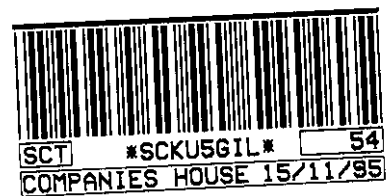


SEMPLE & COCHRANE LIMITED

FINANCIAL STATEMENTS

30 JUNE 1995

8.



RUTHERFORD MANSON DOWDS
Chartered Accountants
17 Blythswood Square
Glasgow
G2 4AD

SEMPLE & COCHRANE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Consolidated profit and loss account	5
Statement of total recognised gains and losses	6
Note of historical cost profits and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 - 22

SEMPLE & COCHRANE LIMITED

COMPANY INFORMATION

30 JUNE 1995

DIRECTORS	TA Clark L Delaney JE McKee ID McKendrick WW Evans MJ Holmes
SECRETARY	I D McKendrick
REGISTERED OFFICE	14 William Street Paisley PA1 2NA
BANKERS	Clydesdale Bank PLC Dunn Square Branch 1 Causewayside Street Paisley PA1 1BH
SOLICITORS	Bishop & Robertson Chalmers 2 Blythswood Square Glasgow G2 4AD
AUDITORS	Rutherford Manson Dowds Chartered Accountants 17 Blythswood Square Glasgow G2 4AD
REGISTERED NUMBER	SCO32434

SEMPLE & COCHRANE LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 June 1995.

Principal activity

The principal activities of the group and company are those of electrical engineers, datacomms engineers and project managers.

Business review

The group and company's balance sheet as detailed on pages 7 and show a satisfactory position, shareholders' funds amounting to £1,762,313. On 31 May 1995 the company acquired a 100% shareholding in Semple & Cochrane (Aberdeen) Limited and Semple & Cochrane (Systems) Limited.

Profit, dividends and appropriations

The results of the group for the year are shown in the profit and loss account on page 5.

An ordinary dividend amounting to £63,061 was paid and the balance of the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the accounts as follows

Tangible fixed assets	- note 8
Land and buildings	- note 9
Fixed asset investments	- note 10

The company's properties were revalued during the year. The valuations have been incorporated in these accounts and are set out in notes 8 and 9.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30 June 1995 Ordinary shares	1 July 1994 Ordinary shares
TA Clark	888	753
L Delaney	849	749
JE McKee	850	749
ID McKendrick	850	749
WW Evans (appointed 30 May 1995)	-	-
MJ Holmes (appointed 1 August 1995)	-	-

WW Evans and MJ Holmes held no shares at the date of their appointment.

continued

SEMPLE & COCHRANE LIMITED**DIRECTORS' REPORT**
(continued)**Export markets**

The board believe that there is scope for increasing business worldwide and has recently opened a branch in Malaysia to act as a regional office for its activities in the Far East.

Auditors

On 13 July 1995 Robert J Hart & Company resigned as auditors and Rutherford Manson Dowds were appointed in their place.

A resolution to re-appoint Rutherford Manson Dowds as auditors will be proposed at the Annual General meeting.

On behalf of the board



W W Evans
Director

14 William Street
Paisley
PA1 2NA

30 October 1995

SEMPLE & COCHRANE LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing those financial statements they are required to:

- select suitable accounting policies and then apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**Rutherford
Manson
Dowds**

Chartered Accountants

17 Blythswood Square
Glasgow G2 4AD
Telephone 0141 248 5532
Facsimile 0141 248 6001

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
SEMPLE & COCHRANE LIMITED**

We have audited the financial statements on pages 5 to 22 which have been prepared under the accounting policies set out on pages 10 and 11.

