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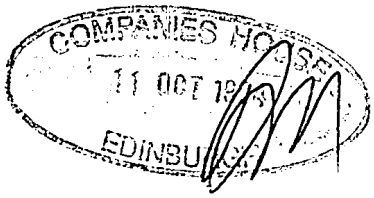
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A M GILLIES LIMITED

Directors' Report and Financial Statements

For the period ended 27 August 1993



A M GILLIES LIMITED

Directors' Report and Financial Statements

For the period ended 27 August 1993

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Directors

A M Gillies
W K Stein

Secretary

A M Gillies

Auditors

Scott-Moncrieff CA

Bankers

Bank of Scotland

Solicitors

Brodies WS

Registered office

15 Atholl Crescent
Edinburgh
EH3 8HA

A M GILLIES LIMITED

Directors' Report

For the period ended 27 August 1993

The directors submit their annual report and audited financial statements for the period ended 27 August 1993.

Results for the period

The results for the period are as shown in the attached financial statements. The directors recommend that no dividend be paid, and that the profit for the period be carried forward.

Principal activities and review of the business

The principal activity of the company during the period was that of a building contractor.

The company experienced a fall in sales revenue during the period and a slight increase in administration expenditure resulting in a slightly lower profit than in the previous period. The directors hope that this trend will be reversed in the future.

Directors and their interests

In accordance with the Articles of Association, none of the directors fall due to retire. Mr A M Gillies is a director of, and major shareholder in Isertal Limited and his interest in the share capital is disclosed in the Directors' Report of that company. The directors during the period and their interests in the share capital of the company, including family interests were as follows:

	Ordinary shares of £1 each	
	27 August 1993	31 July 1992
Mr A M Gillies	-	-
Mr W K Stein	1,200	1,200

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

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Directors' responsibilities - continued

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.

Auditors

A resolution to re-appoint Scott-Moncrieff CA as auditors will be put to the members at the annual general meeting.

By order of the board

Edinburgh 6/10/ **1994**

Secretary
A M Gillies

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A M GILLIES LIMITED

Auditors' Report to the Members

For the period ended 27 August 1993

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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 27 August 1993 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott-Moncrieff

SCOTT-MONCRIEFF
Chartered Accountants and Registered Auditors
17 Melville Street
Edinburgh
EH3 7PH

6 October 1994

A M GILLIES LIMITED

Profit and Loss Account

For the period ended 27 August 1993

	Notes	period ended 27 August 1993 £	year ended 31 July 1992 £
Turnover - continuing operations	2	781,424	831,057
Cost of sales		(646,395)	(702,127)
Gross profit		135,029	128,930
Administration expenses		(90,332)	(85,342)
Operating profit - continuing operations	4	44,697	43,588
Interest payable	5	(26,665)	(23,655)
Profit on ordinary activities before taxation		18,032	19,933
Taxation	6	-	-
Profit for the financial period		18,032	19,933
Accumulated losses brought forward		(44,410)	(64,343)
Accumulated losses carried forward		(26,378)	(44,410)

The company has no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements

A M GILLIES LIMITED

Balance Sheet

As at 27 July 1993

	Notes	1993		1992	
		£	£	£	£
Fixed assets					
Tangible assets	7		20,781		31,865
Current assets					
Stocks	8	12,408		10,804	
Debtors	9	261,606		355,080	
Cash at bank and in hand		38		131	
		274,052		366,015	
Creditors : Amounts falling due within one year	10	(285,211)		(400,356)	
Net current liabilities			(11,159)		(34,341)
Total assets less current liabilities			9,622		(2,476)
Creditors : Amounts falling due after more than one year	11		-		(5,934)
			9,622		(8,410)
Capital and reserves					
Called up share capital	12		36,000		36,000
Profit and loss account			(26,378)		(44,410)
			9,622		(8,410)

The financial statements were approved by the directors on .....6/10/94....

.....W K Stein..... Director

W K Stein

The notes on pages 6 to 10 form part of these financial statements

A M GILLIES LIMITED

Notes to the Financial Statements

For the period ended 27 August 1993

1. Accounting policies

Comparative figures

The comparative figures are for the 12 months ended 31 July 1992.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life as follows:-

Plant and machinery	10 years
Motor vehicles	4 years
Furniture and fittings	10 years
Office equipment	6 2/3 years

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value in the ordinary course of business. Cost of work-in-progress includes all production overheads, and the appropriate proportion of indirect overhead expenses.

