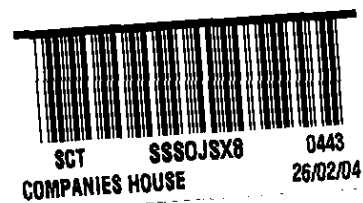


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**A & D SUTHERLAND LIMITED**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003**



**A & D SUTHERLAND LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the year ended 30 April 2003**

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**A & D SUTHERLAND LIMITED**

**COMPANY INFORMATION**  
**for the year ended 30 April 2003**

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**DIRECTORS:** A L Sutherland  
Mrs M L Sutherland  
Mrs E Mancini  
A Sutherland

**SECRETARY:** Mrs E Mancini

**REGISTERED OFFICE:** A & D Sutherland Ltd  
Spittal Quarry  
Watten  
Wick  
Caithness  
KW1 5XR

**REGISTERED NUMBER:** SC030441

**AUDITORS:** MacKenzie Kerr  
Chartered Accountants and  
Registered Auditors  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

**BANKERS:** Bank of Scotland  
25 Orlig Street  
Thurso  
KW1 5XR

## A & D SUTHERLAND LIMITED

### REPORT OF THE DIRECTORS for the year ended 30 April 2003

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The directors present their report with the financial statements of the company for the year ended 30 April 2003.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of quarry operators.

#### DIRECTORS

The directors during the year under review were:

A L Sutherland	
Mrs M L Sutherland	
Mrs E Mancini	- appointed 1/5/2002
A Sutherland	- appointed 1/5/2002

The beneficial interests of the directors holding office on 30 April 2003 in the issued share capital of the company were as follows:

	30.4.03	1.5.02 or date of appointment if later
<b>Ordinary £1 shares</b>		
A L Sutherland	-	-
Mrs M L Sutherland	1,050	8,833
Mrs E Mancini	5,250	-
A Sutherland	4,200	-
<b>Ordinary "B" £1 shares</b>		
A L Sutherland	-	-
Mrs M L Sutherland	4,250	4,250
Mrs E Mancini	-	-
A Sutherland	-	-

#### STATEMENT OF 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 and of the profit or loss of the company for that period. In preparing those financial statements, 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 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 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

The auditors, MacKenzie Kerr, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.


**A & D SUTHERLAND LIMITED**

**REPORT OF THE DIRECTORS  
for the year ended 30 April 2003**

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This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
Mrs E Mancini - Secretary

Date: 23 February 2004

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF A & D SUTHERLAND LIMITED**

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We have audited the financial statements of A & D Sutherland Limited for the year ended 30 April 2003 on pages six to eleven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

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 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. However, the evidence available to us was limited because we failed to attend the stocktake at 30 April 2002 and in consequence we were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock appearing in the balance sheet at £147,639. Any adjustment to this figure would have a consequential significant effect on the profit for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
A & D SUTHERLAND LIMITED**

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Mackenzie Kerr*

Mackenzie Kerr  
Chartered Accountants and  
Registered Auditors  
Redwood  
19 Culduthel Road  
Inverness  
IV2 4AA

Date: *25 February 2004*

**A & D SUTHERLAND LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 30 April 2003**

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	Notes	2003 £	2002 £
<b>TURNOVER</b>	2	1,044,032	945,115
Cost of sales		551,281	434,812
<b>GROSS PROFIT</b>		492,751	510,303
Administrative expenses		245,238	489,500
		247,513	20,803
Other operating income		9,630	9,630
<b>OPERATING PROFIT</b>	3	257,143	30,433
Interest receivable and similar income		10,609	79,576
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		267,752	110,009
Tax on profit on ordinary activities	4	46,707	5,528
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		221,045	104,481
Dividends	5	80,000	67,161
		141,045	37,320
Retained profit brought forward		1,391,615	2,204,295
		1,532,660	2,241,615
Purchase of own shares		-	(850,000)
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£1,532,660</u>	<u>£1,391,615</u>

The notes form part of these financial statements



**A & D SUTHERLAND LIMITED**

**BALANCE SHEET**  
**30 April 2003**

	Notes	2003		2002	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		377,393		396,226
<b>CURRENT ASSETS:</b>					
Stocks		93,160		147,639	
Debtors	7	253,604		281,139	
Investments	8	700,000		300,000	
Cash at bank and in hand		368,073		469,818	
		<u>1,414,837</u>		<u>1,198,596</u>	
<b>CREDITORS:</b> Amounts falling due within one year	9	<u>160,657</u>		<u>93,496</u>	
<b>NET CURRENT ASSETS:</b>			<u>1,254,180</u>		<u>1,105,100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>1,631,573</u>		<u>1,501,326</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	10		(20,691)		(21,859)
<b>ACCRUALS AND DEFERRED INCOME:</b>	11		(29,222)		(38,852)
			<u>£1,581,660</u>		<u>£1,440,615</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	12		14,750		14,750
Share premium	13		23,290		23,290
Capital redemption reserve	14		10,960		10,960
Profit and loss account			1,532,660		1,391,615
<b>SHAREHOLDERS' FUNDS:</b>			<u>£1,581,660</u>		<u>£1,440,615</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**



A L Sutherland - Director

Approved by the Board on 23 February 2004

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2003**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	- 2% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on cost

**Stocks**

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

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**Government grants**

Grants towards capital expenditure are credited to deferred revenue and are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are credited to the profit and loss account as the related expenditure is incurred.

