

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**31 JULY 2000**

**R W M & K M MACKENZIE & CO**  
Chartered Accountants & Registered Auditors  
Geanies House  
TAIN  
Ross-shire  
IV20 1TW



# **ISLEBURN MACKAY AND MACLEOD LIMITED**

## **ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2000**

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# ISLEBURN MACKAY AND MACLEOD LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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<b>The board of directors</b>	M B Kydd J S York
<b>Company secretary</b>	T R H Phillips
<b>Registered office</b>	17/18 Golden Square ABERDEEN AB10 1NY
<b>Auditors</b>	R W M & K M MacKenzie & Co Chartered Accountants & Registered Auditors Geanies House TAIN Ross-shire IV20 1TW
<b>Bankers</b>	Bank of Scotland P O Box 9 9 High Street INVERNESS IV1 1JB
<b>Solicitors</b>	Ledingham Chalmers 1 Golden Square ABERDEEN AB10 1HA

# ISLEBURN MACKAY AND MACLEOD LIMITED

## AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 5 to 18, together with the financial statements of the company for the year ended 31 July 2000 prepared under Section 226 of the Companies Act 1985.

### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

### BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 18 are properly prepared in accordance with those provisions.

  

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Geanies House  
TAIN  
Ross-shire  
IV20 1TW

R W M & K M MACKENZIE & CO  
Chartered Accountants  
& Registered Auditors

22 February 2001

# **ISLEBURN MACKAY AND MACLEOD LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 JULY 2000**

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2000.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company's principal activity during the year was the provision of general engineering services. These comprised workshop fabrication, vessel and rig repair and mobilisation, site installation and related site services. In addition, the company provided stevedoring services at Invergordon and Inverness.

On 31 July 1999 the company acquired the trading activities and net trading assets of its parent, Isleburn Limited and has now completed a year of operating the combined trade of the two companies.

The company faced extremely difficult market conditions in the first quarter of the financial year. The directors implemented a series of measures in response to these, which resulted in a return to profitability for the following three quarters. The directors are confident that the company is well placed to capitalise on buoyant market conditions in 2000-01.

### **RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year were as follows:

M B Kydd  
J S York

Mr Kydd holds a share in the company as nominee for Isleburn Limited.

The directors each have an interest in the shares of the company in so far as they are also directors and shareholders of the parent company, Isleburn Limited.

### **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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 10 to 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# ISLEBURN MACKAY AND MACLEOD LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 2000

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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. The directors 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 R W M & K M MacKenzie & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
17/18 Golden Square  
ABERDEEN  
AB10 1NY

Signed by order of the directors



T R H Phillips  
Company Secretary

Approved by the directors on 22 February 2001

**ISLEBURN MACKAY AND MACLEOD LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JULY 2000**

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	Note	2000 £	1999 £
<b>GROSS PROFIT</b>		<b>930,724</b>	430,763
Administrative expenses		<u>888,656</u>	<u>307,697</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>42,068</b>	123,066
Interest receivable		-	105
Interest payable	<b>4</b>	<u>(75,846)</u>	<u>(66,478)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(33,778)</b>	56,693
Tax on (loss)/profit on ordinary activities	<b>5</b>	<u>(6,773)</u>	<u>(29,700)</u>
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>(40,551)</u></b>	<b><u>26,993</u></b>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 10 to 18 form part of these financial statements.

# ISLEBURN MACKAY AND MACLEOD LIMITED

## ABBREVIATED BALANCE SHEET

31 JULY 2000

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	6	<u>1,079,997</u>	<u>1,195,343</u>
<b>CURRENT ASSETS</b>			
Stocks	7	377,426	303,109
Debtors	8	1,733,257	1,249,276
Cash in hand		155	366
		<u>2,110,838</u>	<u>1,552,751</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(1,811,388)</u>	<u>(1,617,292)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>299,450</u>	<u>(64,541)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,379,447</u>	<u>1,130,802</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10	<u>(249,715)</u>	<u>(114,812)</u>
		<u>1,129,732</u>	<u>1,015,990</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	(61,100)	(55,200)
Government grants	13	-	(1,607)
		<u>1,068,632</u>	<u>959,183</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	17	650,000	500,000
Revaluation reserve	18	76,209	85,343
Profit and Loss Account	19	342,423	373,840
<b>SHAREHOLDERS' FUNDS</b>	20	<u>1,068,632</u>	<u>959,183</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22 February 2001 and are signed on their behalf by:



M B Kydd  
Director

The notes on pages 10 to 18 form part of these financial statements.



