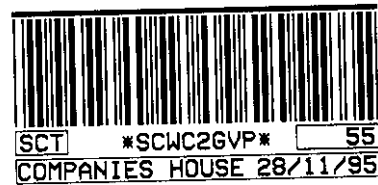


CN: SCO 32829

D.M. GEDDES & SONS LIMITED

Report & Accounts

for the financial year ended 31 January 1995



D.M. GEDDES & SONS LIMITED

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D.M. GEDDES & SONS LIMITED

DIRECTORS

Mrs. M.H. Geddes
W. Falconer
D. Mackay
Mrs. I. Falconer

SECRETARY

Mrs. K. Cameron

REGISTERED OFFICE

Sinclair Lane,
HALKIRK,
Caithness.
KW12 6YF.

COMPANY NUMBER

SCO 32829

BANKERS

Bank of Scotland,
25 Orlig Street,
THURSO,
Caithness,
KW14 7HQ.

AUDITORS

Messrs. Reid & Fraser,
Chartered Accountants
& Registered Auditors
92 High Street,
WICK.
Caithness.
KW1 4LY.

D.M. GEDDES & SONS LIMITED

Report of the Directors

The Directors present their report and the audited financial statements of the Company for the year ended 31 January 1995.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the Company continues to be housing contractors and joinery manufacturers.

The results for the year are set out on page 5.

DIVIDENDS

The directors recommend that no dividend be paid (1994 NIL).

FIXED ASSETS

The movement in tangible fixed assets are set out in note 9 to the financial statements.

DIRECTORS

The Directors who served during the year and their shareholdings were as follows:

	<u>1995</u>	<u>1994</u>
Mrs. M.H. Geddes	100	100
Mr. W. Falconer	5,177	5,177
Mrs. J. Geddes (Dec'd)	500	500
Mr. D. Mackay	-	-
Mrs. I. Falconer	-	-

AUDITORS

Messrs. Reid & Fraser, C.A. have expressed their willingness to continue in office as Auditors and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Advantage has been taken in the preparation of the Directors' Report of the special exemptions applicable to medium companies conferred by Part III of Schedule 8 to the Companies Act 1985.

This report was approved by the board on 20 November 1995, and signed on its behalf.



**MRS. K. CAMERON
COMPANY SECRETARY**

D.M. GEDDES & SONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



BY ORDER OF THE BOARD
MRS. K. CAMERON
COMPANY SECRETARY

Date: 20 November 1995

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
D.M. GEDDES & SONS LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of 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.

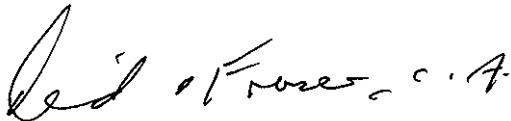
BASIS OF OPINION

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 state of the company's affairs as at 31 January 1995 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to medium companies.



REID & FRASER,
Chartered Accountants & Registered Auditors
WICK.
KW1 4LY.

22 November 1995

D.M. GEDDES & SONS LIMITED

Profit & Loss Account

for year ended 31 January 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		<u>£</u>	<u>£</u>
GROSS PROFIT	2	1,326,813	1,347,570
Production Costs		833,229	841,165
Administrative Expenses		<u>508,771</u>	<u>493,523</u>
OPERATING (LOSS)/PROFIT BEFORE INTEREST	3	(15,187)	12,882
Income from Investments	4	6	43
Interest Payable	5	<u>(8,373)</u>	<u>(7,010)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(23,554)	5,915
Tax on ordinary activities	8	<u>(5,016)</u>	<u>5,271</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR	19	<u><u>(18,538)</u></u>	<u><u>644</u></u>

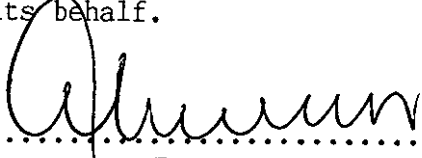
D.M. GEDDES & SONS LIMITED

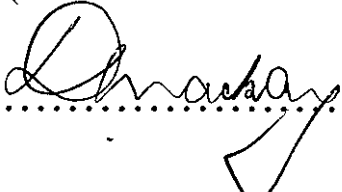
Balance Sheet as at 31 January 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
<u>FIXED ASSETS</u>			
Tangible Assets	9	549,089	533,183
Investment - Associated Company	10	<u>19,000</u>	<u>12,000</u>
		568,089	545,183
			
<u>CURRENT ASSETS</u>			
Stock	11	206,721	255,043
Debtors	12	600,307	714,574
Cash on Hand		<u>49</u>	<u>53</u>
		807,077	969,670
<u>CURRENT LIABILITIES</u>			
<u>CREDITORS:</u> payable within one year	13	<u>720,305</u>	<u>836,304</u>
<u>Net Current Assets</u>		86,772	133,366
			
