

Sc 40891

REPORT AND ACCOUNTS

I & H Brown Limited

29 AUGUST 1993

ERNST & YOUNG

COMPANIES HOUSE  
21 JAN 1994

# I & H Brown Limited

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Registered No. 40891

## DIRECTORS

J H Brown (Chairman)  
J S Brown (Managing Director)  
I Imrie  
D Ramsay  
H Clow  
D H Brown  
R M Brown

## SECRETARY

J S Brown

## AUDITORS

Ernst & Young  
Norham House  
12 New Bridge Street West  
Newcastle upon Tyne  
NE1 8AD

## BANKERS

The Royal Bank of Scotland PLC  
Perth Chief Office  
12 Dunkeld Road  
Perth

## SOLICITORS

J R Stevenson & Marshall  
41 East Port  
Dunfermline  
Fife  
KY12 7LG

## REGISTERED OFFICE

Dunkeld Road  
Perth  
PH1 3EB

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 29 August 1993.

## RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £227,868 and is dealt with as shown in the consolidated profit and loss account. The directors do not recommend the payment of a dividend.

## PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activities of the group consist of Civil Engineering, Opencast Coal Extraction, Waste Disposal, Plant Hire, Farming and Estate Management and Travel Agency. The directors are pleased with the growth of the business.

## FUTURE DEVELOPMENTS

The company aims for modest growth as and when opportunities arise.

## FIXED ASSETS

The changes in fixed assets are summarised in note 9 to the accounts.

## DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company were as follows:

	29 August 1993	1 September 1992
	Ordinary shares	Ordinary shares
J H Brown	10,000	10,000
J S Brown	32,200	32,200
I Imrie	2,000	2,000
D Ramsay	-	-
H Clow	-	-
D H Brown	20,000	20,000
R M Brown	10,000	10,000

No director held an interest in the shares of the subsidiaries during the year.

## AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the Board

  
J S Brown  
Secretary

4 November 1993

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 group and of the profit or loss of the company for the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- 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. 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 I & H Brown Limited

We have audited the accounts on pages 6 to 18 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

**Respective responsibilities of directors and auditors**

As described on page 4 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.

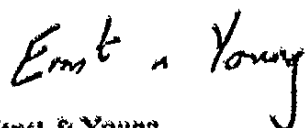
**Basis of opinion**

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 judgments 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 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 and of the group at 29 August 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
Newcastle upon Tyne

4 November 1993

# I & H Brown Limited

## GROUP PROFIT AND LOSS ACCOUNT

for the year ended 29 August 1993

	Notes	1993 £	1992 £
TURNOVER	2	12,043,197	7,500,427
Cost of sales		10,812,197	6,826,691
Gross profit		1,231,000	673,736
Administrative expenses		(863,157)	(375,601)
Other operating income	3(c)	240,343	158,520
OPERATING PROFIT	3	608,186	456,655
Other income		44,150	12,288
Interest payable and similar charges	7	(238,129)	(262,032)
Interest receivable		38,661	4,297
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		452,868	211,208
Taxation	8	(225,000)	(58,085)
RETAINED PROFIT FOR THE YEAR	19	£227,868	£153,123

Movements in retained profits are set out in note 19.

### RECOGNISED GAINS AND LOSSES

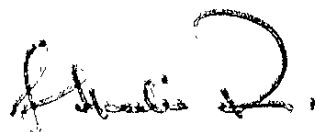
There are no recognised gains or losses other than the retained profit for the year ended 29 August 1993 of £227,868 and for the year ended 30 August 1992 of £153,123.

# I & H Brown Limited

## GROUP BALANCE SHEET

at 29 August 1993

	Notes	1993 £	1992 £
<b>FIXED ASSETS</b>			
Tangible assets	9	<u>7,437,421</u>	<u>7,009,327</u>
<b>CURRENT ASSETS</b>			
Stocks	11	198,897	218,679
Debtors	12	3,400,818	2,454,131
Investments		142,545	61,925
Cash at bank and in hand	13	<u>33,776</u>	<u>12,722</u>
		<u>3,776,078</u>	<u>2,747,457</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>5,850,316</u>	<u>4,239,477</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,074,238)</u>	<u>(1,492,020)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,363,183</u>	<u>5,517,307</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Bank loan	15	500,000	500,000
Obligations under finance leases	16	264,300	621,292
Deferred taxation	17	<u>419,000</u>	<u>444,000</u>
		<u>£4,179,883</u>	<u>£3,952,015</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	74,200	74,200
Share premium account		147,349	147,349
Revaluation reserve		132,149	132,149
Capital reserve on consolidation		33,937	33,937
Profit and loss account	19	<u>3,792,248</u>	<u>3,564,380</u>
		<u>£4,179,883</u>	<u>£3,952,015</u>



