

MARCANGELO ENTERPRISES LTD
ABBREVIATED FINANCIAL STATEMENTS
31ST JULY 1997



ALEXANDER & PARTNERS C.A.
Chartered Accountants & Registered Auditors
100 High Street
Linlithgow
West Lothian
EH49 7AQ

MARCANGELO ENTERPRISES LTD
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 1997

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MARCANGELO ENTERPRISES LTD**AUDITORS' REPORT TO THE COMPANY****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 5, together with the financial statements of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31st July 1997.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare accounts under the special provisions of section 246 of the Act referred to in the directors' statement on page 3 and whether the abbreviated accounts 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 prepare accounts under the provisions referred to above and that the abbreviated accounts 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

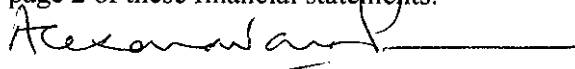
In our opinion the company is entitled under the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246 and 247 of the Act, in respect of the year ended 31st July 1997, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with Schedule 8A of the Act.

OTHER INFORMATION

On 16th March 1998 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 31st July 1997, and the full text of our audit report is reproduced on page 2 of these financial statements.

100 High Street
Linlithgow
West Lothian
EH49 7AQ

16th March 1998


ALEXANDER & PARTNERS C.A.
Chartered Accountants
& Registered Auditors

MARCANGELO ENTERPRISES LTD
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31ST JULY 1997

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the 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 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.

OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31st July 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

100 High Street
Linlithgow
West Lothian
EH49 7AQ

16th March 1998



ALEXANDER & PARTNERS C.A.
Chartered Accountants
& Registered Auditors

MARCANGELO ENTERPRISES LTD**ABBREVIATED BALANCE SHEET****31ST JULY 1997**

| | Note | £ | £ |
|---|------|------------------|----------------|
| FIXED ASSETS | 2 | | |
| Intangible assets | | | 250,000 |
| Tangible assets | | | 32,192 |
| Investments | | | <u>105,037</u> |
| | | | 387,229 |
| CURRENT ASSETS | | | |
| Stocks | | 7,100 | |
| Debtors | | 1,940 | |
| Cash at bank and in hand | | <u>38,827</u> | |
| | | 47,867 | |
| CREDITORS: Amounts falling due within one year | | <u>(211,411)</u> | |
| NET CURRENT LIABILITIES | | | (163,544) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>223,685</u> |
| CAPITAL AND RESERVES | | | |
| Called-up share capital | 3 | | 2 |
| Revaluation reserve | | | 147,000 |
| Profit and loss account | | | <u>76,683</u> |
| SHAREHOLDERS' FUNDS | | | <u>223,685</u> |

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

These financial statements were approved by the directors on the 16th March 1998 and are signed on their behalf by:

MR A.M. CROLLA
Director



MARCANGELO ENTERPRISES LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Purchased goodwill is written off immediately against reserves. Goodwill which is generated by the activities of the company is not recognised as an asset in the balance sheet and the associated costs are written off to the profit and loss account when they are incurred.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fittings and Equipment - 15% reducing balance
Motor Vehicles - 25% reducing balance

Stocks

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

2. FIXED ASSETS

| | Intangible Assets £ | Tangible Fixed Assets £ | Investments £ | Total £ |
|--------------------------|---------------------------|----------------------------------|------------------|----------------|
| COST OR VALUATION | | | | |
| Additions | 250,000 | 39,169 | 105,037 | 394,206 |
| At 31st July 1997 | <u>250,000</u> | <u>39,169</u> | <u>105,037</u> | <u>394,206</u> |
| DEPRECIATION | | | | |
| Charge for year | - | 6,977 | - | 6,977 |
| At 31st July 1997 | <u>-</u> | <u>6,977</u> | <u>-</u> | <u>6,977</u> |
| NET BOOK VALUE | | | | |
| At 31st July 1997 | <u>250,000</u> | <u>32,192</u> | <u>105,037</u> | <u>387,229</u> |

MARCANGELO ENTERPRISES LTD
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 1997

3. SHARE CAPITAL

Authorised share capital:

£

250,000 Ordinary shares of £1 each

250,000

Allotted, called up and fully paid:

£

Issue of ordinary shares

2