**ISLEBURN MACKAY AND MACLEOD LIMITED****CASH FLOW STATEMENT****YEAR ENDED 31 JULY 2000**

	2000 £	1999 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>358,116</b>	<b>4,131</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	-	105
Interest paid	(59,424)	(56,319)
Interest element of hire purchase and finance lease	(16,422)	(10,159)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>(75,846)</b>	<b>(66,373)</b>
<b>TAXATION</b>	<b>(15,652)</b>	<b>3,839</b>
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	(132,955)	(64,861)
Receipts from sale of fixed assets	37,490	30,686
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(95,465)</b>	<b>(34,175)</b>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>	<b>171,153</b>	<b>(92,578)</b>
<b>FINANCING</b>		
New bank loans	210,000	-
Repayment of bank loans	(7,008)	(2,250)
Repayment of long-term amounts owed to group undertakings	-	(50,000)
New finance leases	41,950	-
Capital element of hire purchase and finance lease	(104,352)	(94,815)
Net outflow from other long-term creditors	-	(14,610)
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>	<b>140,590</b>	<b>(161,675)</b>
<b>INCREASE/(DECREASE) IN CASH</b>	<b>311,743</b>	<b>(254,253)</b>

The notes on pages 10 to 18 form part of these financial statements.

# ISLEBURN MACKAY AND MACLEOD LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 JULY 2000

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	42,068	123,066
Depreciation	214,494	112,476
Loss on disposal of fixed assets	-	478
Amortisation of government grants	(1,607)	(2,480)
Increase in stocks	(74,317)	(126,653)
(Increase)/Decrease in debtors	(483,981)	206,998
Increase/(Decrease) in creditors	661,459	(309,754)
<b>Net cash inflow from operating activities</b>	<b>358,116</b>	<b>4,131</b>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
Increase/(Decrease) in cash in the period	311,743	(254,253)
Net cash (inflow)/outflow from bank loans	(202,992)	2,250
Net cash outflow from long-term amounts owed to group undertakings	-	50,000
Net cash outflow in respect of hire purchase and finance lease	62,402	94,815
Net cash outflow from other long-term creditors	-	14,610
<b>Change in net debt resulting from cash flows</b>	<b>171,153</b>	<b>(92,578)</b>
Other differences	(1,398)	(238,592)
Movement in net debt in the period	169,755	(331,170)
<b>Net debt at 1 August 1999</b>	<b>(950,498)</b>	<b>(619,328)</b>
<b>Net debt at 31 July 2000</b>	<b>(780,743)</b>	<b>(950,498)</b>

The notes on pages 10 to 18 form part of these financial statements.

# ISLEBURN MACKAY AND MACLEOD LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 JULY 2000

### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Aug 1999 £	Cash flows £	Other changes £	At 31 Jul 2000 £
Net cash:				
Cash in hand and at bank	366	(211)		155
Overdrafts	<u>(733,972)</u>	<u>311,954</u>		<u>(422,018)</u>
	<u>(733,606)</u>	<u>311,743</u>		<u>(421,863)</u>
Debt:				
Debt due within 1 year	-	(22,524)	-	(22,524)
Debt due after 1 year	-	(180,468)	-	(180,468)
HP and finance leases	<u>(216,892)</u>	<u>62,402</u>	<u>(1,398)</u>	<u>(155,888)</u>
	<u>(216,892)</u>	<u>(140,590)</u>		<u>(358,880)</u>
<b>Net debt</b>	<u><u>(950,498)</u></u>	<u><u>171,153</u></u>	<u><u>(1,398)</u></u>	<u><u>(780,743)</u></u>

The notes on pages 10 to 18 form part of these financial statements.

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, plus any accrued income provided.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Engineering plant	- 25%	per annum reducing balance
Commercial vehicles	- 25%	per annum reducing balance
Cars	- 30%	per annum reducing balance
Computer equipment	- 33%	per annum straight line
Other electronic equipment	- 20%	per annum straight line
Furniture & fittings	- 20%	per annum reducing balance
Freehold Improvements	- 4%	per annum straight line
Leasehold property	- 25%	per annum straight line

**Stocks**

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

**Work in progress**

Work in progress is valued on the basis of direct costs. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress. Where a contract is substantially complete and there is a reasonable degree of certainty of the outcome, a provision may be made in other debtors for revenue receivable in respect of recognised costs which will reflect an element of profit for that contract.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

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**1. ACCOUNTING POLICIES** *(continued)*

**Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

**Deferred taxation**

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

**Deferred government grants**

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2000 £	1999 £
Directors' emoluments	-	-
Amortisation of government grants	(1,607)	(2,480)
Depreciation	214,494	112,921
Loss on disposal of fixed assets	-	817
Auditors' remuneration		
- as auditors	6,000	4,000
- accountancy	2,000	2,000
Operating lease costs:		
Plant and equipment	<u>3,723</u>	<u>1,536</u>

**3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2000 No.	1999 No.
Number of production staff	88	71
Number of administrative staff	16	12
	<u>104</u>	<u>83</u>

The aggregate payroll costs of the above were:

	2000 £	1999 £
Wages and salaries	2,849,140	2,084,795
Social security costs	296,509	203,743
	<u>3,145,649</u>	<u>2,288,538</u>

**4. INTEREST PAYABLE**

	2000 £	1999 £
Interest payable on bank borrowing	58,072	53,904
Finance charges	16,422	10,159
Other similar charges payable	1,352	2,415
	<u>75,846</u>	<u>66,478</u>

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**5. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES**

	2000 £	1999 £
Corporation Tax based on the results for the year at 20% (1999 - 21/20%)	-	14,800
Payment for group relief	5,700	-
Increase in deferred tax provision	5,900	14,900
	<u>11,600</u>	<u>29,700</u>
Adjustment in respect of previous years:		
Corporation Tax	(4,827)	-
	<u>6,773</u>	<u>29,700</u>

**6. TANGIBLE FIXED ASSETS**

	Land and Buildings £	Plant and Equipment £	Total £
<b>COST OR VALUATION</b>			
At 1 August 1999	326,207	1,088,166	1,414,373
Additions	64,944	71,694	136,638
Disposals	-	(82,621)	(82,621)
<b>At 31 July 2000</b>	<u>391,151</u>	<u>1,077,239</u>	<u>1,468,390</u>
<b>DEPRECIATION</b>			
At 1 August 1999	826	218,204	219,030
Charge for the year	8,382	206,112	214,494
On disposals	-	(45,131)	(45,131)
<b>At 31 July 2000</b>	<u>9,208</u>	<u>379,185</u>	<u>388,393</u>
<b>NET BOOK VALUE</b>			
<b>At 31 July 2000</b>	<u>381,943</u>	<u>698,054</u>	<u>1,079,997</u>
At 31 July 1999	<u>325,381</u>	<u>869,962</u>	<u>1,195,343</u>

**Revaluation of fixed assets**

An independent valuation of the company's freehold property was carried out by Alan Torrance Associates, Chartered Surveyors, Invergordon on an open market basis as at 5 December 1997. On the basis of this valuation, the directors are satisfied that the market value of the freehold property is not materially different from the value carried in these accounts.

In addition a valuation of the plant and equipment then held by the company was carried out on 3 December 1997 by Messrs Shirlaw Allan & Co, Valuers, of Renfrew on a "going concern" basis.

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**6. TANGIBLE FIXED ASSETS** *(continued)*

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2000 £	1999 £
<b>NBV of revalued tangible fixed assets:</b>		
Net book value at end of year	<u>93,507</u>	<u>124,676</u>
<b>Historical cost</b>	<u>212,515</u>	<u>212,515</u>
<b>Depreciation:</b>		
At 1 August 1999	134,676	108,004
Charge for year	<u>22,035</u>	<u>26,671</u>
At 31 July 2000	<u>156,711</u>	<u>134,675</u>
<b>Net historical cost value:</b>		
At 31 July 2000	<u>55,804</u>	<u>77,840</u>
At 1 August 1999	<u>77,839</u>	<u>104,511</u>

**Finance lease and similar agreements**

Included within the net book value of £1,079,997 is £255,401 (1999 - £315,282) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £72,914 (1999 - £29,952).

**7. STOCKS**

	2000 £	1999 £
Stock	309,265	263,599
Work in progress	<u>68,161</u>	<u>39,510</u>
	<u>377,426</u>	<u>303,109</u>

**8. DEBTORS**

	2000 £	1999 £
Trade debtors	1,442,770	744,030
Amounts owed by group undertakings	49,863	409,669
Other debtors	32,562	53,827
Prepayments and accrued income	<u>208,062</u>	<u>41,750</u>
	<u>1,733,257</u>	<u>1,249,276</u>



**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**9. CREDITORS: Amounts falling due within one year**

	2000	1999
	£	£
Bank loans and overdrafts	444,542	733,972
Trade creditors	641,480	204,835
Amounts owed to group undertakings	282,145	88,891
HP and finance leases	86,641	102,080
Other creditors	356,580	487,514
	<u>1,811,388</u>	<u>1,617,292</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000	1999
	£	£
Bank loans and overdrafts	444,542	733,972
Other secured loans	-	14,589
	<u>444,542</u>	<u>748,561</u>