J H Brown Director

4 November 1993

# I & H Brown Limited

## BALANCE SHEET

at 29 August 1993

	Notes	1993 £	1992 £
<b>FIXED ASSETS</b>			
Tangible assets	9	7,419,421	6,991,327
Investment in subsidiaries	10	91,091	65,471
		<u>7,510,512</u>	<u>7,056,798</u>
<b>CURRENT ASSETS</b>			
Stocks	11	198,897	218,679
Debtors	12	3,397,044	2,447,212
Investments		142,545	61,925
Cash at bank and in hand		864	783
		<u>3,739,350</u>	<u>2,728,599</u>
<b>CREDITORS: amounts falling due within one year</b>	14	<u>5,983,843</u>	<u>4,379,080</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,244,493)</u>	<u>(1,650,481)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,266,019</u>	<u>5,406,317</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Bank loan	15	500,000	500,000
Obligations under finance leases	16	264,300	621,292
Deferred taxation	17	419,000	444,000
		<u>£4,082,719</u>	<u>£3,841,025</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	74,200	74,200
Share premium account		147,349	147,349
Revaluation reserve		132,149	132,149
Profit and loss account	19	<u>3,729,021</u>	<u>3,487,327</u>
		<u>£4,082,719</u>	<u>£3,841,025</u>



J H Brown

Director

4 November 1993



# I & H Brown Limited

## STATEMENT OF CASH FLOWS for the year ended 29 August 1993

	Notes	1993 £	1992 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(b)	<u>2,491,792</u>	<u>1,620,077</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(124,011)	(137,036)
Interest element of finance lease rental payments		(114,118)	(124,996)
Interest received		<u>38,661</u>	<u>4,297</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>(199,468)</u>	<u>(257,735)</u>
TAXATION			
Corporation tax paid		(173,441)	(469,803)
TAX PAID		<u>(173,441)</u>	<u>(469,803)</u>
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(1,511,225)	(2,071,444)
Receipts from sales of tangible fixed assets		609,521	1,443,587
Payments to acquire investments		(134,000)	(19,800)
Receipts from sales of investments		<u>94,000</u>	<u>-</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(941,704)</u>	<u>(647,657)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>£1,177,179</u>	<u>£244,882</u>
FINANCING			
Bank loan		-	(500,000)
Repayments of capital element of finance lease rentals		<u>1,035,904</u>	<u>1,050,936</u>
NET CASH OUTFLOW FROM FINANCING		<u>1,035,904</u>	<u>550,936</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13	<u>141,275</u>	<u>(306,054)</u>
		<u>£1,177,179</u>	<u>£244,882</u>

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention modified to include the revaluation of certain land and building.

The accounts are prepared in accordance with applicable accounting standards.

*Basis of consolidation*

The consolidated accounts incorporate the accounts of the company and its subsidiaries for the year ended 29 August 1993.

4. *Depreciation*

Freehold land other than open cast coal sites, are not depreciated. The cost of other fixed assets is depreciated in equal annual instalments over the expected useful lives of the assets as follows:

Freehold buildings	50 years
Plant and machinery	3-5 years
Motor vehicles	5 years

Freehold open cast coal sites are depreciated and the annual depreciation charge is calculated based on the quantity of coal extracted in the year. The calculation is devised to write down the value of the land to agricultural values once the total estimated workable coal reserves are extracted.

*Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow-moving items.

*Leased assets*

Assets acquired under finance leases are capitalised in the accounts and a corresponding creditor recognised. Payments made under the agreements are apportioned between repayment of capital and finance charges on a basis calculated to give a constant cost of finance over the capital repayment period.

*Deferred taxation*

Provision is made for deferred taxation using the liability method on timing differences to the extent that it is probable that the liability will crystallise.

*Restoration provisions*

Provision is made for restoration of opencast sites and tips at current price levels.

2. TURNOVER

Turnover comprises the invoice value of goods and services supplied by the group exclusive of VAT and intra-group transactions.