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 group and company's affairs as at 30 June 1995 and of the group profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Rutherford Manson Dowds

30 October 1995

**Chartered Accountants
Registered Auditors**

25 Melville Street
Edinburgh EH3 7PE
Telephone 0131 225 4727
Facsimile 0131 220 1663

2 Queens Terrace
Aberdeen AB1 1XL
Telephone 01224 625 888
Facsimile 01224 625 025

34 Grosvenor Gardens
Belgravia
London SW1W 0DH
Telephone 0171 730 6092
Facsimile 0171 730 6098

Represented throughout Europe,
North and South America, Asia,
Pacific and all major commercial
centres worldwide through
IA International

SEMPLE & COCHRANE LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 1995

	Note	1995 £	1994 £
Turnover	2	16,617,028	14,324,521
Cost of sales		(14,507,240)	(12,398,762)
Gross profit		<u>2,109,788</u>	<u>1,925,759</u>
Net operating expenses			
Administrative expenses		(1,340,705)	(1,398,236)
Operating profit	3	<u>769,083</u>	<u>527,523</u>
Interest payable	5	(120,003)	(109,999)
Profit on ordinary activities before taxation		<u>649,080</u>	<u>417,524</u>
Taxation	6	(238,300)	(146,361)
Profit on ordinary activities after taxation retained for the year		<u>410,780</u>	<u>271,163</u>
Dividends	7	(63,061)	(54,143)
Retained profit for the year	21	<u>347,719</u> =====	<u>217,020</u> =====

Movements in reserves are shown in the notes to the financial statements.

During the year the company acquired two trading subsidiaries (see note 1)

SEMPLE & COCHRANE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30 JUNE 1995

	1995 £	1994 £
Profit for the financial year	410,780	271,163
Unrealised surplus on revaluation of fixed assets	65,478	-
	-----	-----
Total gains recognised since last annual report	476,258	271,163
	=====	=====

NOTE OF HISTORICAL COST PROFITS AND LOSSES

YEAR ENDED 30 JUNE 1995

	1995 £	1994 £
Reported profit on ordinary activities before taxation	649,080	417,524
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2,507	2,091
	-----	-----
Historical cost profit on ordinary activities before taxation	651,587	419,615
	=====	=====
Historical cost profit for the year retained after taxation, extraordinary items and dividends	350,226	219,111
	=====	=====

SEMPLE & COCHRANE LIMITED
CONSOLIDATED BALANCE SHEET
AT 30 JUNE 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	8		826,277		700,942
Current assets					
Stocks	11	-		15,000	
Debtors	12	6,167,416		5,740,359	
Cash at bank and in hand		14,754		9,915	
		-----		-----	
		6,182,170		5,765,274	
Creditors: amounts falling due within one year	13	(5,200,498)		(5,287,214)	
		-----		-----	
Net current assets			981,672		478,060
Total assets less current liabilities			-----		-----
			1,807,949		1,179,002
Creditors: amounts falling due after more than one year	14		(45,636)		(52,824)
			-----		-----
			1,762,313		1,126,178
			-----		-----
Capital and reserves					
Called up share capital	17		105,000		153,000
Share premium account	18		645,159		-
Revaluation reserve	19		65,478		184,559
Other reserves	20		80,000		30,000
Profit and loss account	21		548,838		758,619
Capital reserve	22		317,838		-
			-----		-----
Total shareholders' funds	16		1,762,313		1,126,178
			-----		-----
Attributable to:					
Equity shareholders			1,662,312		976,178
Non-equity shareholders			100,001		150,000
			-----		-----
			1,762,313		1,126,178
			-----		-----

The financial statements on pages 5 to 22 were approved by the board of directors on 30 October 1995.

