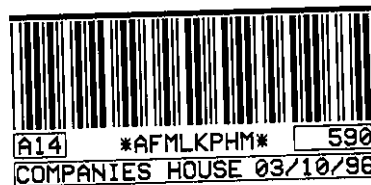


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Reid Crowther Consulting Limited

REPORT AND ACCOUNTS

30 SEPTEMBER 1995



Reid Crowther Consulting Limited

Registered No: 2855787

DIRECTORS

J M Atkinson

SECRETARY

J C Herbert

AUDITORS

Ernst & Young
Apex Plaza
Forbury Road
Reading RG1 1YE

BANKERS

National Westminster Bank
13 Market Place
Reading RG1 2EP

SOLICITORS

Paisner & Co
Bouverie House
154 Fleet Street
London EC4 A2DQ

REGISTERED OFFICE

Paisner & Co
Bouverie House
154 Fleet Street
London EC4 A2DQ

DIRECTORS' REPORT

The directors present their report and accounts for the period ended 30 September 1995.

RESULTS

The gain for the year, after taxation, amounted to \$CDN 22,759.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company was incorporated on 22 September 1993 and commenced trade on 1 November 1993. The accounts have been prepared in Canadian Dollars.

The company is engaged in the business of consulting engineering.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.

DIRECTORS AND THEIR INTERESTS

The directors at 30 September 1995 and their interests in the share capital of the company were as follows:

At 30 September 1995
Ordinary shares

J M Atkinson

Nil

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



REPORT OF THE AUDITORS

to the members of Reid Crowther Consulting Limited

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention on the basis of the accounting policies set out on page 7.

Respective responsibilities of the trustees and the auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

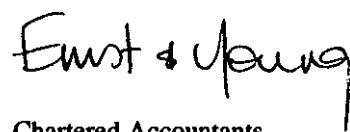
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants
Registered Auditor
Reading

20 July, 1996

Reid Crowther Consulting Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 September 1995

	<i>Note</i>	<i>1995</i> \$CDN	<i>1994</i> \$CDN
TURNOVER	2	721,438	415,233
Cost of sales		54,138	147,816
Gross profit		<u>667,300</u>	<u>267,417</u>
Administrative Expenses		<u>623,552</u>	<u>267,047</u>
OPERATING PROFIT	3	43,748	370
Taxation	4	20,989	2,937
PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR		<u>22,759</u>	<u>(2,567)</u>

There are no recognised profits other than the profit of \$CDN 22,759 for the year ended 30 September 1995 and the loss of £2,567 for the period ended 30 September 1994.

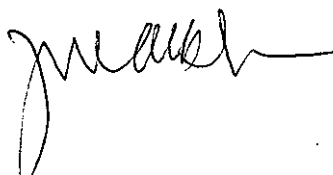
Reid Crowther Consulting Limited

BALANCE SHEET at 30 September 1995

	Note	1995 \$CDN	1994 \$CDN
CURRENT ASSETS			
Stocks	7	31,578	43,233
Debtors	8	219,313	142,819
Cash at bank and in hand	9	56,672	357,646
		<u>307,563</u>	<u>543,698</u>
CREDITORS			
amounts falling due within one year	10	287,369	546,263
		<u>20,194</u>	<u>(2,565)</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	20,192	(2,567)
		<u>20,194</u>	<u>(2,565)</u>

Approved by the board on:

July 29, 1996

) Director

Reid Crowther Consulting Limited

STATEMENT OF CASH FLOWS for the year ended 30 September 1995

	<i>Note</i>	<i>1995 \$CDN</i>	<i>1994 \$CDN</i>
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	3b	(294,320)	357,644
TAXATION			
Corporation tax paid		(6,654)	-
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		<u>(300,974)</u>	<u>357,644</u>
FINANCING			
Issue of ordinary share capital	12	-	(2)
		<u>-</u>	<u>(2)</u>
NET CASH INFLOW FROM FINANCING (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	9	<u>(300,974)</u>	<u>357,646</u>
		<u>(300,974)</u>	<u>357,644</u>

NOTES TO THE ACCOUNTS
at 30 September 1995

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of Presentation

The accounts have been prepared on a going concern basis because the parent company has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Work in progress and finished goods -cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Foreign currencies

Transactions in foreign currencies other than Canadian Dollars are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

An analysis of turnover by geographical market is given below:

	1995 \$CDN	1994 \$CDN
United Kingdom	701,438	265,233
Canada	20,000	150,000
	<u>721,438</u>	<u>415,233</u>

