

GRAHAM McGRATH LIMITED

Registered in Scotland No. 32630

ABBREVIATED STATUTORY ACCOUNTS

YEAR ENDED 31 OCTOBER 1995

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J.G. Henderson & Co.
Chartered Accountants
Orbiston, Chambers Terrace
Peebles EH45 9DZ

GRAHAM McGRATH LIMITED

AUDITORS' REPORT TO GRAHAM McGRATH LIMITED
ON THE ABBREVIATED ACCOUNTS

We have examined the abbreviated accounts on pages 1 to 3 together with the annual accounts of Graham McGrath Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 October 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 1 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited annual accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those annual accounts. 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 annual accounts.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 October 1995, and the abbreviated accounts on pages 1 to 3 have been properly prepared in accordance with that Schedule.

Other information

On 5 April 1996 we reported, as auditors of Graham McGrath Limited, to the members on the annual accounts prepared under section 226 of the Companies Act 1985 for the year ended 31 October 1995 and our audit report was as follows:-

"We have audited the accounts on pages 4 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of 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 accounts are free from material misstatements, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 October 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."


J.G. HENDERSON & Co.

Chartered Accountants

Registered Auditors



5 April 1996
Peebles

GRAHAM McGRATH LIMITED

BALANCE SHEET AT 31 OCTOBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible assets	2	172,723	155,555
CURRENT ASSETS			
Stock		201,912	202,731
Debtors - due within one year		7,179	7,313
Debtors - due after one year		-	-
Cash at bank and in hand		810	10,150
		<u>209,901</u>	<u>220,194</u>
CREDITORS: amounts falling due within one year	4	(201,614)	(164,892)
NET CURRENT ASSETS		8,287	55,302
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>181,010</u>	<u>210,857</u>
CREDITORS: amounts falling due after more than one year		(6,256)	-
		<u>£174,754</u>	<u>£210,857</u>
CAPITAL AND RESERVES			
Called up share capital	3	25,000	25,000
Profit and loss account		149,754	185,857
TOTAL SHAREHOLDERS' FUNDS		<u>£174,754</u>	<u>£210,857</u>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

Advantage has been taken in the preparation of these accounts of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The accounts were approved by the directors on 3 April 1996 and are signed on their behalf by:-

Graham McGrath

GRAHAM McGRATH, Director

Michael McGrath

MICHAEL McGRATH, Director

GRAHAM McGRATH LIMITED

NOTES ON THE ACCOUNTS - 31 OCTOBER 1995

1. PRINCIPAL ACCOUNTING POLICIES

a) General

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards.

b) Stock

Stock is valued by the directors at selling price less an adjustment for the average mark up on cost.

c) Depreciation

Depreciation is calculated to write off the cost of fixed assets over their useful lives on the following basis:-

Heritable property	2% on written down value
Fixtures and fittings	15% on written down value
Motor vehicles	25% on written down value

d) Deferred Taxation

Deferred taxation is provided on the liability method for any material liability which it is considered may become payable in the foreseeable future.

e) Leasing and Lease Purchase Commitments

Amounts due under operating leases are charged to profit and loss as they become due and payable. Assets held under lease purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding obligation is shown in the balance sheet as a liability. The finance charge element of the obligation is charged to the profit and loss account over the period of the lease using the straight line method.

2. TANGIBLE FIXED ASSETS

	£
COST	
At 31 October 1994	266,796
Additions	42,006
Disposals	(47,325)
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At 31 October 1995	261,477
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DEPRECIATION	
At 31 October 1994	111,241
Current year charge	16,016
On disposals	(38,503)
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At 31 October 1995	88,754
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NET BOOK VALUE AT 31 October 1995	£172,723
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GRAHAM McGRATH LIMITED

NOTES ON THE ACCOUNTS - 31 OCTOBER 1995

3. CALLED UP SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Authorised, called up and fully paid: 25,000 ordinary shares of £1	<u>£25,000</u>	<u>£25,000</u>

4. CREDITORS: amounts falling due within one year

	<u>1995</u> £	<u>1994</u> £
Other creditors	190,090	153,567
Tax and social security	11,524	11,325
	<u>£201,614</u>	<u>£164,892</u>