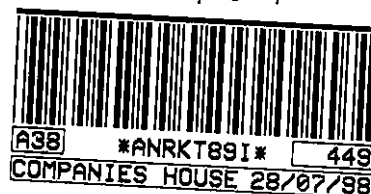


# Reid Crowther Consulting Limited

## Report and Accounts

30 September 1997

2855787



# Reid Crowther Consulting Limited

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Registered No: 2855787

## **DIRECTORS**

J M Atkinson (Resigned 26 August 1997)  
M Osborne (Appointed 27 August 1997)

## **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  
Bouveric House  
154 Fleet Street  
London  
EC4 A2DQ

## **REGISTERED OFFICE**

Paisner & Co  
Bouveric House  
154 Fleet Street  
London  
EC4 A2DQ

# Reid Crowther Consulting Limited

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## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 September 1997.

### RESULTS

The loss for the year, after taxation, amounted to \$CDN 11,819 (1996 profit \$CDN 49,951).

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The accounts have been prepared in Canadian Dollars.

The company is engaged in the business of consulting engineering.

### DIRECTORS AND THEIR INTERESTS

The directors at 30 September 1997 and their interests in the share capital of the company were as follows:

M Osborne

At 30 September 1997

Ordinary shares

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

*M Osborne*  
*24/7/98*

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;
- 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.

## REPORT OF THE AUDITORS

to the members of Reid Crowther Consulting Limited

We have audited the accounts on pages 5 to 11, which have been prepared under the historical cost convention and on the basis of 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 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.

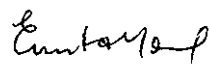
### Basis of opinion

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 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor  
Reading

27 July 1998.

## Reid Crowther Consulting Limited

### PROFIT AND LOSS ACCOUNT for the year ended 30 September 1997

	<i>Note</i>	<i>1997</i> \$CDN	<i>1996</i> \$CDN
TURNOVER	2	1,368,723	881,630
Cost of sales		409,730	22,814
Gross profit		958,993	858,816
Administrative Expenses		972,473	821,302
OPERATING (LOSS)/PROFIT		(13,480)	37,514
Taxation (credit)		(1,661)	12,437
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		(11,819)	49,951

There are no recognised profits or losses other than the loss of \$CDN 11,819 for the year ended 30 September 1997 and the profit of \$CDN 49,951 for the year ended 30 September 1996.

# Reid Crowther Consulting Limited

## BALANCE SHEET

at 30 September 1997

	Note	1997 \$CDN	1996 \$CDN
<b>CURRENT ASSETS</b>			
Stocks	7	77,025	65,810
Debtors	8	641,631	303,952
Cash at bank and in hand	9	102,185	108,110
		<u>820,841</u>	<u>477,872</u>
<b>CREDITORS</b>			
amounts falling due within one year	9	762,515	407,727
		<u>58,326</u>	<u>70,145</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account	12	58,324	70,143
		<u>58,326</u>	<u>70,145</u>

Approved by the board on:

24/7/98

*[Signature]*

) Director

NOTES TO THE ACCOUNTS

at 30 September 1997

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.

*Cash Flow*

The company has taken advantage of the exemption available under FRS1 (Revised) from preparing a Statement of Cash Flows.

*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:

	1997 \$CDN	1996 \$CDN
United Kingdom	656,987	502,529
Spain	41,062	-
Barbados	191,621	26,449
Africa	479,053	352,652
	<u>1,368,723</u>	<u>881,630</u>



# Reid Crowther Consulting Limited

## NOTES TO THE ACCOUNTS

at 30 September 1997

### 3. OPERATING (LOSS)/PROFIT

(a) This is stated after charging :

	1997 \$CDN	1996 £CDN
Auditors' remuneration -audit	4,000	4,000
- non audit	5,725	17,270
Operating lease rentals land and buildings	76,839	84,596

### 4. TAX (CREDIT)/CHARGE ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	1997 \$CDN	1996 \$CDN
Based on the (loss)/profit for the year	-	9,647
Corporation tax at 26.6% (1996 26.6%)	(1,661)	(22,084)
(Over)/underprovision in previous years	(1,661)	(12,437)

### 5. DIRECTORS' EMOLUMENTS

	1997 \$CDN	1996 \$CDN
Fees	-	-
Other emoluments (including pension contributions)	-	-

### 6. STAFF COSTS

	1997 \$CDN	1996 \$CDN
Wages and salaries	496,601	432,496
Social security costs	45,774	42,715

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

	1997 No	1996 No
Consulting Engineering	6	8

# Reid Crowther Consulting Limited

## NOTES TO THE ACCOUNTS

at 30 September 1997

### 7. STOCKS

	1997 \$CDN	1996 \$CDN
Work in progress	77,025	65,810

### 8. DEBTORS

	1997 \$CDN	1996 \$CDN
Trade Debtors	93,633	202,433
Prepayment and accrued income	74,014	47,209
Amount receivable from associated undertakings	438,369	39,939
Loans	22,599	14,267
Other debtors	10,016	104
Corporation tax recoverable	3,000	-
	641,631	303,952

Included in loans is an amount of \$CDN 12,551 receivable after more than one year.

### 9. CREDITORS: amounts falling due within one year

	1997 \$CDN	1996 \$CDN
Payments on account	-	30,767
Current corporation tax	-	4,461
Other taxes and social security costs	19,684	38,243
Accruals	59,017	60,912
Amount payable to parent undertakings	683,814	273,344
	762,515	407,727

# Reid Crowther Consulting Limited

## NOTES TO THE ACCOUNTS

at 30 September 1997

### 10. PROVISION FOR LIABILITIES AND CHARGES

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

	<i>1997</i> <i>\$CDN</i>	<i>1996</i> <i>\$CDN</i>
Charge for year and balance at 30 September 1997	<u>Nil</u>	<u>Nil</u>

Deferred taxation in the accounts and  
amounts not provided are as follows:

	<i>Provided</i> <i>\$CDN</i>	<i>Not Provided</i> <i>\$CDN</i>
Capital allowances in advance of depreciation	<u>Nil</u>	<u>Nil</u>

### 11. SHARE CAPITAL

	<i>1997</i> <i>\$CDN</i>	<i>1996</i> <i>\$CDN</i>
1000 Authorised ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
1 share allotted called up and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share Capital</i>	<i>Profit &amp; Loss</i>	<i>Total Shareholders' Funds</i>
At 1 October 1995	2	20,192	20,194
Profit for the year	-	49,951	49,951
At 30 September 1996	<u>2</u>	<u>70,143</u>	<u>70,145</u>
Loss for the year	-	(11,819)	(11,819)
	<u>2</u>	<u>58,324</u>	<u>58,326</u>

# Reid Crowther Consulting Limited

## NOTES TO THE ACCOUNTS

at 30 September 1997

### 13. OTHER FINANCIAL COMMITMENTS

At 30 September 1997 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>1997</i> <i>\$CDN</i>	<i>1996</i> <i>\$CDN</i>
Land & Buildings		
Operating leases which expire within one year	-	-
	<u>          </u>	<u>          </u>
within two to five years	73,232	65,626
	<u>          </u>	<u>          </u>

### 14. ULTIMATE HOLDING COMPANY

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

### 15. 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.