Reid Crowther Consulting Limited

NOTES TO THE ACCOUNTS at 30 September 1995

3 OPERATING PROFIT

(a) This is stated after charging/(crediting):

	1995 \$CDN	1994 \$CDN
Auditors' remuneration	4,000	4,000
Operating lease rentals - land and buildings	53,496	51,550

(b) Reconciliation of operating profit to net cash inflow from operating activities

	1995 \$CDN	1994 \$CDN
Operating profit	43,748	370
Increase in debtors	(76,494)	(142,819)
Decrease/(Increase) in stocks	11,655	(43,233)
(Decrease)/Increase in creditors	(273,229)	543,326
Net cash (outflow)/inflow from continuing operating activities	(294,320)	357,644

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 \$CDN	1994 \$CDN
Based on profit for the year		
Corporation tax at 26.6% (1994 25%)	17,272	2,937
Underprovision in previous years	3,717	-
	20,989	2,937

5 DIRECTORS' EMOLUMENTS

	1995 \$CDN	1994 \$CDN
Fees	-	-
Other emoluments (including pension contributions)	-	-
	-	-

Reid Crowther Consulting Limited

NOTES TO THE ACCOUNTS at 30 September 1995

6 STAFF COSTS

	1995 \$CDN	1994 \$CDN
Wages and salaries	346,716	52,500
Social security costs	32,219	16,783
	<u>378,935</u>	<u>69,283</u>

The average weekly number of employees during the year was as follows:

	1995	1994
Consulting Engineering	<u>7</u>	<u>2</u>

7 STOCKS

	1995 \$CDN	1994 \$CDN
Work in progress	<u>31,578</u>	<u>43,233</u>

8 DEBTORS

	1995 \$CDN	1994 \$CDN
Trade debtors	145,385	98,968
Prepayments and accrued income	48,134	21,509
Amount receivable from parent undertakings	-	22,342
Loans	25,747	-
Other debtors	47	-
	<u>219,313</u>	<u>142,819</u>

Included in loans is an amount of £14,692 receivable after more than one year.

9 CASH AND CASH EQUIVALENTS

Cash at bank and in hand

	\$CDN
At 1 October 1994	357,646
Net cash outflow	<u>300,974</u>
At 30 September 1995	<u>56,672</u>

NOTES TO THE ACCOUNTS
at 30 September 1995

10 CREDITORS: amounts falling due within one year

	1995 \$CDN	1994 \$CDN
Payments on account	-	27,800
Current corporation tax	17,272	2,937
Other taxes and social security costs	16,034	28,629
Amount payable to associated undertakings	131,267	476,796
Accruals	34,736	10,101
Amount payable to parent undertakings	88,060	-
	<u>287,369</u>	<u>546,263</u>

11 PROVISION FOR LIABILITIES AND CHARGES

The movements in deferred taxation during the year are as follows:

	1995 \$CDN	1994 \$CDN
Charge for year and balance at 30 September 1995	<u>Nil</u>	<u>Nil</u>
	<i>Provided</i>	<i>Not Provided</i>
Deferred taxation in the accounts and amounts not provided are as follows		
Capital allowances in advance of depreciation	<u>Nil</u>	<u>Nil</u>

12 SHARE CAPITAL

	1995 \$CDN	1994 \$CDN
1000 Authorised ordinary shares of £1 each	<u>1,000</u>	<u>2,000</u>
1 share allotted called up and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital	Profit & Loss	Total Shareholders' Funds
At 1 October 1994	2	(2,567)	(2,565)
Profit for the year	-	22,759	22,759
At 30 September 1995	<u>2</u>	<u>20,192</u>	<u>20,194</u>

NOTES TO THE ACCOUNTS
at 30 September 1995

14 OTHER FINANCIAL COMMITMENTS

At 30 September 1995 the company had annual commitments under non-cancellable operating leases as set out below:

	1995 \$CDN	1994 \$CDN
Land & Buildings		
Operating leases which expire:		
within one year	40,245	-
within two to five years	<u>63,387</u>	<u>20,880</u>

15 ULTIMATE HOLDING COMPANY

The ultimate holding company is Reid Crowther Holdings Inc a company incorporated in Canada.

16 GROUP ACCOUNTS

The parent undertaking of the largest group and smallest group of undertakings for which group accounts are drawn up and which the company is a member is Reid Crowther Holdings Inc which is incorporated in Canada. Copies of the accounts are available from 210 Atrium VII 340 Midpark Way S.E. Calgary, Alberta, T2X 1P1, Canada.