TA Clark
Director



SEMPLE & COCHRANE LIMITED

COMPANY BALANCE SHEET

AT 30 JUNE 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	8		826,277		700,942
Investments	10		200		-
			<u>826,477</u>		<u>700,942</u>
Current assets					
Stocks	11	-		15,000	
Debtors	12	6,167,416		5,740,359	
Cash at bank and in hand		14,754		9,915	
			<u>6,182,170</u>	<u>5,765,274</u>	
Creditors: amounts falling due within one year	13	(5,200,698)		(5,287,214)	
			<u>981,472</u>	<u>478,060</u>	
Net current assets					
			<u>1,807,949</u>	<u>1,179,002</u>	
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	14		(45,636)		(52,824)
			<u>1,762,313</u>	<u>1,126,178</u>	
Capital and reserves					
Called up share capital	17		105,000		153,000
Share premium account	18		645,159		-
Revaluation reserve	19		65,478		184,559
Other reserves	20		80,000		30,000
Profit and loss account	21		866,676		758,619
			<u>1,762,313</u>	<u>1,126,178</u>	
Total shareholders' funds	16				
			<u>1,762,313</u>	<u>1,126,178</u>	
Attributable to:					
Equity shareholders			1,662,312		976,178
Non-equity shareholders			100,001		150,000
			<u>1,762,313</u>	<u>1,126,178</u>	

The financial statements on pages 5 to 22 were approved by the board of directors on 30 October 1995.

TA Clark
Director



SEMPLE & COCHRANE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 1995

	Note	1995 £	1994 £
Net cash inflow from operating activities	23	658,160	626,300
Returns on investments and servicing of finance			
Interest paid	(107,265)	(99,603)	
Dividends paid	(63,061)	(54,143)	
Hire purchase interest	(12,738)	(10,396)	
		-----	-----
Net cash outflow from returns on investments and servicing of finance		(183,064)	(164,142)
Taxation			
Corporation tax paid (including ACT)	(233,896)	(84,000)	
		-----	-----
Tax paid		(233,896)	(84,000)
Investing activities			
Payments to acquire: Tangible fixed assets	(213,401)	(402,270)	
	(213,401)	(402,270)	
Receipts from sales of: Tangible fixed assets	45,063	84,689	
		-----	-----
Net cash outflow from investing activities		(168,338)	(317,581)
Net cash inflow before financing		72,862	60,577
Financing			
Issue of shares	1,200,000	-	
Costs of issue	(45,100)	-	
New finance leases and hire purchase contracts	190,944	74,772	
Redemption of share capital	(1,250,000)	-	
Capital element of finance lease rentals	(164,895)	-	
Decrease in other long term creditors	-	(91,208)	
		-----	-----
Net cash outflow from financing	23	(69,051)	(16,436)
Increase in cash and cash equivalents	23	3,811	44,141
		=====	=====

SEMPLE & COCHRANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for freehold property which is stated at valuation.

Consolidation

The consolidated financial statements incorporate the accounts of the company for the year and of its subsidiary undertakings, Semple & Cochrane Systems Limited and Semple & Cochrane (Aberdeen) Limited, for the month of June 1995 by the acquisition method of accounting. In accordance with Section 230 of the Companies Act 1985, a separate profit and loss account for Semple & Cochrane Limited is not presented as the results of the company are disclosed in the consolidated profit and loss account. The company balance sheet reflects the cost of investment utilising the merger relief provisions of Section 131 of the Companies Act 1985.

Acquisitions

During the year the company acquired two subsidiaries. The turnover and profit of these acquisitions have not been separately disclosed as the directors are of the opinion that they are not material to the overall results of the group.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	2% straight line
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance

Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

SEMPLE & COCHRANE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1995****1 Accounting policies (continued)****Long term contracts**

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the future.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

3 Operating profit

	1995 £	1994 £
Operating profit is stated after charging		
Staff costs (note 4)	4,988,136	4,993,457
Auditors' remuneration	11,000	10,585
Accountancy fees	2,500	-
Loss on sale of assets	19,946	2,216
	-----	-----
Depreciation of tangible fixed assets (note 8)		
Owned assets	76,283	57,251
Assets under finance leases and and hire purchase contracts	74,866	76,168
	-----	-----
	151,149	133,419
	=====	=====
The total amount charged against profits in respect of finance leases and hire purchase contracts is	87,604	86,564
(of which part is shown as depreciation and the balance is shown as interest payable in note 5)	=====	=====