Deferred taxation

Deferred taxation is provided on the liability method unless there is reasonable probability that such liability will not arise within three years of the end of the financial year. Advance corporation tax recoverable is deducted from the deferred taxation liability.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership the assets are treated as if they had been purchased outright. The amount capitalised is the cost of the asset to the lessor and this is depreciated over its useful economic life. The corresponding leasing commitments are shown as amounts payable to the lessor. Lease payments are split between capital and interest. The interest element is charged to the profit and loss account while the capital portion reduces the amounts payable to the lessor.

Cash Flow Statement

The company is defined as a small company and has taken advantage of the exemption under Financial Reporting Standard 1 not to prepare a Cash Flow Statement.

2. Turnover

Turnover and the profit on ordinary activities are attributable to the company's principal activity of building contractors. The turnover of £781,424 (1992 - £831,057) was all earned in the UK.

3. Staff numbers and costs

The average weekly number of employees during the year was made up as follows :-	Period ended 27 August 1993 Number	Year ended 31 July 1992 Number
Office and management	4	4
Tradesmen and manual workers	8	16
	12	20

The aggregate remuneration and associated costs of the company's employees were:-	Period ended 27 August 1993 £	Year ended 31 July 1992 £
Wages and salaries	178,599	185,972
Social security costs	16,222	16,750
Pension costs	7,940	6,555
	202,761	209,277

All pension payments relate to contributions by the company to employee personal pension plans.

4. Operating profit

The operating profit is stated after charging:	Period ended 27 August 1993 £	Year ended 31 July 1992 £
Directors' remuneration	19,911	22,356
Hire of plant and machinery	7,419	8,540
Auditors' remuneration including expenses	4,200	4,200
Depreciation	11,420	10,574
Leasing charges	4,719	3,805

5. Interest payable

	Period ended 27 August 1993 £	Year ended 31 July 1992 £
Interest on bank overdraft and loans wholly repayable within five years	25,310	21,158
Hire purchase interest	1,355	2,497
	26,665	23,655

6. Taxation

There is no liability to taxation due to the incidence of group tax losses.

7. Tangible assets

Cost	Plant & machinery £	Motor vehicles £	Furniture & fittings £	Office equipment £	Total £
At 1 August 1992	10,580	45,097	120	24,139	79,936
Additions	336	-	-	-	336
At 27 August 1993	10,916	45,097	120	24,139	80,272
Depreciation					
At 1 August 1992	4,947	23,538	119	19,467	48,071
Provided for year	1,172	8,755	-	1,493	11,420
At 27 August 1993	6,119	32,293	119	20,960	59,491
Net book value					
At 27 August 1993	4,797	12,804	1	3,179	20,781
At 31 July 1992	5,633	21,559	1	4,672	31,865

8. Stocks

	1993 £	1992 £
Raw materials	1,500	-
Work in progress	10,908	10,804
	12,408	10,804

9. Debtors

	1993 £	1992 £
Trade debtors	25,364	823
Amounts due from group companies	235,726	346,157
Other debtors	516	8,100
	261,606	355,080

10. Creditors : Amounts falling due within one year	1993 £	1992 £
Bank loans and overdraft	172,598	192,661
Trade creditors	66,048	170,255
Social security and other taxes	32,232	19,443
Accruals	4,678	7,789
Other creditors	4,385	2,249
Hire purchase creditors	5,270	7,959
	285,211	400,356

The Bank of Scotland holds a letter of guarantee from A M Gillies and C A Gillies. The bank overdraft has also been guaranteed by Isertal Limited.

11. Creditors : Amounts falling due after more than one year	1993 £	1992 £
Hire purchase creditors	-	5,934
Hire purchase contracts are due as follows:-		
Due between 1 and 2 years	-	5,538
Due between 2 and 5 years	-	396
	-	5,934

12. Called up share capital	1993 £	1992 £
Authorised		
Ordinary £1 shares	5,000	5,000
Redeemable preference £1 shares	31,000	31,000
	36,000	36,000
Issued		
Ordinary £1 shares	5,000	5,000
Redeemable preference £1 shares	31,000	31,000
	36,000	36,000

13. Reconciliation of movement in shareholders' funds	1993 £	1992 £
Profit for period	18,032	19,933
Shareholders' funds at 1 August 1992	(8,410)	(28,343)
Shareholders' funds at 27 August 1993	9,622	(8,410)

14. Holding company

The ultimate holding company is Isertal Limited, a company incorporated in Scotland.

15. Commitments and contingent liabilities

Capital expenditure contracted for but not provided in the financial statements amounted to £Nil (1992 - £Nil).

Capital expenditure authorised by the Directors but not contracted for was £Nil (1992 - £Nil).