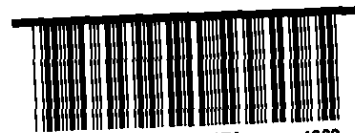


DUSTACCO ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1999



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COMPANIES HOUSE 11/04/00

ALEXANDER MARSHALL
Chartered Accountants & Registered Auditors
84 Hamilton Road
Motherwell
ML1 3BY

DUSTACCO ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1999

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DUSTACCO ENGINEERING LIMITED
AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 2 to 5 are properly prepared in accordance with those provisions.

84 Hamilton Road
Motherwell
ML1 3BY

31 March 2000

Alexander Marshall
ALEXANDER MARSHALL
Chartered Accountants
& Registered Auditors

DUSTACCO ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET

31 DECEMBER 1999

	Note	1999		1998	
		£	£	£	£
FIXED ASSETS	2				
Tangible assets			185,329		200,928
CURRENT ASSETS					
Stocks		40,091		49,389	
Debtors		136,962		153,965	
Cash at bank and in hand		265,320		114,216	
		<u>442,373</u>		<u>317,570</u>	
CREDITORS: Amounts falling due within one year		<u>(189,412)</u>		<u>(120,833)</u>	
NET CURRENT ASSETS			252,961		196,737
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>438,290</u>		<u>397,665</u>
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(3,349)</u>		<u>-</u>
			<u>434,941</u>		<u>397,665</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		30,000		30,000
Revaluation reserve			46,445		46,883
Profit and loss account			358,496		320,782
SHAREHOLDERS' FUNDS			<u>434,941</u>		<u>397,665</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 31 March 2000 and are signed on their behalf by:

MR M SOMERVILLE
Director

DUSTACCO ENGINEERING LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1999

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.

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:

Freehold Property	2.5% reducing balance
Leasehold Property	over term of lease
Plant and Machinery	15% reducing balance
Office Equipment	15% reducing balance
Motor Vehicles	25% straight line

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

DUSTACCO ENGINEERING LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1999

2. FIXED ASSETS

	Tangible Fixed Assets £
COST OR VALUATION	
At 1 January 1999	400,871
Additions	19,367
Disposals	<u>(37,990)</u>
At 31 December 1999	<u>382,248</u>
DEPRECIATION	
At 1 January 1999	199,943
Charge for year	22,891
On disposals	<u>(25,915)</u>
At 31 December 1999	<u>196,919</u>
NET BOOK VALUE	
At 31 December 1999	<u>185,329</u>
At 31 December 1998	<u>200,928</u>

3. TRANSACTIONS WITH THE DIRECTORS

The company conducted trade on normal commercial terms with the following companies in which both Mr. and Mrs. Somerville are directors and have controlling interests:

	1999	1998
	£	£
Goods and services purchased from Watermiser Limited	<u>33,260</u>	<u>21,916</u>
Goods and services sold to Watermiser Limited	<u>133,919</u>	<u>149,520</u>
At the year end balances outstanding were as follows:		
Due from Watermiser Limited	<u>24,550</u>	<u>16,564</u>
Due to Watermiser Limited	<u>-</u>	<u>1,773</u>

DUSTACCO ENGINEERING LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1999

4. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Morris Somerville throughout the current and previous year. Mr Somerville's interest in the share capital of the company is disclosed in the directors report.

No transactions with related parties were undertaken such as are required to be disclosed under *Financial Reporting Standard 8* other than as noted above.

5. SHARE CAPITAL**Authorised share capital:**

	1999 £	1998 £
30,000 Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

Allotted, called up and fully paid:

	1999 £	1998 £
Ordinary share capital	<u>30,000</u>	<u>30,000</u>