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

4 Directors and employees

	1995 £	1994 £
Staff costs including directors' emoluments		
Wages and salaries	4,954,266	4,917,287
Pension costs	94,456	76,170
Pensions to former directors	(60,586)	-
	----- 4,988,136 -----	----- 4,993,457 -----
	Number	Number
Average number employed including executive directors		
Operatives	193	196
Administration staff	29	32
	----- 222 -----	----- 228 -----
	£	£
Directors		
Directors' emoluments		
Other emoluments	392,788	313,845
Pensions encashed	(60,586)	-
	----- 332,202 -----	----- 313,845 -----
Emoluments excluding pension scheme contributions		
Highest paid director	102,110 -----	74,468 -----
Other directors	Number	Number
£Nil - £5,000	1	-
£55,001 - £60,000	1	-
£60,001 - £65,000	-	3
£70,001 - £75,000	1	-
£80,001 - £85,000	1	-
	-----	-----

Pension costs

Defined contribution scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £94,456 (1994 £76,170).

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

5 Interest payable

	1995	1994
	£	£
Bank interest	85,472	79,200
Other interest	21,793	20,403
Hire purchase interest	12,738	10,396
	-----	-----
	120,003	109,999
	=====	=====

6 Taxation

	1995	1994
	£	£
Corporation tax on profit on ordinary activities at 33% (1994 33%)		
Current year	262,600	146,361
Prior year	(24,300)	-
	-----	-----
	238,300	146,361
	=====	=====

7 Dividends

	1995	1994
	£	£
Ordinary dividend - interim £21.02 per share (1994 - £18.05 per share)	63,061	54,143
	-----	-----

SEMPLE & COCHRANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

8 Tangible fixed assets

Group and company

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 July 1994	543,813	244,407	70,879	305,816	1,164,915
Additions	194,561	71,489	3,658	6,306	276,014
Disposals	(116,998)	(2,260)	-	-	(119,258)
Surplus on revaluation	-	-	-	47,878	47,878
30 June 1995	621,376	313,636	74,537	360,000	1,369,549
Depreciation					
1 July 1994	260,259	126,975	59,139	17,600	463,973
Charge for year	103,839	38,079	2,573	6,658	151,149
Disposals	(54,250)	-	-	-	(54,250)
Surplus on revaluation	-	-	-	(17,600)	(17,600)
30 June 1995	309,848	165,054	61,712	6,658	543,272
Net book amount					
30 June 1995	311,528	148,582	12,825	353,342	826,277
30 June 1994	283,554	117,432	11,740	288,216	700,942

The net book value of assets held under hire purchase contracts is £236,118 (1994 £228,502)

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

9 Land and buildings

Group and company	1995 £	1994 £
Freehold land and building	353,342 -----	288,216 -----
Freehold land and buildings at valuation		
Freehold revalued amount	360,000 -----	305,816 -----
Historical cost information		
Freehold land and buildings - cost	207,563	201,257
Freehold land and buildings - depreciation	(24,062)	(19,911)
	183,501 -----	181,346 -----

On 22 November 1994, the heritable property was revalued by R & W Hall, Chartered Surveyors at £360,000 on an open market value basis.

10 Fixed asset investments

Company	Subsidiary companies £
Cost	
Additions	550 -----
30 June 1995	550 -----
Net book amount	
30 June 1995	200 -----
1 July 1994	- -----

The investment represents 100% of the ordinary share capital of Semple & Cochrane Systems Limited and Semple & Cochrane (Aberdeen) Limited (note 17). Both companies were dormant at 30 June 1995 and had net assets totalling £100.