## NOTES TO THE ACCOUNTS

at 29 August 1993

## 2. TURNOVER (continued)

The amount of group turnover attributable to each of the classes of activity of the group are as follows:

	1993	Turnover 1992
	£	£
Plant hire civil engineering and waste disposal	8,818,378	4,580,776
Travel agency commission	29,456	33,082
Coal mining	2,894,272	2,594,230
Farming and estate management	301,091	292,339
	<u>£12,043,197</u>	<u>£7,500,427</u>

## 3. OPERATING PROFIT

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

	1993	1992
	£	£
Profit on disposal of fixed assets	(240,343)	(158,520)
Amortisation of goodwill	-	1,635
Depreciation of owned tangible fixed assets	371,085	388,807
Depreciation of assets held under finance leases and hire purchase contracts	1,030,792	877,724
Auditors remuneration	<u>12,500</u>	<u>12,000</u>

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

	1993	1992
	£	£
Operating profit	608,186	456,655
Other income	44,150	12,288
Depreciation	1,401,877	1,266,531
Amortisation of goodwill	-	1,635
Profit on disposal of tangible fixed assets	(240,343)	(157,990)
Profit on disposal of investments	(37,500)	-
Amounts written off investments	(1,500)	27,375
(Increase) in debtors	(946,687)	(242,510)
Decrease/(Increase) in stocks	19,782	(19,873)
Increase in creditors	1,643,827	275,966
Net cash inflow from operating activities	<u>£2,491,792</u>	<u>£1,620,617</u>

# I & H Brown Limited

## NOTES TO THE ACCOUNTS at 29 August 1993

### 3. OPERATING PROFIT

#### (c) Other operating income

	1993	1992
Profit on sale of fixed assets	<u>£240,343</u>	<u>£158,520</u>

### 4. STAFF COSTS

	1993 £	1992 £
Wages and salaries	2,644,044	1,695,833
Social security costs	131,291	106,595
Other pension costs	141,303	3,512
	<u>£2,916,638</u>	<u>£1,805,940</u>

### 5. DIRECTORS' REMUNERATION

	1993	1992
Remuneration, including pension contribution	<u>£813,637</u>	<u>£486,850</u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	Number of Directors	
	1993	1992
£20,001 - £25,000	1	1
£25,001 - £30,000	1	1
£30,001 - £35,000	-	1
£50,001 - £55,000	1	-
£60,001 - £65,000	-	2
£75,001 - £80,000	-	1
£80,001 - £85,000	1	-
£130,001 - £135,000	-	1
£140,001 - £145,000	1	-
£145,001 - £150,000	1	-
£200,001 - £205,000	1	-

The emoluments, excluding pension contributions, of the chairman were £145,464 (1992 - £79,825) and of the highest paid director were £202,365 (1992 - £130,397).

# I & H Brown Limited

## NOTES TO THE ACCOUNTS

at 29 August 1993

### 6. STAFF NUMBERS

The average number of persons employed by the group, including directors, during the year was as follows:

	1993	1992
Management and administration	28	21
Drivers and operators	102	85
	<u>130</u>	<u>106</u>

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	1993 £	1992 £
Bank interest	76,054	79,850
Interest on finance leases	114,118	124,996
Interest on overdraft tax	47,957	57,186
	<u>£238,129</u>	<u>£262,032</u>

### 8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year comprises:

	1993 £	1992 £
Based on profit for the year:		
UK Corporation tax at 33% (1992 - 33%)	250,000	152,417
Deferred taxation	(25,000)	(2,000)
Corporation tax (over) provided in previous years	-	(92,332)
	<u>£225,000</u>	<u>£58,085</u>

