

J J Lawrence Investments Limited

Report and Abbreviated Accounts

31 December 2003

 **ERNST & YOUNG**



Independent auditors' report

to J J Lawrence Investments Limited pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the Balance Sheet and the related notes 1 to 3, together with the financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

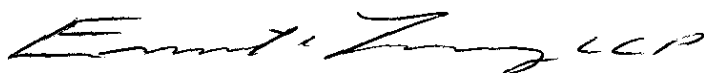
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 4 to 7 are properly prepared in accordance with those provisions.

Other information

On 18 October 2004 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 2003, and the full text of our audit report is reproduced on pages 2 to 3 of these financial statements.



Ernst & Young LLP
Registered Auditor
Ten George Street
Edinburgh
EH2 2DZ

18 October 2004

Independent auditors' report

to the members of J J Lawrence Investments Limited

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 applicable to small companies. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 applicable to small companies. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements 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.

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.

Independent auditors' report

to the members of J J Lawrence Investments Limited (continued)

QUALIFIED OPINION ARISING FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

As explained in note 1 to the financial statements, the company has not complied with the Statement of Standard Accounting Practice No 19 which requires investment properties to be included in the balance sheet at open market value.

Except for the non-compliance with Statement of Standard Accounting Practice No 19, in our opinion the financial statements give a true and fair view of the state of the companies affairs at 31 December 2003 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.

In our opinion the Company is entitled for the year ended 31 December 2003 to the exemptions conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group financial statements.



Ernst & Young LLP
Registered Auditor
Ten George Street
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18 October 2004

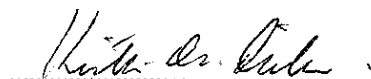
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Abbreviated balance sheet

at 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	2	713,110	713,110
Investments	2	300,500	300,500
		<u>1,013,610</u>	<u>1,013,610</u>
Current assets			
Debtors		88,545	81,357
Cash at bank and in hand		433,328	494,682
		<u>521,873</u>	<u>576,039</u>
Creditors: amounts falling due within one year		862,651	821,817
Net current liabilities		<u>(340,778)</u>	<u>(245,778)</u>
Total assets less current liabilities		<u>672,832</u>	<u>767,832</u>
Capital and reserves			
Called-up equity share capital	3	302,000	302,000
Profit and loss account		370,832	465,832
Shareholders' funds		<u>672,832</u>	<u>767,832</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.



Mr K M Miller

Director

18 October 2004

Notes to the abbreviated accounts

at 31 December 2003

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, subject to the departures referred to below.

The financial statements are prepared in accordance with applicable accounting standard with the exception of Statement of Standard Accounting Practice No 19 which requires investment properties to be included in the balance sheet at open market value.

Cash flow statement

The company taken advantage of the concession in FRS 1 "Cash Flow Statements" which exempts a company from the requirement to prepare a statement of cash flows on the grounds that the company is small as defined in companies legislation.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Plant & Equipment	- 10% straight line
Motor Vehicles	- 25% straight line

Investment properties

Investment properties are held for long-term investment, no depreciation or amortisation is provided in respect of these properties, it being company policy to maintain them to such a standard that their residual values are at least equal to their book values.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the abbreviated accounts

at 31 December 2003

2. Fixed assets

	<i>Tangible Assets £</i>	<i>Investments £</i>	<i>Total £</i>
<i>Cost</i>			
At 1 January 2003 and 31 December 2003	<u>718,208</u>	<u>300,500</u>	<u>1,018,708</u>
<i>Depreciation</i>			
At 1 January 2003	<u>5,098</u>	<u>—</u>	<u>5,098</u>
At 31 December 2003	<u>5,098</u>	<u>—</u>	<u>5,098</u>
<i>Net book value</i>			
At 31 December 2003	<u>713,110</u>	<u>300,500</u>	<u>1,013,610</u>
At 31 December 2002	<u>713,110</u>	<u>300,500</u>	<u>1,013,610</u>

The company holds directly more than 10% of the equity of the following undertakings,

<i>Name of Company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of Business</i>
Sanderson Bros (Engineering) Limited	Scotland	Ordinary shares	100%	Non Trading*
John McLauchlan Limited	Scotland	Ordinary shares	100%	Non Trading

The shares marked with an asterisk are directly held by the company.

The financial information in respect of these undertakings is as disclosed below:

Aggregate capital and reserves:

John & James Lawrence Limited	140,000	140,000
W M Tripney Limited	50,208	50,208

Profit and (loss) for the year:

John & James Lawrence Limited	—	—
W M Tripney Limited	—	—

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Notes to the abbreviated accounts

at 31 December 2003

3. Share capital

	<i>Authorised</i>	
	<i>2003</i>	<i>2002</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	<u>305,000</u>	<u>305,000</u>

<i>Allotted, called up and fully paid</i>			
	<i>2003</i>		<i>2002</i>
	<i>No.</i>	<i>£</i>	<i>No.</i>
		<i>£</i>	
Ordinary shares of £1 each	302,000	<u>302,000</u>	<u>302,000</u>