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

11 Stocks

	1995	1994
Group and Company	£	£
Consumable stock	-	15,000
	=====	=====

12 Debtors

	1995	1994
Group and Company	£	£
Amounts falling due within one year		
Amounts recoverable on long term contracts	615,000	509,703
Trade debtors	5,040,117	4,727,462
Other debtors	24,307	3,648
Prepayments and accrued income	302,877	499,546
ACT recoverable	185,115	-
	-----	-----
	6,167,416	5,740,359
	=====	=====

13 Creditors: amounts falling due within one year

	Group 1995	Company 1995	Group and Company 1994
	£	£	£
Bank overdraft	683,951	683,951	1,125,556
Bank loan	450,000	450,000	-
Payments on account	615,000	615,000	600,857
Trade creditors	2,030,211	2,030,211	2,315,250
Corporation tax	133,584	133,584	247,265
ACT payable	303,200	303,200	-
Other taxation and social security	620,551	620,551	728,283
Other creditors	-	-	105
Accruals and deferred income	185,914	185,914	159,048
Finance leases and HP contracts - note 15	144,087	144,087	110,850
Grants within one year	34,000	34,000	-
Amounts due to group companies	-	200	-
	-----	-----	-----
	5,200,498	5,200,698	5,287,214
	=====	=====	=====

The bank overdraft and loan are secured by a floating charge over the assets of the company. The bank loan is specific to a contract and fully repayable in the year.

Performance bonds exist between the company and various third parties.

Obligations under hire purchase contracts are secured by the related assets.

SEMPLE & COCHRANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

14 **Creditors:** amounts falling due after more than one year

	1995 £	1994 £
Group and company		
Obligations under finance leases	45,636	52,824
	=====	=====
Obligations under finance leases and hire purchase contracts		
These are repayable over varying periods by monthly instalments as follows:		
In the next year - see note 13	144,087	110,850
In the second to fifth year	45,636	52,824
	-----	-----
	189,723	163,674
	=====	=====

15 **Deferred taxation**

	1995		1994	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Timing differences arising from:				
Accelerated capital allowances	-	-	-	-
Other	-	-	-	-
	-----	-----	-----	-----
	-	-	-	-
	=====	=====	=====	=====

The potential liability and provision are based on a corporation tax rate of 33% (1994 33%).

16 **Reconciliation of movements in shareholders' funds**

	Group 1995 £	Company 1995 £	Group and Company 1994 £
Profit for the financial year	410,780	728,618	271,163
Dividends	(63,061)	(63,061)	(54,143)
	-----	-----	-----
	347,719	665,557	217,020
Shares issued in year	1,155,100	1,155,100	-
Redemption of shares	(1,250,000)	(1,250,000)	-
Capital reserve on acquisition of subsidiary	317,838	-	-
Revaluation in year	65,478	65,478	-
	-----	-----	-----
	636,135	636,135	217,020
Opening shareholders' funds	1,126,178	1,126,178	909,158
	-----	-----	-----
Closing shareholders' funds	1,762,313	1,762,313	1,126,178
	=====	=====	=====

SEMPLE & COCHRANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

17 Called up share capital

	1995		1994	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	3,549	3,549	320,000	320,000
'A' ordinary shares of £1 each	1,450	1,450	-	-
Non-equity shares				
Deferred shares of £1 each	1	1	-	-
Preference shares of £1 each	180,000	180,000	180,000	180,000
'A' Preference shares of £1 each	692,500	692,500	-	-
	-----	-----	-----	-----
		847,500		500,000
		-----		-----
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	3,549	3,549	3,000	3,000
'A' Ordinary shares of £1 each	1,450	1,450	-	-
Non-equity shares				
Deferred shares of £1 each	1	1	-	-
Preference shares of £1 each	100,000	100,000	150,000	150,000
	-----	-----	-----	-----
		105,000		153,000
		-----		-----

During the year the company increased its authorised share capital to £847,500 by the creation of 347,500 'A' preference shares. Further to this, unissued ordinary shares of the company were redesignated to 1,449 'A' ordinary, 1 deferred ordinary and 315,000 'A' preference shares and 30,000 unissued 5% preference shares were redesignated to 'A' preference shares.

The company allotted 1 deferred share of £1 for £507,500 and 1,449 'A' ordinary shares of £1 for £692,500. During the year 692,500 £1 'A' preference shares were allotted through a bonus issue, and then redeemed by the company for £1,200,000.

