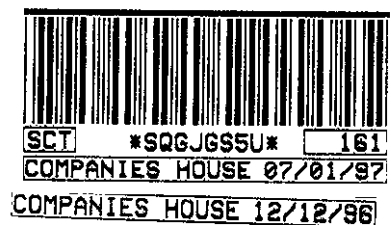


**SCOTT REUTER LIMITED**  
**REPORT AND ACCOUNTS**  
**FOR THE YEAR TO 31 JANUARY 1996**

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**SCOTT REUTER LIMITED**

**Page 1**

**DIRECTORS**

G. J. Hughes  
M. D. Brooshooft  
J. Keenan

**SECRETARY**

G. J. Hughes

**AUDITORS**

Moore Rowland  
Chartered Accountants  
Glasgow

**BANKERS**

Royal Bank of Scotland  
Edinburgh

**REGISTERED OFFICE**

Edinburgh Dock,  
Leith,  
Edinburgh

**DIRECTORS REPORT**

The directors submit their report and accounts for the year ended January 31, 1996.

**Directors' Responsibilities**

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:-

- select suitable accounting policies and 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 business.

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

**RESULTS AND DIVIDENDS**

The profit for the period was £8,418. The directors recommend that no dividend be paid.

**REVIEW OF THE BUSINESS**

The company's principle activity during the year was marine related joinery contracting.

The turnover and profit for the year was reasonably satisfactory.

**FIXED ASSETS**

During the year the company spent £Nil on the purchase of fixed assets.

**DIRECTORS AND THEIR INTERESTS**

The directors at 31 January, 1996 and their interests in the share capital of the company were as follows:-

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	January 31, 1996	January 31, 1995
G. J. Hughes	-	-
J. Paterson (Resigned 25th January, 1996)	-	-
M. Brooshooft	-	-
J. Keenan	-	-

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The interests of Mr. G. Hughes and Mr. M. Brooshooft in the share capital of the parent company are disclosed in that company's accounts.

**DIRECTORS REPORT cont'd**

G. Hughes retires from the Board at the Annual General Meeting and being eligible offers himself for re-election.

**AUDITORS**

Moore Rowland C.A. have resigned as auditors and it is recommended that Dalgliesh & Tullo C.A. be appointed as auditors.

By Order of the Board.



G. J. Hughes  
Secretary

28th October, 1996

**AUDITORS REPORT**

**TO THE MEMBERS OF SCOTT REUTER LIMITED**

We have audited the accounts on pages 5 to 10.

**Respective responsibilities of directors and auditors**

As described in the directors' report the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors 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 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 that 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 the company's affairs at 31 January 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

  
**MOORES ROWLAND**

**Chartered Accountants  
Registered Auditors**

**25 Bothwell Street  
Glasgow G2 6NL**

**28th October, 1996**

**SCOTT REUTER LIMITED****Page 5****PROFIT AND LOSS ACCOUNT****FOR THE YEAR TO 31ST JANUARY 1996**

	Notes	1996 £	1995 £
<b>TURNOVER</b>	2	296,912	120,623
<b>COST OF SALES</b>		<u>228,652</u>	<u>85,737</u>
GROSS PROFIT FOR THE PERIOD		68,260	34,886
Administrative Expenses		<u>53,584</u>	<u>45,102</u>
PROFIT (LOSS) FOR THE YEAR		14,676	(10,216)
Interest Payable	3	<u>6,258</u>	<u>4,288</u>
PROFIT (LOSS) FOR THE YEAR BEFORE AND AFTER TAXATION	4	8,418	(14,504)
LOSS BROUGHT FORWARD		<u>(117,509)</u>	<u>(103,005)</u>
LOSS CARRIED FORWARD		<u>(109,091)</u>	<u>(117,509)</u>

All disclosures relate only to continuing operations. There are no recognised gains or losses other than the profit for the year.

The notes on pages 7 to 10 form part of these accounts.

SCOTT REUTER LIMITED

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**BALANCE SHEET AS AT 31ST JANUARY 1996**

	Notes	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible Assets	6	<u>2,475</u>	<u>7,961</u>
<b>CURRENT ASSETS</b>			
Work in Progress		1,897	29,457
Debtors	7	45,844	14,867
Cash		93	113
		<u>47,834</u>	<u>44,437</u>
<b>CREDITORS:</b>			
Accounts falling due within one year	8	<u>109,200</u>	<u>119,707</u>
<b>NET CURRENT LIABILITIES</b>		<u>(61,366)</u>	<u>(75,270)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(58,891)</u>	<u>(67,309)</u>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	10	50,200	50,200
Profit and Loss Account			
Debit Balance		<u>(109,091)</u>	<u>(117,509)</u>
<b>SHAREHOLDERS FUNDS</b>	12	<u>(58,891)</u>	<u>(67,309)</u>

G. J. Hughes

Director

28th October, 1996

The notes on pages 7 to 10 form part of these accounts.

# NOTES TO THE ACCOUNTS FOR THE YEAR 31 January 1996

## 1. ACCOUNTING POLICIES

### (a) Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable UK Account Standards.

### (b) Depreciation

The depreciation policy has been altered from reducing balance to straight line as detailed below:-

Plant & Expenditure	-	10% reducing balance to 1994 Balance Straight Line over 5 years.
Furniture & Fittings	-	20% reducing balance to 1994 Balance Straight Line over 2 years.
Office & Computer Equipment	-	33.1/3% reducing balance to 1994 Balance Straight Line over 2 years.
Motor Vehicles	-	20% reducing balance to 1994 Balance Straight Line over 2 years.