**2. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation - owned assets	55,266	61,948
Profit on disposal of fixed assets	(1,573)	(67,092)
Auditors' remuneration	3,500	15,400
Pension costs	13,195	31,008
	<u>60,085</u>	<u>202,207</u>
Directors' emoluments and other benefits etc	<u>60,085</u>	<u>202,207</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2003

4. TAXATION

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
UK corporation tax	47,875	16,104
Prior year adjustment	-	(861)
	<u>47,875</u>	<u>15,243</u>
Total current tax	47,875	15,243
Deferred taxation	(1,168)	(9,715)
	<u>46,707</u>	<u>5,528</u>
Tax on profit on ordinary activities	<u>46,707</u>	<u>5,528</u>

5. DIVIDENDS

	2003 £	2002 £
10,500 Ordinary shares of £1 each Dividend "Ordinary" shares	80,000	-
4,250 Ordinary "B" shares of £1 each Dividend "B" shares	-	67,161
	<u>80,000</u>	<u>67,161</u>

6. TANGIBLE FIXED ASSETS

	Buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
<b>COST:</b>					
At 1 May 2002	322,775	1,191,638	23,660	95,455	1,633,528
Additions	-	49,000	-	-	49,000
Disposals	-	(26,000)	-	(8,000)	(34,000)
	<u>322,775</u>	<u>1,214,638</u>	<u>23,660</u>	<u>87,455</u>	<u>1,648,528</u>
At 30 April 2003	322,775	1,214,638	23,660	87,455	1,648,528
<b>DEPRECIATION:</b>					
At 1 May 2002	50,864	1,120,226	19,529	46,683	1,237,302
Charge for year	3,527	33,552	1,178	17,009	55,266
Eliminated on disposals	-	(13,433)	-	(8,000)	(21,433)
	<u>54,391</u>	<u>1,140,345</u>	<u>20,707</u>	<u>55,692</u>	<u>1,271,135</u>
At 30 April 2003	54,391	1,140,345	20,707	55,692	1,271,135
<b>NET BOOK VALUE:</b>					
At 30 April 2003	<u>268,384</u>	<u>74,293</u>	<u>2,953</u>	<u>31,763</u>	<u>377,393</u>
At 30 April 2002	<u>271,911</u>	<u>71,412</u>	<u>4,131</u>	<u>48,772</u>	<u>396,226</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2003

7. **DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	246,726	265,436
Other debtors	5,315	7,703
Prepayments and accrued income	1,563	8,000
	<u>253,604</u>	<u>281,139</u>

8. **CURRENT ASSET INVESTMENTS**

	2003 £	2002 £
Listed investments	<u>700,000</u>	<u>300,000</u>

Market value of listed investments at 30 April 2003 - £876,025 (2002 - £485,916).

9. **CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts	23,371	5,170
Trade creditors	43,338	21,086
Other creditors	446	11,778
V.A.T.	29,286	26,414
Social security and other tax	12,217	6,394
Taxation	47,860	16,104
Accrued expenses	4,139	6,550
	<u>160,657</u>	<u>93,496</u>

10. **PROVISIONS FOR LIABILITIES AND CHARGES**

	2003 £	2002 £
Deferred tax	<u>20,691</u>	<u>21,859</u>

	Deferred tax £
Balance at 1 May 2002	21,859
Transferred from P & L Account	(1,168)
Balance at 30 April 2003	<u>20,691</u>

	2003 £	2002 £
Deferred taxation	21,859	31,574
Deferred tax transfer	(1,168)	(9,715)
	<u>20,691</u>	<u>21,859</u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 April 2003

11. ACCRUALS AND DEFERRED INCOME

	2003 £	2002 £
Deferred government grants		
Brought forward	38,852	48,482
Released in year	(9,630)	(9,630)
	<u>29,222</u>	<u>38,852</u>

12. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2003 £	2002 £
11,500	Ordinary	£1	11,500	11,500
4,250	Ordinary "B"	£1	4,250	4,250
			<u>15,750</u>	<u>15,750</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2003 £	2002 £
10,500	Ordinary	£1	10,500	10,500
4,250	Ordinary "B"	£1	4,250	4,250
			<u>14,750</u>	<u>14,750</u>

13. SHARE PREMIUM

	2003 £	2002 £
Brought forward	23,290	30,000
Purchase of own shares	-	(6,710)
	<u>23,290</u>	<u>23,290</u>

14. CAPITAL REDEMPTION RESERVE

	2003 £	2002 £
Brought forward	10,960	-
Purchase of own shares	-	10,960
	<u>10,960</u>	<u>10,960</u>