<u>TOTAL ASSETS, LESS CURRENT LIABILITIES</u>		654,861	678,549
			
<u>CREDITORS:</u> payable after one year	14	29,078	34,503
<u>PROVISIONS:</u>			
Taxation including deferred tax	8	59,454	59,179
Grant - HADB	15	<u>-</u>	<u>38,800</u>
		88,532	132,482
			
<u>NET ASSETS</u>		<u>566,329</u>	<u>546,067</u>
<u>SHARE CAPITAL & RESERVES</u>			
Share Capital	17	5,777	5,777
Capital Redemption Reserve	18	6,223	6,223
Profit & Loss Account	19	<u>554,329</u>	<u>534,067</u>
<u>SHAREHOLDERS FUNDS</u>	20	<u>566,329</u>	<u>546,067</u>

DIRECTORS' CERTIFICATE

The Directors have taken advantage, in the preparation of these financial statements, of special exemptions applicable to medium companies under Part III of Schedule 8 to the Companies Act 1985 on the grounds that in the opinion of the directors, the company qualifies as a medium company and is entitled to make use of the special exemptions. The financial statements were approved by the board on 20 November 1995 and signed on its behalf.

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D.M. GEDDES & SONS LIMITED

Cash Flow Statement

for year ended 31 January 1995

	<u>£</u>	<u>1995</u> <u>£</u>	<u>£</u>	<u>1994</u> <u>£</u>
Net Cash Inflow/(Outflow) from operating activities (See Note below)		253,984		88,118
Returns on investment and servicing of finance -				
Interest Received	6		43	
Interest Paid	(8,373)		(7,010)	
Dividends Paid	<u>-</u>		<u>(5,777)</u>	
Net Cash Inflow from returns on investment and servicing of finance		(8,367)		(12,744)
Grants Received		-		15,046
Taxation				
Taxation Repaid/(Paid)		5,292		(11,946)
Investing Activities				
Cost of Shares - Associated Company	(7,000)		(6,000)	
Purchase of Tangible Fixed Assets	(112,583)		(110,353)	
Sale of Tangible Fixed Assets	<u>10,374</u>		<u>5,575</u>	
Net Cash (Outflow) from investing activities		(109,209)		(110,778)
<u>Net Cash Inflow/(Outflow)</u>		141,700		(32,304)
				
<u>Increase/(Decrease) in deposits and cash</u>		<u>141,700</u>		<u>(32,304)</u>

Note:

Reconciliation of profit to net cash flow from operating activities:

Operating (Deficit)/Surplus before interest	(15,187)	12,882
Depreciation	82,290	78,421
Loss on Disposal of Fixed Assets	4,012	5,585
Decrease in Stock	48,322	38,321
Decrease/(Increase) in Debtors	114,267	(225,110)
Increase in Creditors	<u>20,280</u>	<u>178,019</u>
<u>Net Cash Inflow from operating activities</u>	<u>253,984</u>	<u>88,118</u>

D.M. GEDDES & SONS LIMITED

Notes to the financial statements

for the year ended 31 January 1995

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Valued Added Tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Heritable Property	2% Straight Line
Leasehold Property	2% Straight Line
Plant & Machinery	15% Reducing Balance
Motor Vehicles	25% Reducing Balance

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Costs includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6/

D.M. GEDDES & SONS LIMITED

Notes ot Accounts Continued

1.6 Deferred Taxation

Deferred Taxation is provided on the deferral method. It applies to those items of income and expenditure (principally the difference between Capital Allowances and Depreciation) which are recognised for tax purposes in different years from those in the Profit & Loss Account.

2. GROSS PROFIT

Gross profit comprises turnover and other operating income, less cost of sales.

3. OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Operating Loss/Profit is arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	82,289	78,421
Loss on Disposal of tangible fixed assets	4,012	5,585
Auditors' Remuneration	3,200	3,200
Legal Fees	488	2,288
Directors' Remuneration	49,212	43,142
Directors' Pension Scheme	<u>5,000</u>	<u>2,755</u>

4. INTEREST RECEIVABLE

Bank Interest	<u>6</u>	<u>43</u>
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5. INTEREST PAYABLE

Bank Interest	<u>8,373</u>	<u>7,010</u>
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6. EMPLOYEES AND PENSIONS

Employees

Average number of people (including directors) employed by the company during the year:

Production	85	78
Administration	12	12

Costs in respect of these employees:

Wages & Salaries	962,102	941,561
Social Security Costs	82,691	92,648
Directors' Pension Contributions	<u>5,000</u>	<u>2,755</u>
	<u>1,049,793</u>	<u>1,036,964</u>

7./

D.M. GEDDES & SONS LIMITED

Notes to Accounts continued

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
7. <u>DIRECTORS' EMOLUMENTS</u>		
Salaries	44,630	39,078
Fees	—	—
	<u>44,630</u>	<u>39,078</u>
Emoluments excluding pension contributions		
Chairman	<u>14,915</u>	<u>19,539</u>
Highest Paid Director	<u>22,315</u>	<u>19,539</u>
Number of other directors whose emoluments fell within the bands stated		
NIL - 5,000	2	3
5,001 - 10,000	1	—
10,001 - 15,000	—	—
15,001 - 20,000	1	2
20,001 - 25,000	1	—

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation provision for the year is:

Corporation Tax - Current Year	(3)	275
Corporation Tax - Earlier Years	—	(4,674)
Deferred Taxation - Current Year	<u>(5,013)</u>	<u>9,670</u>
	<u>(5,016)</u>	<u>5,271</u>

Corporation Tax is provided on the profit for the year at 25%.