# I & H Brown Limited

## NOTES TO THE ACCOUNTS at 29 August 1993

### 9. TANGIBLE FIXED ASSETS

	<i>Freehold Property £</i>	<i>Motor vehicles £</i>	<i>Plant &amp; machinery £</i>	<i>Total £</i>
<i>Group</i>				
Cost or valuation				
At 1 September 1992	3,900,429	910,459	5,626,736	10,437,624
Additions during year	275,063	343,738	1,579,774	2,198,575
Disposals	(10,000)	(182,903)	(883,453)	(1,076,356)
At 29 August 1993	4,165,492	1,071,294	6,323,057	11,559,843
Depreciation				
At 1 September 1992	480,737	470,636	2,476,924	3,428,297
Charge for year	144,196	183,884	1,073,797	1,401,877
Relating to disposals	-	(62,338)	(645,414)	(707,752)
At 29 August 1993	624,933	592,182	2,905,307	4,122,422
Net book amounts				
At 29 August 1993	<u>£3,540,559</u>	<u>£479,112</u>	<u>£3,417,750</u>	<u>£7,437,421</u>
At 1 September 1992	<u>£3,419,692</u>	<u>£439,823</u>	<u>£3,149,812</u>	<u>£7,009,327</u>
<i>Company</i>				
Cost or valuation				
At 1 September 1992	3,882,429	910,459	5,625,350	10,418,238
Additions during year	275,063	343,738	1,579,774	2,198,575
Relating to disposals	(10,000)	(182,903)	(883,453)	(1,076,356)
At 29 August 1993	4,147,492	1,071,294	6,321,671	11,540,457
Depreciation				
At 1 September 1992	480,737	470,636	2,475,538	3,426,911
Charge for year	144,196	183,884	1,073,797	1,401,877
Relating to disposals	-	(62,338)	(645,414)	(707,752)
At 29 August 1993	624,933	592,182	2,903,921	4,121,036
Net book amounts				
At 29 August 1993	<u>£3,522,559</u>	<u>£479,112</u>	<u>£3,417,750</u>	<u>£7,419,421</u>
At 1 September 1992	<u>£3,401,692</u>	<u>£439,823</u>	<u>£3,149,812</u>	<u>£6,991,327</u>

# I & H Brown Limited

## NOTES TO THE ACCOUNTS

at 29 August 1993

### 9. TANGIBLE FIXED ASSETS (continued)

Plant and machinery and motor vehicles include assets held under hire purchase and capitalised finance leases as stated below:

	<i>Group and Company</i>	
	<i>1993</i>	<i>1992</i>
	<i>£</i>	<i>£</i>
Cost	4,626,022	4,825,545
Accumulated depreciation	2,343,765	2,097,589
	<u>£2,282,257</u>	<u>£2,727,956</u>

### 10. INVESTMENT IN SUBSIDIARIES

	<i>Subsidiary undertakings</i>
	<i>£</i>
Cost:	
At 1 September 1992 and 29 August 1993	<u>£233,281</u>
Amounts provided for/written off:	
At 1 September 1992	167,810
Released during the year	(25,620)
At 29 August 1993	<u>£142,190</u>
Net book amount:	
At 29 August 1993	<u>£91,091</u>
At 1 September 1992	<u>£65,471</u>

The subsidiary companies at 29 August 1993 were:

	<i>Country of incorporation or registration</i>	<i>Nature of business</i>	<i>Proportion of shares held</i>
Gask Contractors Limited	Scotland	Dormant	100%
I & H Brown Travel Limited	Scotland	Travel Agency	100%
T Duncan (Transport) Limited	Scotland	Dormant	100%

### 11. STOCKS

	<i>Group and Company</i>	
	<i>1993</i>	<i>1992</i>
	<i>£</i>	<i>£</i>
Spares and fuels	24,314	15,489
Farm stock	109,520	203,190
Coal stock	65,063	-
	<u>£198,897</u>	<u>£218,679</u>

# I & H Brown Limited

## NOTES TO THE ACCOUNTS

at 29 August 1993

### 12. DEBTORS

	1993	Group 1992	1993	Company 1992
	£	£	£	£
Trade debtors	2,447,669	1,876,629	2,443,895	1,869,710
Due from related companies	378,038	27,969	378,038	27,969
Other debtors	512,537	498,565	512,537	498,565
Prepayments and accrued income	62,574	50,968	62,574	50,968
	<u>£3,400,818</u>	<u>£2,454,131</u>	<u>£3,397,044</u>	<u>£2,447,212</u>

### 13. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the group balance sheet and changes during the current and previous year:

	1993	1992	Change in year
	£	£	£
Cash at bank and in hand	33,818	12,722	21,096
Bank overdraft	(294,147)	(414,326)	120,179
	<u>£(260,329)</u>	<u>£(401,604)</u>	<u>£141,275</u>
	1992	1991	Change in year
	£	£	£
Cash at bank and in hand	12,722	39,131	(26,409)
Bank overdraft	(414,326)	(134,681)	(279,645)
	<u>£(401,604)</u>	<u>£(95,550)</u>	<u>£(306,054)</u>

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

	1993	Group 1992	1993	Company 1992
	£	£	£	£
Bank overdrafts	294,147	414,326	294,147	414,326
Trade creditors	1,937,040	472,733	1,928,037	472,221
Tax and Social Security	65,298	52,261	61,228	50,711
Accruals	2,375,570	2,208,561	2,369,035	2,194,571
Other creditors	28,077	26,409	28,077	26,409
Corporation tax	259,500	182,941	255,568	180,523
Obligations under finance leases and hire purchase agreements	890,684	882,246	890,684	882,246
Amounts owed to subsidiaries	-	-	157,067	158,073
	<u>£5,850,316</u>	<u>£4,239,477</u>	<u>£5,983,843</u>	<u>£4,379,080</u>

The bank loans and overdraft are secured on certain of the company's freehold properties, a floating charge and an inter company guarantee by all members of the group.



