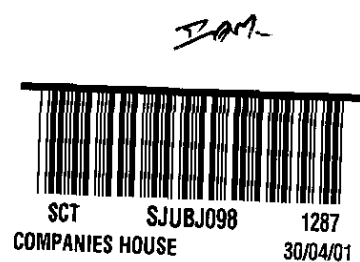


NB SURVEYS LIMITED

Report and Financial Statements

30 June 2000

**Deloitte & Touche
2 Queen's Terrace
Aberdeen
AB10 1XL**



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

DH Niven
GR Niven

SECRETARY

SD Niven

REGISTERED OFFICE

182 Market Street
Aberdeen
AB11 5PQ

BANKERS

Clydesdale Bank Plc
Business Banking Centre
1 Queen's Cross
Aberdeen
AB15 4XU

SOLICITORS

The Commercial Law Practice
1 Rubislaw Terrace
Aberdeen
AB10 1BE

AC Morrison & Richards
18 Bon Accord Crescent
Aberdeen
AB11 6XY

AUDITORS

Deloitte & Touche
2 Queen's Terrace
Aberdeen
AB10 1XL

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

ACTIVITY

The principal activity of the company is the provision of dimensional engineering services.

REVIEW OF DEVELOPMENTS

The profit after taxation amounted to £119,350 (1999, £60,873).

DIVIDENDS AND TRANSFERS TO RESERVES

The directors paid dividends of £100,000 (1999, £20,000) and proposed final dividends of £Nil (1999, £30,000). The directors recommend that the retained profit of £19,350 (1999, £10,873) is transferred to reserves.

FUTURE PROSPECTS

The directors are satisfied with the performance of the company and are confident of the future for the business.

DIRECTORS AND THEIR INTERESTS

The present membership of the board is set out on page 1.

The interests of the directors in office at 30 June 2000 in the shares of the company, as defined by the Companies Act 1985, at 30 June 2000 and at 1 July 1999 were as follows:

	Ordinary shares of £1 each		'A' ordinary shares of £1 each		'B' ordinary shares of £1 each	
	2000	1999	2000	1999	2000	1999
D H Niven	50	50	50	50	50	50
G R Niven	50	50	50	50	50	50

AUDITORS

A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming annual general meeting.

Approved by the board of directors
and signed on behalf of the board



Director

27 April 2001

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 as at the end of the financial year 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; and
- 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.

NB SURVEYS LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

27 April 2001.

PROFIT AND LOSS ACCOUNT
Year ended 30 June 2000

	Note	2000 £	1999 £
TURNOVER: continuing operations	2	838,234	728,841
Cost of sales		(485,961)	(437,434)
Gross profit		352,273	291,407
Administrative expenses		(224,790)	(224,415)
OPERATING PROFIT: continuing operations	4	127,483	66,992
Interest receivable and similar income	5	25,748	14,411
Interest payable and similar charges	6	(1,392)	(2,960)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		151,839	78,443
Tax on profit on ordinary activities	7	(32,489)	(17,570)
PROFIT FOR THE FINANCIAL YEAR		119,350	60,873
Dividends	8	(100,000)	(50,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		19,350	10,873
Retained profit brought forward		567,433	556,560
Retained profit carried forward		586,783	567,433

There are no recognised gains or losses for the current and preceding financial year other than as stated above.

**BALANCE SHEET
At 30 June 2000**

	Note	2000 £	1999 £
FIXED ASSETS			
Tangible fixed assets	9	<u>141,497</u>	<u>226,167</u>
CURRENT ASSETS			
Debtors	10	305,930	332,989
Cash at bank and in hand		<u>241,355</u>	<u>125,939</u>
		547,285	458,928
CREDITORS: amounts falling due within one year	11	<u>101,699</u>	<u>114,147</u>
NET CURRENT ASSETS		<u>445,586</u>	<u>344,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		587,083	570,948
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>-</u>	<u>3,215</u>
		<u>587,083</u>	<u>567,733</u>
CAPITAL AND RESERVES			
Called up share capital	13	300	300
Profit and loss account		<u>586,783</u>	<u>567,433</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS	14	<u>587,083</u>	<u>567,733</u>

These financial statements were approved by the board of directors on 27 April 2001.

Signed on behalf of the board of directors



Director

NOTES TO THE ACCOUNTS**Year ended 30 June 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

Short leasehold improvements	15%
Tools and equipment	15-33%
Office equipment	15-33%
Motor vehicles	25%

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

Leases

Operating lease rentals are charged to the profit and loss account in equal amounts over the periods of the leases.

Pension costs

The company operates a defined contribution pension scheme on behalf of certain employees and directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. TURNOVER

Turnover arises wholly from the principal activity of the company and is stated net of value added tax.

No analysis of turnover or profit by geographical area is given since the directors are of the opinion that to disclose such information could be prejudicial to the best interests of the company.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Directors' remuneration		
Emoluments	43,821	39,808
Pension costs	11,758	24,728
	<u>55,579</u>	<u>64,536</u>

Retirement benefits are accruing to the two directors under money purchase schemes (1999, two).

