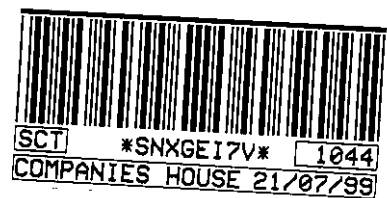


Abbreviated Financial Statements
for the Year Ended 31 October 1998
for
William Johnston & Co (Engineers) Ltd

9



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for the Year Ended 31 October 1998

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William Johnston & Co (Engineers) Ltd

Company Information
for the Year Ended 31 October 1998

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:	BKR Haines Watts 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
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages three to six, together with the full financial statements of the company for the year ended 31 October 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages three to six are properly prepared in accordance with those provisions.

BKR Haines Watts

BKR Haines Watts
Chartered Accountants
and Registered Auditors
18 Alva Street
Edinburgh
EH2 4QN

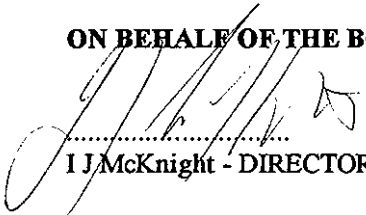
Dated: 5 July 1999

Abbreviated Balance Sheet
31 October 1998

		<u>31.10.98</u>		<u>31.10.97</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	3		245,970		223,822
Investments	4		3,800		3,800
			<u>249,770</u>		<u>227,622</u>
CURRENT ASSETS:					
Stocks		158,463		157,070	
Debtors		487,892		456,440	
Cash at bank and in hand		211,002		117,207	
		<u>857,357</u>		<u>730,717</u>	
CREDITORS: Amounts falling due within one year	5	606,294		515,195	
NET CURRENT ASSETS:			<u>251,063</u>		<u>215,522</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			500,833		443,144
CREDITORS: Amounts falling due after more than one year	5		31,065		42,005
			<u>£469,768</u>		<u>£401,139</u>
CAPITAL AND RESERVES:					
Called up share capital	6		2,500		2,500
Profit and loss account			467,268		398,639
Shareholders' funds			<u>£469,768</u>		<u>£401,139</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


I J McKnight - DIRECTOR

Approved by the Board on 1 July 1999

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

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.

Intangible fixed assets

Intangible fixed assets are written off evenly over five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land & buildings	- not provided as not considered material
Plant & machinery	- 15% on cost
Fixtures & fittings	- 15% on cost
Motor vehicles	- 25% on cost

Heritable property is not depreciated in accordance with statement of standard accounting practice number 12, as the directors consider that the amount involved, having regard to the estimated residual value, would be immaterial.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. To reflect the continuing strength of sterling against foreign currencies, certain imported stock items have been valued at their replacement cost where this is lower than the original cost.

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. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

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.

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. Assets and liabilities denominated in a foreign currency are translated at the closing balance sheet rate.

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1998

2. **INTANGIBLE FIXED ASSETS**

	<u>Total</u>
	£
COST:	
At 1 November 1997	
and 31 October 1998	<u>2,540</u>
AMORTISATION:	
At 1 November 1997	
and 31 October 1998	<u>2,540</u>
NET BOOK VALUE:	
At 31 October 1998	<u>-</u>

3. **TANGIBLE FIXED ASSETS**

	<u>Total</u>
	£
COST:	
At 1 November 1997	468,150
Additions	85,498
Disposals	<u>(43,871)</u>
At 31 October 1998	<u>509,777</u>
DEPRECIATION:	
At 1 November 1997	244,328
Charge for year	62,609
Eliminated on disposals	<u>(43,130)</u>
At 31 October 1998	<u>263,807</u>
NET BOOK VALUE:	
At 31 October 1998	<u>245,970</u>
At 31 October 1997	<u>223,822</u>

4. **FIXED ASSET INVESTMENTS**

Investments (neither listed nor unlisted) were as follows:

	31.10.98	31.10.97
	£	£
Vintage cars - at cost	<u>3,800</u>	<u>3,800</u>

5. **CREDITORS**

The following secured debts are included within creditors:

	31.10.98	31.10.97
	£	£
Hire purchase contracts	<u>85,061</u>	<u>77,233</u>

William Johnston & Co (Engineers) Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 October 1998

6. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.10.98	31.10.97
		value:	£	£
6,500	Ordinary	£1	<u>6,500</u>	<u>6,500</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.10.98	31.10.97
		value:	£	£
2,500	Ordinary	£1	<u>2,500</u>	<u>2,500</u>

7. TRANSACTIONS WITH DIRECTORS

Included within creditors is an amount of £19,555 (1997 - £31,631) in respect of loans from the directors. The balances are interest free and repayable on demand.