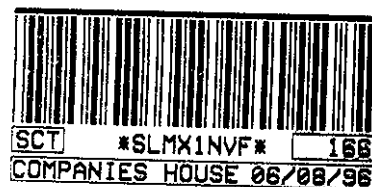


Abbreviated Financial Statements for the Year Ended 31 October 1995

for

William Johnston & Co (Engineers) Ltd



Index to the Abbreviated Financial Statements
for the Year Ended 31 October 1995

	Page
Company Information	1
Report of the Auditors on the Abbreviated Financial Statements	2
Abbreviated Balance Sheet	4
Notes to the Abbreviated Financial Statements	5

William Johnston & Co (Engineers) Ltd

Company Information
for the Year Ended 31 October 1995

DIRECTORS: I J McKnight
T R McKnight
Mrs M I McKnight
Mrs J M H McKnight

SECRETARY: Mrs M I McKnight

REGISTERED OFFICE: 39 Mauchline Street
Glasgow
G5 8HQ

REGISTERED NUMBER: 45228 (Scotland)

AUDITORS: Smith, Hemming & Dean
Chartered Accountants
and Registered Auditors
18 Alva Street
Edinburgh
EH2 4QN

BANKERS: Bank of Scotland
Laurieston Branch
1 Bridge Street
Glasgow
G5 9JX

SOLICITORS: Grant & Wylie
90 Mitchell Street
Glasgow
G1 3LY

Report of the Auditors to
William Johnston & Co (Engineers) Ltd
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages four to seven together with the full financial statements of William Johnston & Co (Engineers) Ltd 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 financial statements 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 four and whether the abbreviated financial statements 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 financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. 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 financial statements.

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 financial statements on pages four to seven have been properly prepared in accordance with that Schedule.

Other information

On 2 August 1996 we reported, as auditors of William Johnston & Co (Engineers) Limited, to the shareholders on the financial statements 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 financial statements on pages five to sixteen which have been prepared under the historical cost convention and the accounting policies set out on pages eight and nine.

Respective responsibilities of directors and auditors

As described on page three 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 and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Report of the Auditors to
William Johnston & Co (Engineers) Ltd
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

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 31 October 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Smith, Hemming & Dean.

Smith, Hemming & Dean
Chartered Accountants
and Registered Auditors
18 Alva Street
Edinburgh
EH2 4QN

Dated: *2nd August 1996*

Abbreviated Balance Sheet

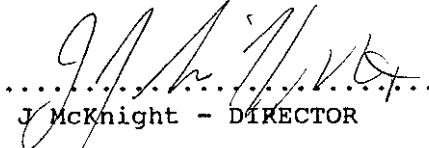
31 October 1995

		31.10.95		31.10.94	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	2		794		1,302
Tangible assets	3		76,089		102,551
Investments	4		13,300		13,300
			<hr/>		<hr/>
			90,183		117,153
CURRENT ASSETS:					
Stocks	7	127,256		114,514	
Debtors		383,085		352,529	
Investments		-		4,500	
Cash at bank and in hand		89,068		60,108	
		<hr/>		<hr/>	
		599,409		531,651	
CREDITORS: Amounts falling due within one year	6	420,482		381,310	
		<hr/>		<hr/>	
NET CURRENT ASSETS:			178,927		150,341
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES:			269,110		267,494
CREDITORS: Amounts falling due after more than one year			5,821		9,324
			<hr/>		<hr/>
			£263,289		£258,170
			<hr/>		<hr/>
CAPITAL AND RESERVES:					
Called up share capital	5		2,500		2,500
Profit and loss account			260,789		255,670
			<hr/>		<hr/>
Shareholders' funds			£263,289		£258,170
			<hr/>		<hr/>

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

.....

 I J McKnight - DIRECTOR

Approved by the Board on 29th July 96

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1995

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 and discounts allowed, and are attributable to the one principal activity of the company.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land & buildings	- not provided as not considered material
Tenants improvements	- over period of lease
Plant & machinery	- 15% on cost
Fixtures & fittings	- 15% on cost
Motor vehicles	- 25% on cost

Heritable property

Heritable property is not depreciated in accordance with statement of standard accounting practice number 12, as the directors consider that the amount involved would not be material.

Intangible fixed assets

Intangible fixed assets are written off evenly over five years.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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 and are depreciated over their estimated useful lives.

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.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1995

Pension costs

The company operates defined contribution schemes and a small self administered scheme for executives. The assets of the schemes are held separately from those of the company, with the defined contribution schemes independently administered.

Pension contributions payable for the year are charged to the profit and loss account.

Foreign Currencies

Transactions in foreign currencies are recorded at the date of the transaction.

2. INTANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 November 1994	
and 31 October 1995	2,540
AMORTISATION:	
At 1 November 1994	1,238
Charge for year	508
At 31 October 1995	1,746
NET BOOK VALUE:	
At 31 October 1995	794
At 31 October 1994	1,302

3. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 November 1994	303,515
Additions	21,977
Disposals	(4,534)
At 31 October 1995	320,958
DEPRECIATION:	
At 1 November 1994	200,964
Charge for year	46,173
Eliminated on disposals	(2,268)
At 31 October 1995	244,869
NET BOOK VALUE:	
At 31 October 1995	76,089
At 31 October 1994	102,551

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1995

4. **FIXED ASSET INVESTMENTS**

Investments (neither listed nor unlisted) were as follows:

	31.10.95	31.10.94
	£	£
Vintage cars - at cost	13,300	13,300
	<u> </u>	<u> </u>

5. **CALLED UP SHARE CAPITAL**

Authorised:

Number:	Class:	Nominal value:	31.10.95	31.10.94
		£1	£	£
6,500	Ordinary		6,500	6,500
			<u> </u>	<u> </u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.10.95	31.10.94
		£1	£	£
2,500	Ordinary		2,500	2,500
			<u> </u>	<u> </u>

6. **TRANSACTIONS WITH DIRECTORS**

Included within creditors is an amount of £26,207 (1994 - £20,031) in respect of loans from the directors. The balances are interest free and repayable on demand.

7. **RESTATEMENT OF ACCOUNTS**

Stock has been restated to exclude items previously included as consignment stocks. This stock is held by the company as agents, all associated risks being the responsibility of the supplier. The restatement has no effect on the company's overall profit/loss.