

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF WILSON HOMES (KILMARNOCK) LIMITED.

The following reproduces the text of the report prepared for the purposes of section 249(2) of the Companies Act 1985 in respect of the company's annual accounts, from which the abbreviated accounts (set out on pages 2 to 5) have been prepared.

'We report on the accounts for the year ended 30th June 1996 set out on pages 3 to 11.

Respective Responsibilities of Directors and Reporting Accountant

As described on page 4 & 5 the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit.

In accordance with their instructions and in order to assist the directors to fulfill their responsibilities, we have prepared the accounts on pages 3 to 11 from the accounting records and from information and explanations supplied to us.

It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the members.

Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985:
- (b) having regard only to, and on the basis of, the information contained in those accounting records,
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).'

Henry Brown & Co. C.A.
Henry Brown & Co. C.A.
Reporting Accountant
26 Portland Road
Kilmarnock
2nd December 1996



WILSON HOMES (KILMARNOCK) LIMITED

ABBREVIATED BALANCE SHEET
AS AT 30TH JUNE 1996

	Notes	£	1996 £	£	1995 £
FIXED ASSETS					
Intangible assets	2.		5,000		6,250
Tangible assets	3.		29,841		38,578
			<hr/>		<hr/>
			34,841		44,828
CURRENT ASSETS					
Stocks		2,263,601		1,965,030	
Debtors		72,508		88,159	
Cash at bank and in hand		186		711	
		<hr/>		<hr/>	
		2,336,295		2,053,900	
CREDITORS - amounts falling due within one year	4.	(859,432)		(490,339)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			1,476,863		1,563,561
			<hr/>		<hr/>
NET ASSETS			£1,511,704		£1,608,389
			<hr/>		<hr/>
Financed by:					
CAPITAL AND RESERVES					
Called up share capital	5.		5,000		5,000
Profit and loss account			1,506,704		1,603,389
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			£1,511,704		£1,608,389
			<hr/>		<hr/>

The directors:

- confirm that for the year ending 30th June 1996 the company was entitled to the exemption under subsection (2) of section 249A.
- confirm that no notice requiring an audit had been deposited under subsection (2) of S249B in relation to the accounts for the financial year; and
- acknowledge their responsibility for:
 - ensuring that the company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to the accounts, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Part 111 Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

In the preparation of the company's annual accounts, the directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion the company is entitled to the benefit of those exemptions as a small company.

Alexander Wilson )
Maureen Ann Wilson ) Directors

Dated 26/11/96.

The notes on pages 3 to 5 form an integral part of these financial statements.

WILSON HOMES (KILMARNOCK)LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1996

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention.

1.2 Turnover

This represents the invoiced amounts of goods sold and provided, net of value added tax.

1.3 Depreciation of intangible assets

The Company's policy is to write off goodwill evenly over its economic life.

1.4 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Motor Vehicles	- 25% reducing balance
Plant & Equipment	- 25% reducing balance
Fixtures & Fittings	- 25% reducing balance
Tenant's Improvements	- 5% reducing balance

1.5 Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, where cost comprises of basic invoice price. Work in Progress is valued at the lower of cost or net realisable value with cost including basic invoice price of relevant materials and associated labour and plant hire costs.

1.6 Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged against income on a straight line basis over the lease term.

1.7 Foreign Currency Transactions

Foreign currency assets and liabilities are translated at the rate of exchange that ruled at the balance sheet date. Any gain or loss on exchange is included in the profit and loss account. Foreign currency transactions are translated at the rate of exchange that ruled at that date.

WILSON HOMES (KILMARNOCK)LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1996

2. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u> £
Cost:	
At 1st July 1995 and 30th June 1996	12,500 -----
Amortisation:	
At 1st July 1995	6,250
Charge for year	1,250 -----
	7,500 -----
Net book value at 30th June 1996	6,250 =====
Net book value at 30th June 1995	5,000 =====

3. TANGIBLE FIXED ASSETS

Cost:	
As at 1st July 1995	102,537
Additions	-
Disposals	- -----
As at 30th June 1996	102,537 -----
Depreciation:	
As at 1st July 1995	63,959
Charge for year	8,737
Disposals	- -----
As at 30th June 1996	72,696 -----
Net Book Value at 30th June 1996	29,841 =====
Net Book Value at 30th June 1995	38,578 =====

4. CREDITORS

	Amounts falling due within one year		Amounts falling due after more than one year	
	1996	1995	1996	1995
Bank Overdraft	714,985	362,233	-	-
Trade Creditors	132,995	111,174	-	-
Other Taxes & Social Security Costs	2,285	5,020	-	-
Other Creditors	-	496	-	-
Accruals	9,167	11,416	-	-
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	859,432	490,339	-	-
	=====	=====	=====	=====

The bank overdraft is secured by a bond and floating charge over the company's assets.

WILSON HOMES (KILMARNOCK)LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued)
FOR THE YEAR ENDED 30TH JUNE 1996

5. SHARE CAPITAL

	<u>Authorised</u>	<u>1996</u>	Allotted, ssued and fully paid <u>1995</u>
	£	£	£
Ordinary shares of £1 each	10,000	5,000	5,000
	=====	=====	=====