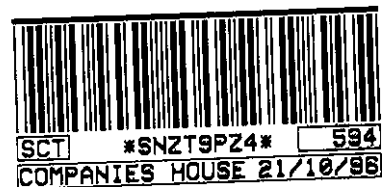


A & D SUTHERLAND LIMITED
(Company Registration 30441)

ABBREVIATED ACCOUNTS

30 APRIL 1996

AZ



1

**REPORT OF THE AUDITORS TO THE DIRECTORS OF
A & D SUTHERLAND LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of A & D Sutherland Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30 April 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 8 OCT 1996 we reported, as auditors of A & D Sutherland Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1996 and our audit report is as follows:

"Respective responsibilities of directors and auditors

As described on page 1, the directors of the company 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 have audited the financial statements on pages 4 to 11 in accordance with auditing standards issued by the Auditing Practices Board, which has been established by the chartered accountancy bodies in the United Kingdom and Republic of Ireland. 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 significant estimates and judgements made by the directors in the preparation of the statements and of whether the accounting policies are appropriate to the company's circumstances, are consistently applied and are adequately disclosed.

We/

2

**REPORT OF THE AUDITORS TO THE DIRECTORS OF
A & D SUTHERLAND LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

Basis of opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements on pages 4 to 11 give a true and fair view of the state of the company's affairs at 30 April 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Scott-Moncrieff James Wilson

SCOTT-MONCRIEFF
Chartered Accountants and Registered Auditors

-8. OCT. 1996

218 St Vincent Street
Glasgow G2 5SG

Abbreviated Balance Sheet at 30 April 1996

	Note	1996		1995	
		£	£	£	£
Fixed assets					
Tangible assets	1b, 2		947,740		585,594
Investments	1g, 3		<u>67,361</u>		<u>67,361</u>
			1,015,101		652,955
Current assets					
Stocks	1c	13,385		14,505	
Debtors		978,559		989,784	
Bank balances and cash		<u>400,167</u>		<u>88,396</u>	
		1,392,111		1,092,685	
Creditors					
Amounts falling due within one year		<u>(388,063)</u>		<u>(213,634)</u>	
Net current assets			<u>1,004,048</u>		<u>879,051</u>
Total assets less current liabilities			2,019,149		1,532,006
Provision for liabilities and charges					
Deferred taxation	1f		(59,498)		(24,544)
Deferred income					
Capital grants	1d		<u>(101,462)</u>		<u>(81,428)</u>
Net assets			<u>1,858,189</u>		<u>1,426,034</u>
Capital and reserves					
Called up equity share capital	4		19,000		19,000
Share premium			30,000		30,000
Profit and loss account			<u>1,809,189</u>		<u>1,377,034</u>
Equity shareholders' funds			<u>1,858,189</u>		<u>1,426,034</u>

References are to the notes on pages 4 to 6

These abbreviated accounts were approved by the Board on -8.001.1996

The directors have taken advantage in the preparation of these accounts of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company as specified in Sections 246 and 247 of that Act.

X *A Sutherland*

D M Sutherland
- Director

Notes on Abbreviated Accounts
30 April 1996

1 Accounting policies**a Basis of accounting**

The abbreviated accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b Depreciation

i Depreciation is provided on the straight line basis over the estimated useful life of tangible fixed assets at the following annual rates -

Heritable buildings	- 2½%
Plant	- 20%
Vehicles	- 25%
Office equipment	- 10%.

ii Depreciation is provided for a full year except in the case of items costing over £5,000, on which depreciation is provided from the beginning of the quarter year of purchase.

c Stocks

i Stocks of finished goods are valued at the lower of cost and net realisable value.

ii Short term work in progress is valued at the lower of cost and net realisable value. Cost represents materials, labour and plant, transport and other expenses directly attributable to the contract or job. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

d Grants

Grants in respect of capital expenditure are credited to the profit and loss account by equal instalments over the estimated useful life of the assets concerned. Grants of a revenue nature are credited to the profit and loss account over the period to which they relate.

e Turnover

Turnover represents the amount receivable on continuing operations for goods sold, work completed, plant hire, finance lease rentals and quarry fees exclusive of VAT.

f Deferred taxation

Provision is made under the liability method for corporation tax deferred by accelerated capital allowances and by other short term timing differences.

g Investments

Investments in subsidiary undertakings are stated at cost less provision for diminution in value, if such a reduction is deemed to be of a permanent nature.

h/

Notes on Abbreviated Accounts (continued)
30 April 1996

1 Accounting policies (continued)

h Finance lease interest

Finance lease interest, which is at a fixed rate, is credited to revenue evenly over the term of the agreement.

i Finance lease assets

Assets which are the subject of finance lease agreements are held as debtors at the net amount outstanding on the agreement.

j Group financial statements

The company has not prepared group financial statements as the group headed by the company qualifies under Section 248(1), Companies Act 1985, for exemption from doing so, being a medium-sized group.

k Pensions

The scheme is a defined contributions scheme. Contributions are charged to the profit and loss account as they become payable.

2 Tangible fixed assets

£

Cost -

At 1 May 1995	1,561,870
Additions in year	494,841
Disposals in year	<u>(387,501)</u>
At 30 April 1996	<u>1,669,210</u>

Depreciation -

At 1 May 1995	976,276
Charge for year	129,314
On disposals in year	<u>(384,120)</u>
At 30 April 1996	<u>721,470</u>

Net book value -

At 30 April 1996	<u>947,740</u>
At 30 April 1995	<u>585,594</u>

Notes on Abbreviated Accounts (continued)
30 April 1996

3 Fixed asset investments	1996	1995
	£	£
Subsidiary undertaking - William Dunnet & Co Ltd (38,000 shares of £1 each - 95% holding)	67,161	67,161
Unlisted	<u>200</u>	<u>200</u>
	<u>67,361</u>	<u>67,361</u>

The registered office of William Dunnet & Co Ltd is in Scotland.

At 30 April 1996 the aggregate of the share capital and reserves of William Dunnet & Co Ltd amounted to £928,845 (1995 £841,054) and the profit for the year to that date was £87,791 (1995 £51,367). A & D Sutherland Ltd's interest in the share capital and reserves at that date was £882,402 (1995 £799,001) and in the profit for the year was £83,401 (1995 £48,789).

4 Called up equity share capital	1996	1995
	£	£
Authorised - 20,000 shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted, issued and fully paid - 19,000 shares of £1 each	<u>19,000</u>	<u>19,000</u>