NOTES TO THE ACCOUNTS**Year ended 30 June 2000****3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)**

	2000	1999
	No	No
Average number of persons employed		
Management	2	2
Engineers	16	14
Administration	2	2
	<u>20</u>	<u>18</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	391,561	359,455
Social security costs	32,486	36,280
Pension costs	22,994	32,778
	<u>447,041</u>	<u>428,513</u>

4. OPERATING PROFIT

	2000	1999
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation	70,093	79,128
Gain on disposal of fixed assets	(2,864)	(7,400)
Auditors' remuneration	2,150	2,150
Operating lease charges		
Hire of plant	12,755	12,696
Other	12,000	12,000
	<u></u>	<u></u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£	£
Bank interest receivable	<u>25,748</u>	<u>14,411</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank overdraft interest and charges	<u>1,392</u>	<u>2,960</u>

NOTES TO THE ACCOUNTS

Year ended 30 June 2000

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
United Kingdom corporation tax at 20% (1999 - 21%) based on the profit for the year	35,876	21,471
Deferred taxation	(3,376)	(3,090)
	<u>32,500</u>	<u>18,381</u>
Adjustments to prior years' tax provisions		
Corporation tax	(172)	(2,258)
Deferred taxation	161	1,447
	<u>32,489</u>	<u>17,570</u>

8. DIVIDENDS

	2000 £	1999 £
'B' ordinary interim – paid	80,000	-
Ordinary interim – paid	20,000	20,000
'B' ordinary final – proposed	-	24,000
Ordinary final – proposed	-	6,000
	<u>100,000</u>	<u>50,000</u>

9. TANGIBLE FIXED ASSETS

	Heritable property £	Short leasehold improvements £	Tools & equipment £	Office equipment £	Motor Vehicles £	Total £
Cost						
At 1 July 1999	47,136	120,969	270,268	111,245	8,925	558,543
Additions	-	-	19,183	13,376	-	32,559
Disposals	(47,136)	-	-	-	-	(47,136)
	<u>-</u>	<u>120,969</u>	<u>289,451</u>	<u>124,621</u>	<u>8,925</u>	<u>543,966</u>
At 30 June 2000						
Accumulated depreciation						
At 1 July 1999	-	13,573	218,208	98,364	2,231	332,376
Charge for the year	-	11,442	44,813	11,607	2,231	70,093
	<u>-</u>	<u>25,015</u>	<u>263,021</u>	<u>109,971</u>	<u>4,462</u>	<u>402,469</u>
At 30 June 2000						
Net book value						
At 30 June 2000	<u>-</u>	<u>95,954</u>	<u>26,430</u>	<u>14,650</u>	<u>4,463</u>	<u>141,497</u>
At 30 June 1999	<u>47,136</u>	<u>107,396</u>	<u>52,060</u>	<u>12,881</u>	<u>6,694</u>	<u>226,167</u>

NOTES TO THE ACCOUNTS**Year ended 30 June 2000****10. DEBTORS**

	2000	1999
	£	£
Trade debtors	209,073	256,423
Other debtors	6,372	2,897
Prepayments and accrued income	90,485	73,312
Other loan	-	357
	<u>305,930</u>	<u>332,989</u>

The other loan is interest free and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Trade creditors	35,604	41,826
Corporation tax	35,704	16,471
Dividends payable	-	30,000
Advance corporation tax payable	-	5,000
Other creditors	2,399	-
Other taxes and social security	12,019	8,212
Accruals	15,973	12,638
	<u>101,699</u>	<u>114,147</u>

12. PROVISION FOR LIABILITIES AND CHARGES

	Potential	and Provided
	2000	1999
	£	£
Deferred taxation		
Capital allowances in excess of depreciation	240	3,455
Other	(240)	(240)
	<u>-</u>	<u>3,215</u>

13. CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Authorised, called up, allotted and fully paid		
Ordinary shares of £1 each	100	100
'A' ordinary shares of £1 each	100	100
'B' ordinary shares of £1 each	100	100
	<u>300</u>	<u>300</u>

The 'A' ordinary non-voting shares of £1 each and 'B' ordinary non-voting shares of £1 each rank pari passu with the ordinary shares except they have no voting rights.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000 £	1999 £
Profit for the financial year	119,350	60,873
Dividends	(100,000)	(50,000)
Net addition to shareholders' funds	19,350	10,873
Opening shareholders' funds	567,733	556,860
Closing shareholders' funds	587,083	567,733

15. OPERATING LEASE COMMITMENTS

At 30 June 2000 the company was committed to the following annual payments under operating leases:

	Land & buildings 2000 £	Land & buildings 1999 £	Other 2000 £	Other 1999 £
Leases which expire:				
Within one year	-	-	1,911	3,220
Within 2 to 5 years	12,000	12,000	6,614	7,188
	12,000	12,000	8,525	10,408

16. PENSIONS

The company operates a defined contribution pension scheme. During the year payment to the scheme totalled £22,994 (1999, £32,778). At 30 June 2000 and at 30 June 1999 there were no unpaid or prepaid amounts due to the scheme (1999: Nil).

17. RELATED PARTY TRANSACTIONS

During the year rent of £12,000 was charged by NB Surveys Trustees Limited, the pension fund for the two directors, for the use of the premises at 182 Market Street. At the year end £6,000 was included in trade creditors (note 11) in respect of rent for the year (1999: Nil).