The total taxation provision at the year

Corporation Tax - Current Year	—	(1,650)
Corporation Tax - Earlier Years	—	(3,638)
Deferred Taxation	<u>59,454</u>	<u>64,467</u>
	<u>59,454</u>	<u>59,179</u>

9. TANGIBLE FIXED ASSETS

Per Appendix 1.

10. INVESTMENT - ASSOCIATED COMPANY

The Associated Company is Brownhill Precast Concrete Company Limited, an unlisted Company.

During the year the Company increased its holding to 24% of the Issued Share Capital.

11./

D.M. GEDDES & SONS LIMITED

Notes to Accounts continued

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
11. <u>STOCKS</u>		
Stock in Hand	180,678	160,417
Work in Progress	<u>26,043</u>	<u>94,626</u>
	<u>206,721</u>	<u>255,043</u>
12. <u>DEBTORS</u>		
Trade Debtors	571,175	685,746
Prepayments and Accrued Income	<u>29,132</u>	<u>28,828</u>
	<u>600,307</u>	<u>714,574</u>
13. <u>CREDITORS: Amounts falling due within one year</u>		
Bank Overdraft (note 16)	30,542	172,247
Trade Creditors	525,131	515,308
Other Taxes & Social Security	51,890	42,974
Directors' Loan Accounts	2,366	1,451
Accruals	13,602	25,532
Finance Lease & Hire Purchase Contracts	40,124	33,187
Owed to Associated Company	<u>56,650</u>	<u>45,605</u>
	<u>720,305</u>	<u>836,304</u>
14. <u>CREDITORS: Amounts falling due outwith one year</u>		
Finance Lease & Hire Purchase Contracts	<u>29,078</u>	<u>34,503</u>
15. <u>GRANT FROM HIGHLANDS & ISLANDS DEVELOPMENT BOARD</u>		
At 1 February 1994	38,800	38,800
Amortised during year	<u>38,800</u>	<u>-</u>
At 31 January 1995	<u>-</u>	<u>38,800</u>
16. <u>SECURITY FOR BANK OVERDRAFT</u>		
The Company's Bankers have a Bond and Floating Charge over all the assets of the Company.		
17. <u>SHARE CAPITAL</u>		
Authorised		
100,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Alloted and Called Up		
5,777 Ordinary Shares of £1 each	<u>5,777</u>	<u>5,777</u>
18./		

D.M. GEDDES & SONS LIMITED

Notes to Accounts continued

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
18. CAPITAL REDEMPTION RESERVE		
At 1 February 1994	6,223	6,223
Transfer during year	<u>-</u>	<u>-</u>
At 31 January 1995	<u><u>6,223</u></u>	<u><u>6,223</u></u>
19. PROFIT AND LOSS ACCOUNT		
At 1 February 1994	534,067	533,423
Retained (loss)/profit for the year	(18,538)	644
Grant Amortised	<u>38,800</u>	<u>-</u>
At 31 January 1995	<u><u>554,329</u></u>	<u><u>534,067</u></u>
20. SHAREHOLDERS' FUNDS		
Reconciliation of movement in shareholders funds:		
At 1 February 1994	546,067	545,423
Increase during year - Retained Profit	-	644
- Grant Amortised	38,800	-
Reduced during year - Loss	<u>(18,538)</u>	<u>-</u>
	<u><u>566,329</u></u>	<u><u>546,067</u></u>

21. CONTINGENT LIABILITY

The Company has given the Bank a cross guarantee in respect of Brownhill Precast Concrete Company Limited, an associated Company.

D.M. GEDDES & SONS LIMITED

APPENDIX 1

FIXED TANGIBLE ASSETS

	<u>Heritable Property</u>	<u>Leasehold Property</u>	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
Cost					
At 1 February 1994	98,315	84,558	702,094	230,312	1,115,279
Additions		16,949	35,101	60,533	112,583
Disposals			(9,500)	(55,296)	(64,796)
At 31 January 1995	98,315	101,507	727,695	235,549	1,163,066
Depreciation					
At 1 February 1994	1,966	9,540	409,841	160,749	582,096
Depreciation for year	1,966	2,030	48,716	29,578	82,290
Disposals			(6,911)	(43,498)	(50,409)
At 31 January 1995	3,932	11,570	451,646	146,829	613,977
Net Book Value 1995	94,383	89,937	276,049	88,720	549,089
Net Book Value 1994	96,349	75,018	292,253	69,563	533,183

Motor Vehicles

This includes motor vehicles held under Finance Leases with a Written Down Value of £62,907 and a depreciation charge for the year of £20,971.