**Bank Overdraft and Term Loan**

- (i) Standard Security over the workshop premises.
- (ii) Bond and Floating Charge held over all the company assets

**10. CREDITORS: Amounts falling due after more than one year**

	2000	1999
	£	£
Bank loans	180,468	-
HP and finance leases	69,247	114,812
	<u>249,715</u>	<u>114,812</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2000	1999
	£	£
Bank loans	<u>180,468</u>	<u>-</u>

Details of securities:

**(a) Bank Overdraft and Term Loan**

- (i) Standard Security over the workshop premises.
- (ii) Bond and Floating Charge held over all the company assets.

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**10. CREDITORS: Amounts falling due after more than one year** *(continued)*

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2000	1999
	£	£
Bank loans	<u>90,372</u>	<u>-</u>

The Bank Term Loan is repayable over 84 months and bears interest at Bank of Scotland Base rate plus 2.5%.

**11. CREDITORS - CAPITAL INSTRUMENTS**

Creditors include finance capital which is due for repayment as follows:

	2000	1999
	£	£
In one year or less, or on demand	22,524	-
Between one and two years	22,524	-
Between two and five years	67,572	-
In five years or more	<u>90,372</u>	<u>-</u>
	<u>202,992</u>	<u>-</u>

**12. DEFERRED TAXATION**

	2000	1999
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	55,200	40,300
Decrease in provision	<u>5,900</u>	<u>14,900</u>
Provision carried forward	<u>61,100</u>	<u>55,200</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2000	1999
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>61,100</u>	<u>55,200</u>

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**13. GOVERNMENT GRANTS**

	2000 £	1999 £
<b>Received and receivable:</b>		
At 1 August 1999	<u>42,192</u>	<u>42,192</u>
At 31 July 2000	<u>42,192</u>	<u>42,192</u>
<b>Amortisation:</b>		
At 1 August 1999	40,585	38,105
Credit to profit and loss account	<u>1,607</u>	<u>2,480</u>
At 31 July 2000	<u>42,192</u>	<u>40,585</u>
Net balance at 31 July 2000	<u>-</u>	<u>1,607</u>

**14. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS**

Future commitments under hire purchase and finance lease agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	101,331	118,272
Amounts payable between 2 to 5 years	<u>83,077</u>	<u>133,171</u>
	184,408	251,443
Less interest and finance charges relating to future periods	<u>(28,520)</u>	<u>(34,551)</u>
	<u>155,888</u>	<u>216,892</u>

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 July 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land &amp; Buildings</b> 2000 £	1999 £
Operating leases which expire:		
Within 2 to 5 years	<u>50,778</u>	<u>-</u>

**16. CONTINGENCIES**

At 31 July 2000 and 31 July 1999 there is a Whole Corporate Guarantee in favour of the Bank of Scotland for all sums due between the group companies

**ISLEBURN MACKAY AND MACLEOD LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2000**

**17. SHARE CAPITAL**

**Authorised share capital:**

	2000 £	1999 £
1,000,000 Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>

**Allotted, called up and fully paid:**

	2000 £	1999 £
Ordinary share capital brought forward	500,000	10,000
Issue of ordinary shares	<u>150,000</u>	<u>490,000</u>
	<u>650,000</u>	<u>500,000</u>

**18. REVALUATION RESERVE**

	2000 £	1999 £
Balance brought forward	85,343	89,841
Transfer to the Profit and Loss Account on realisation	<u>(9,134)</u>	<u>(4,498)</u>
Balance carried forward	<u>76,209</u>	<u>85,343</u>

**19. PROFIT AND LOSS ACCOUNT**

	2000 £	1999 £
Balance brought forward	373,840	342,349
Retained (loss)/profit for the financial year	(40,551)	26,993
Transfer from revaluation reserve	<u>9,134</u>	<u>4,498</u>
Balance carried forward	<u>342,423</u>	<u>373,840</u>

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000 £	1999 £
(Loss)/Profit for the financial year	(40,551)	26,993
New equity share capital subscribed	<u>150,000</u>	<u>490,000</u>
Net addition to funds	109,449	516,993
Opening shareholders' equity funds	<u>959,183</u>	<u>442,190</u>
Closing shareholders' equity funds	<u>1,068,632</u>	<u>959,183</u>

**21. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of Isleburn Limited.