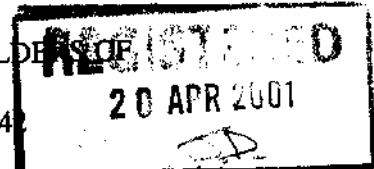


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REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

WAFER ENTERPRISES LIMITED - NI 22342



We have examined the abbreviated accounts together with the full financial statements of Wafer Enterprises Limited for the year ended 30 November 2000. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under Articles 255 and 257 of the Companies (Northern Ireland) Order 1986 to the exemptions conferred by Part I of Schedule 8 to that Order in respect of the year ended 30 November 2000, and the abbreviated accounts have been properly prepared in accordance with that Schedule.

On 31 January 2001, we reported, as auditors of Wafer Enterprises Limited to the members on the full financial statements prepared under Article 234 of the Companies (Northern Ireland) Order 1986 for the year ended 30 November 2000 and our report was as follows:

"We have audited the financial statements which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out.

*Respective responsibilities of directors and auditors*

As described the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

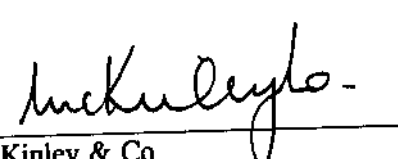
*Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

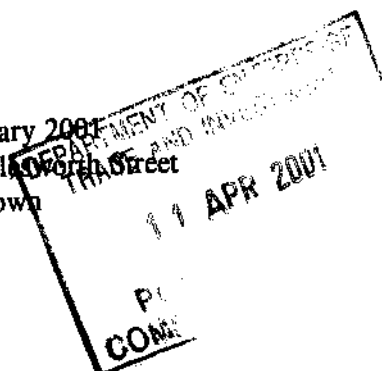
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986."

  
McKinley & Co  
Chartered Accountants and Registered Auditors

31 January 2001  
15e Molloy Street  
Cookstown



# WAFER ENTERPRISES LIMITED

## BALANCE SHEET AS AT 30 NOVEMBER 2000

	Note	2000	1999
<b>FIXED ASSETS</b>			
Tangible Assets	(6a)	503641	178674
Leased Assets	(6b)	52912	58791
<b>CURRENT ASSETS</b>			
Stock	(7)	82937	61926
Debtors	(8)	149061	147082
Cash at Bank and on Hand		74	0
		<u>232072</u>	<u>209008</u>
<b>CURRENT LIABILITIES</b>			
Creditors	(9)	207663	181865
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>24409</u>	<u>27143</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>580962</u>	<u>264608</u>
<b>LONG TERM LIABILITIES - Creditors due after 1 year</b>			
Hire Purchase		(25862)	(2718)
Bank Loan		(252396)	(4294)
		<u>302704</u>	<u>257596</u>
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	(10)	10000	10000
Loans		20500	20500
Profit and Loss Account	(11)	256204	211096
Revaluation Reserve		16000	16000
		<u>302704</u>	<u>257596</u>
		=====	=====

The Notes on pages 9 to 12 form part of these accounts.

We have relied on the exemptions for individual financial statements contained in Schedule 8 of the Companies (Northern Ireland) Order 1986 because, under that Order, the company is entitled to benefit from these exemptions as a small company.

On behalf of the board:

Neil Doherty Director

David R. O'Leary Director

31 January 2001