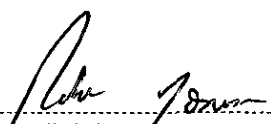
BON-ACCORD ENGINEERING SUPPLIES (CASPIAN) LIMITED
ABBREVIATED BALANCE SHEET – 31 OCTOBER 2002

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	Note	2002 £	2001 £
CURRENT ASSETS			
Stocks		63,829	56,483
Debtors		42,674	19,397
Cash at bank		745	11,740
		<u>107,248</u>	<u>87,620</u>
CREDITORS: <i>amounts falling due within one year</i>		<u>180,786</u>	<u>161,920</u>
TOTAL ASSETS LESS LIABILITIES		<u>£ (73,538)</u>	<u>£ (74,300)</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account		<u>(73,540)</u>	<u>(74,302)</u>
SHAREHOLDERS' FUNDS		<u>£ (73,538)</u>	<u>£ (74,300)</u>

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to small companies.

Signed on behalf of the board of directors


 Director – R Morrison

29/3/02 Date

1. FUNDAMENTAL ACCOUNTING CONCEPT

At 31 October 2002, the company has net liabilities of £73,538 (2001 - £74,300). Included within these liabilities is an amount due to the parent company, Bon-Accord Metal Supplies Limited of £177,786 (2001 - £159,920). The accounts are prepared on a going concern basis as the parent company has confirmed that it will not demand repayment of this balance to the detriment of the other creditors and that it will continue to support the company to facilitate its ability to continue trading as a going concern for the foreseeable future.

2. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Stocks*

Stocks are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

(c) *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, to the extent that it is probable that the liability will crystallise.

(d) *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

3. CALLED UP SHARE CAPITAL

	2002 & 2001
Authorised: Ordinary shares of £1 each	£ 1,000
Allotted, called up and fully paid: Ordinary shares of £1 each	£ 2

4. ULTIMATE PARENT UNDERTAKING

The company's parent company is Bon-Accord Metal Supplies Limited, a company incorporated in Scotland.