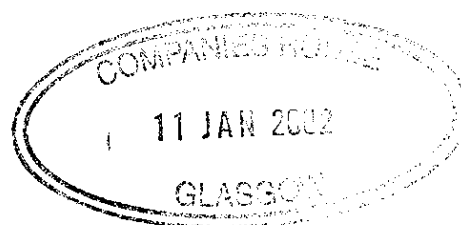


ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001

FOR

CONTRAFLOW LIMITED



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FOR THE YEAR ENDED 30 JUNE 2001**

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CONTRAFLOW LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2001**

DIRECTORS: J E A MacDonald
L J Verth
C W Scudds
F Reid

SECRETARY: L J Verth

REGISTERED OFFICE: 90 Mitchell Street
Glasgow
G1 3NQ

REGISTERED NUMBER: 105179 (Scotland)

AUDITORS: Sinclair Wood & Co.
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ

CONTRAFLOW LIMITED

**REPORT OF THE AUDITORS TO
CONTRAFLOW LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages three to five, together with the full financial statements of the company for the year ended 30 June 2001 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.

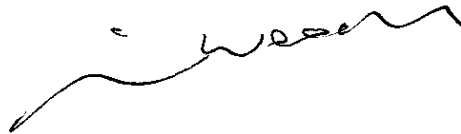
Basis of opinion

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 five are properly prepared in accordance with those provisions.

Sinclair Wood & Co.
Chartered Accountants
& Registered Auditors
Gordon Chambers
90 Mitchell Street
Glasgow
G1 3NQ



Dated: 19 November 2001

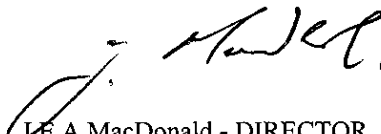
CONTRAFLOW LIMITED

**ABBREVIATED BALANCE SHEET
30 JUNE 2001**

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		300,012		310,806
CURRENT ASSETS:					
Stocks		86,617		130,067	
Debtors		429,273		529,535	
Investments		459		459	
Cash in hand		982		652	
		517,331		660,713	
CREDITORS: Amounts falling due within one year	3	604,173		710,893	
NET CURRENT LIABILITIES:			(86,842)		(50,180)
TOTAL ASSETS LESS CURRENT LIABILITIES:			213,170		260,626
CREDITORS: Amounts falling due after more than one year	3		(38,624)		(69,866)
PROVISIONS FOR LIABILITIES AND CHARGES:			(15,346)		(15,500)
			<u>£159,200</u>		<u>£175,260</u>
CAPITAL AND RESERVES:					
Called up share capital	4		100		100
Profit and loss account			159,100		175,160
SHAREHOLDERS' FUNDS:			<u>£159,200</u>		<u>£175,260</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:


L E A MacDonald - DIRECTOR


L J Verth - DIRECTOR

Approved by the Board on 19 November 2001

The notes form part of these financial statements

CONTRAFLOW LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Improvements to property	- 20% on a straight line basis
Plant, fittings and equipment	- 15% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis

Stocks

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

Stocks of equipment and goods for hire are written off over their expected useful lives of 2 years.

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.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Investments

Current asset investments are stated at the lower of cost or market value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

Leasing and hire purchase commitments

Assets held under finance leases or hire purchase contracts are capitalised under tangible fixed assets in the balance sheet and depreciated over their useful economic lives. The capital element of the future payments is treated as a liability and the interest element charged to the profit and loss account.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the agreement.

CONTRAFLOW LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001**

2. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1 July 2000	553,727
Additions	80,370
Disposals	(20,352)
	<u>613,745</u>
At 30 June 2001	<u>613,745</u>
DEPRECIATION:	
At 1 July 2000	242,918
Charge for year	84,251
Eliminated on disposals	(13,436)
	<u>313,733</u>
At 30 June 2001	<u>313,733</u>
NET BOOK VALUE:	
At 30 June 2001	<u>300,012</u>
At 30 June 2000	<u>310,806</u>

3. CREDITORS

The following secured debts are included within creditors:

	2001	2000
	£	£
Bank overdrafts	84,921	47,878
	<u>84,921</u>	<u>47,878</u>

4. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2001	2000
			£	£
100,000	Ordinary	£1	100,000	100,000
			<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2001	2000
			£	£
100	Ordinary	£1	100	100
			<u>100</u>	<u>100</u>