On 31 May 1995, the company issued 550 £1 ordinary shares as consideration for the ordinary share capital of Semple & Cochrane (Aberdeen) Limited and Semple & Cochrane Systems Limited. One £1 ordinary share was subsequently redesignated as an 'A' ordinary share. The directors of Semple & Cochrane Limited are also directors of the above two companies.

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

17 Called up share capital (Continued)

'A' ordinary shares

The dividend rights on the 'A' ordinary shares allow for a fixed dividend and a participating dividend based on a percentage of net profit in accordance with Articles of Association.

The 'A' ordinary shares may be converted, one for one into ordinary shares at any time when decided by the holders of 75% of the 'A' ordinary shares. On winding up the holders rank pari passu with ordinary shareholders.

The holders are entitled to vote at any general meetings of the company.

Non-cumulative redeemable preference shares

The preference shares were redeemed by the company at par value in September and October 1995. No dividend was paid as any dividend rights were waived by the shareholders.

Deferred ordinary share

The deferred share is not entitled to a dividend, income on a winding up nor a vote.

18 Share premium account

Group and Company	1995
	£
1 July 1994	-
Premium on shares issued in year	1,198,550
Bonus issue of preference shares	(507,500)
Expenses of issue	(45,891)

30 June 1995	645,159
	=====

19 Revaluation reserve

Group and Company	1995
	£
1 July 1994	184,559
Surplus on revaluation	65,478
Bonus issue of preference shares	(184,559)

30 June 1995	65,478
	=====

SEMPLE & COCHRANE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1995

20 Capital redemption reserve

Group and Company

1995

£

1 July 1994	30,000
Shares redeemed in year	50,000

30 June 1995	80,000
	=====

21 Profit and loss account

Group
1995
£Company
1995
£

1 July 1994	758,619	758,619
Retained profit for the year	347,719	665,557
Capital redemption	(557,500)	(557,500)
	-----	-----
30 June 1995	548,838	866,676
	=====	=====

22 Capital reserve

Group

1995

£

On acquisition of subsidiaries	317,838
	=====

23 Notes to the cash flow statement

Reconciliation of operating profit to
net cash inflow from operating activities1995
£1994
£

Operating profit	769,083	527,523
Depreciation charges	151,149	133,419
Loss on sale of fixed assets	19,946	2,216
Decrease in stocks	42,619	800
Decrease/(increase) in debtors	935,530	(1,289,914)
(Decrease)/increase in creditors	(1,260,167)	1,252,256
	-----	-----
Net cash inflow from operating activities	658,160	626,300
	=====	=====

Analysis of changes in cash and cash
equivalents as shown in the balance sheet

Balance at 1 July 1994	(1,115,641)	(1,159,782)
On acquisition of subsidiaries	(7,367)	-
Net cash inflow	3,811	44,141
	-----	-----
Balance at 30 June 1995	(1,119,197)	(1,115,641)
	=====	=====

SEMPLE & COCHRANE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1995

23 Notes to the cash flow statement (continued)

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £	Change in year £
Cash at bank and in hand	14,754	9,915	4,839
Bank overdrafts	(1,133,951)	(1,125,556)	(8,395)
	-----	-----	-----
	(1,119,197)	(1,115,641)	(3,556)
	=====	=====	=====

Analysis of changes in financing during the year

	Finance Leasing £	Share Capital £
Balance at 1 July 1994	163,674	153,000
Cash inflow from financing	190,944	2,000
Cash outflow from financing	(164,895)	(50,000)
	-----	-----
Balance at 30 June 1995	189,723	105,000
	=====	=====

Acquisition of subsidiary undertakings

	1995 £
Net assets acquired:	
Tangible fixed assets	62,614
Stocks	27,619
Debtors	1,177,472
Bank and cash	(7,367)
Creditors	(942,300)

	318,038
Capital reserve	(317,488)

	550
	=====
Satisfied by:	
Issue of shares	550
	=====