### (c) Operating Leases

The rentals payable on operating leases are charged to the profit and loss account as incurred.

## 2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax.

## 3. INTEREST PAYABLE

	1996 £	1995 £
Bank Interest	5,263	3,698
Financial Lease Interest	-	590
Other Interest	995	-
	<u>6,258</u>	<u>4,288</u>



## NOTES TO THE ACCOUNTS contd.

## 4. OPERATING PROFIT (LOSS) ON ORDINARY ACTIVITIES

This is stated after charging:

	1996	1995
	£	£
Directors' remuneration	22,838	17,394
Auditors remuneration	800	600
Depreciation	<u>5,486</u>	<u>5,497</u>

## 5. EMPLOYEES

The average weekly number of persons employed by the company during the year was:-

Office & Management	1	1
Production	<u>4</u>	<u>3</u>
	<u>5</u>	<u>4</u>

Staff Costs comprise:

	£	£
Wages and Salaries	108,177	64,057
Social Security Costs	<u>7,638</u>	<u>8,547</u>
	<u>116,015</u>	<u>72,604</u>

## NOTES TO THE ACCOUNTS cont'd

## 6. TANGIBLE FIXED ASSETS

	Plant & Equipment & £	Furniture & Fittings £	Office Equipment £	Leased Cars £	Total £
COST					
As at 1st February, 1995 and 31st January 1996	<u>7,466</u>	<u>830</u>	<u>11,523</u>	<u>12,000</u>	<u>31,819</u>
DEPRECIATION					
As at 1st February, 1995	4,166	707	10,056	8,929	23,858
Charge for year	<u>825</u>	<u>123</u>	<u>1,497</u>	<u>3,071</u>	<u>5,486</u>
As at 31 January, 1996	<u>4,991</u>	<u>830</u>	<u>11,523</u>	<u>12,000</u>	<u>29,344</u>
NET BOOK VALUE					
As at January 31, 1996	<u>2,475</u> =====	- =====	- =====	- =====	<u>2,475</u> =====
As at 1st February, 1995	<u>3,330</u> =====	<u>123</u> =====	<u>1,467</u> =====	<u>3,071</u> =====	<u>7,961</u> =====

## 7. DEBTORS

	1996 £	1995 £
Trade Debtors	8,608	661
Amount owed by group companies	32,143	9,916
VAT recoverable	2,343	4,290
Prepayments	2,750	-
	<u>45,844</u> =====	<u>14,867</u> =====

## 8. CREDITORS

	1996 £	1995 £
Amounts falling due within one year.		
Loan from parent undertaking	11,000	11,000
Bank Overdraft	77,126	78,867
Trade Creditors	5,097	20,338
Other Creditors	920	1,001
Accruals	10,430	622
Taxation and Social Security	4,627	7,879
	<u>109,200</u>	<u>119,707</u>

The bank borrowings are secured by a bond and floating charge over the assets of the company.

## NOTES TO THE ACCOUNTS cont'd

## 9 .HOLDING COMPANY SUPPORT

Forth Estuary Engineering Limited has promised to provide the company with such financial support as it may require to continue trading as a going concern until at least 31 January, 1997.

## 10.CALLED UP SHARE CAPITAL

	1996 £	1995 £
Ordinary shares of £1 each Issued and Fully Paid	50,200 =====	50,200 =====
Authorised	80,000 =====	80,000 =====

## 11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit (Loss) for year	8,418	(14,504)
Opening shareholder's funds	<u>(67,309)</u>	<u>(52,805)</u>
Closing shareholder's funds	<u>(58,891)</u>	<u>(67,309)</u>

## 12 ULTIMATE PARENT COMPANY

The company's ultimate parent company is Forth Estuary Engineering Limited, a company registered in Scotland.

## 13. RELATED PARTY TRANSACTIONS

During the year the company made sales to Forth Estuary Engineering Limited Group Companies of £196,968.

**SCOTT REUTER LIMITED****TRADING ACCOUNT****FOR THE YEAR TO 31 JANUARY 1996**

	1996	1995
<b>SALES</b>	<u>296,912</u>	<u>120,623</u>
<b>COST OF SALES</b>		
Materials and sub contractors	110,256	55,529
Wages	90,836	53,445
(Increase)/decrease in Work in Progress	<u>27,560</u>	<u>(23,237)</u>
	<u>228,652</u>	<u>85,737</u>
<b>GROSS PROFIT FOR THE YEAR</b>	<u>68,260</u>	<u>34,886</u>
<b>EXPENSES</b>		
Salaries and National Insurance	24,979	19,159
Rent & Rates	-	2,673
Repairs	20	954
Insurance	4,340	3,947
Telephone & Postages	2,111	1,578
Printing & Stationery	1,519	576
Vehicle Expenses	6,540	887
Travel Expenses	1,802	3,677
Financial Lease Interest	-	590
Interest & Charges	6,258	4,298
Audit & Legal Expenses	2,600	2,250
Administration	1,000	1,000
General Expenses	3,176	2,304
Depreciation	<u>5,497</u>	<u>5,497</u>
	<u>59,842</u>	<u>49,390</u>
<b>NET PROFIT (LOSS) FOR THE YEAR</b>	<u>8,418</u>	<u>(14,504)</u>