# I & H Brown Limited

## NOTES TO THE ACCOUNTS

at 29 August 1993

### 15. BANK LOAN

Bank loan wholly repayable within five years:

	<i>Group and Company</i>	
	<i>1993</i>	<i>1992</i>
	<i>£</i>	<i>£</i>
Bank loan	500,000	500,000
Amounts due within one year	-	-
	<u>£500,000</u>	<u>£500,000</u>

### 16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE AGREEMENTS

The capital amounts due under finance lease and hire purchase obligations are as follows:

	<i>Group and Company</i>	
	<i>1993</i>	<i>1992</i>
	<i>£</i>	<i>£</i>
Obligations under finance leases and hire purchase agreements due:		
Within one year (note 14)	890,684	882,246
After one year	264,300	621,292
	<u>£1,154,984</u>	<u>£1,503,538</u>

### 17. DEFERRED TAXATION

Deferred taxation is provided in respect of:

	<i>Group and Company</i>	
	<i>1993</i>	<i>1992</i>
	<i>£</i>	<i>£</i>
Accelerated capital allowances	294,000	180,000
Leased assets	214,000	382,000
Short term timing differences	(89,000)	(118,000)
	<u>£419,000</u>	<u>£444,000</u>

### 18. CALLED-UP SHARE CAPITAL

	<i>1993</i>	<i>Authorised</i>	<i>Allotted, called up and fully paid</i>	
		<i>1992</i>	<i>1993</i>	<i>1992</i>
Ordinary shares £1 each	<u>£250,000</u>	<u>£250,000</u>	<u>£74,200</u>	<u>£74,200</u>

# I & H Brown Limited

## NOTES TO THE ACCOUNTS

at 29 August 1993

### 19. PROFIT AND LOSS ACCOUNT

In accordance with the exemption allowed by section 230 of the Companies Act 1985 the company has not presented its own profit and loss account. The profit for the financial year dealt with in the accounts of the company was £241,694 (1992 £131,543).

Movements in retained profits are as follows:

	<i>Group</i> £	<i>Company</i> £
At 30 August 1992	3,564,380	3,487,327
Profit for the year	227,868	241,694
At 30 August 1993	<u>£3,792,248</u>	<u>£3,729,021</u>

### 20. FINANCIAL COMMITMENTS

At 30 August 1993 the directors had authorised future capital expenditure of £200,000 (1992 £Nil).

### 21. CONTINGENT LIABILITIES

- (a) The group bankers hold a bond and floating charge for all monies of the group as security over the group overdraft facilities in support of a cross-guarantee between group companies.
- (b) The company has agreed to provide adequate funds to enable its subsidiary I & H Brown Travel Limited and a related company, Fordoun Estates Limited, to meet their liabilities as they fall due.
- (c) The company has pledged guarantees to Fife Regional Council and Dunfermline District Council in respect of costs which may be incurred while extracting coal amounting to £278,200.
- (d) The company has also pledged guarantees to Lanarkshire Development Agency and Motherwell District Council in respect of costs which may be incurred during construction and maintenance works amounting to £212,982.
- (e) The bank also holds a bond for £15,000 in favour of ABTA.
- (f) The bank also holds a bond for £250,000 in favour of British Coal Corporation.

### 22. TRANSACTIONS INVOLVING DIRECTORS

During the year a loan of £250,000 was made to Fordoun Estates Limited. This company is connected to J S Brown and J H Brown by virtue of the fact that they are shareholders and directors. The loan bears interest at 6% per annum and is unsecured. At 29 August 1993 the loan balance was £175,000.

During the year a loan of £250,000 was made to Ian Brown & Sons. This partnership is connected to D H Brown and R M Brown by virtue of the fact that they are partners. The loan bears interest at 6% per annum and is unsecured. At 29 August 1993 the loan balance was £175,000.