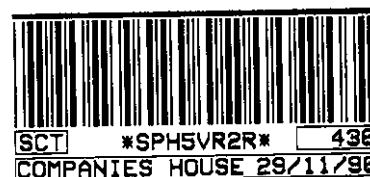

Bridge of Tilt Company Limited

Report and Accounts

31 October 1995

Company Registration Number SC 040127



 **ERNST & YOUNG**



Bridge of Tilt Company Limited

DIRECTORS

W G Gordon (Chairman)
H B M Gordon
H G M Liddell
A D Gordon

SECRETARY

A M M Rowley

AUDITORS

Ernst & Young
George House
50 George Square
Glasgow
G2 1RR

BANKERS

Bank of Scotland
Pitlochry Branch
Pitlochry
Perthshire

SOLICITORS

J H Mitchell WS
51 Atholl Road
Pitlochry
Perthshire
PH16 5BU

REGISTERED OFFICE

Lude Estate Office
Blair Atholl
Perthshire
PH18 5TS

COMPANY REGISTRATION NUMBER

SC 040127

Bridge of Tilt Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 October 1995 to the thirty-first annual general meeting of the company.

PRINCIPAL ACTIVITIES

The company's principal activity during the year continued to be the operation of an electric power station and the hiring of plant. In addition, certain investments and non-agricultural land are held on a long term basis. The wholly owned subsidiary company, James S McDonald & Company Limited, was involved in the building trade, however during the year the company ceased to trade and is now dormant.

DIRECTORS AND THEIR INTERESTS

The directors of the company at 31 October 1995 are those listed on page 1.

The director retiring by rotation under Article 73 is H B M Gordon and, being eligible, she offers herself for re-election.

According to the register maintained as required under Section 325 of the Companies Act 1985, the directors' interests in the share capital of the company are as follows:

	31 October 1995 Ordinary shares	1 November 1994 Ordinary shares
W G Gordon)		
H B M Gordon) in joint names	2,498	2,498
A D Gordon	49,000	49,000
H G M Liddell	1	1

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.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board



A M M Rowley

Secretary

18 November 1996

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 profit or loss of the company for that 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;
- 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 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.

REPORT OF THE AUDITORS

to the members of Bridge of Tilt Company Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention as modified by the revaluation of unlisted investments and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 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 which 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.

Qualified opinion arising from disagreement about accounting treatment

As disclosed in note 8 to the accounts, the company has changed its accounting policies such that it now provides for depreciation of its freehold buildings. A charge for depreciation has been made for 1995. However, no charge has been made for depreciation of these tangible fixed assets for periods prior to 1 November 1994. As a result, the carrying value of these assets in the balance sheet at 31 October 1995 is overstated. We are unable to quantify the extent of this overstatement. In addition, the corresponding amounts for 1994 are not comparable with those of the current year.

In our opinion the accounts give a true and fair view of the loss of the company for the year ended 31 October 1995. Except for the failure to charge depreciation on the freehold buildings in respect of periods prior to 1 November 1994, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 1995 and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Ernst & Young

Chartered Accountants
Registered Auditor
Glasgow

18 November 1996

Bridge of Tilt Company Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 October 1995

	<i>Note</i>	<i>1995</i> £	<i>1994</i> £
TURNOVER	2	52,660	45,094
Cost of sales		(39,787)	(35,979)
GROSS PROFIT		12,873	9,115
Administrative expenses		(13,272)	(12,956)
NET OPERATING (LOSS)	3	(399)	(3,841)
Dividend from subsidiary company		6,632	-
Write off of investment in subsidiary company		(1,759)	-
Other income	4	16,152	14,450
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20,626	10,609
Tax on profit on ordinary activities	5	(8,754)	230
PROFIT FOR THE FINANCIAL YEAR	12	11,872	10,839
Ordinary dividend on equity shares	12	-	(9,750)
PROFIT RETAINED FOR THE FINANCIAL YEAR		11,872	1,089

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £11,872 in the year ended 31 October 1995 and of £10,839 in the year ended 31 October 1994.

Bridge of Tilt Company Limited

BALANCE SHEET

at 31 October 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	6	157,068	164,950
Investments	7	57,194	58,953
		<u>214,262</u>	<u>223,903</u>
CURRENT ASSETS			
Stocks		51	315
Debtors	8	28,471	22,461
Cash in bank on deposit		76,665	67,155
Cash in bank on current account		4,922	2,798
		<u>110,109</u>	<u>92,729</u>
CREDITORS - amounts falling due within one year	9	17,897	23,956
		<u>92,212</u>	<u>68,773</u>
NET CURRENT ASSETS			
		306,474	292,676
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	4,341	2,415
		<u>302,133</u>	<u>290,261</u>
TOTAL ASSETS			
CAPITAL AND RESERVES			
Called up share capital	11/12	97,500	97,500
Revaluation reserve on unlisted investments	12	21,132	21,132
Other reserves	12	73,994	73,994
Profit and loss account	12	109,507	97,635
		<u>302,133</u>	<u>290,261</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>302,133</u>	<u>290,261</u>

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefits of those exemptions as a small company.


W G Gordon

Director

18 November 1996

NOTES ON THE ACCOUNTS

at 31 October 1995

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of unlisted investments.

The company is exempt from the requirement to prepare group accounts by virtue of Section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Depreciation of tangible fixed assets

Land and buildings are not depreciated. The cost of other fixed assets is written off by equal annual instalments over their expected useful lives as follows:

Freehold property	- 50 years
Hydro electric development	- 20 years
Aircraft	- $6\frac{2}{3}$ years
Plant and equipment	- 20 years
Vehicles	- 4 years
Furniture and fittings	- 10 years

Dividends received

Dividends on quoted and unquoted investments are shown at the amount received together with (a) the amount of taxation previously deducted or (b) the addition of related tax credits.

Deferred taxation

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

Cash flow statement

In view of the exemptions allowed under FRS1 the directors have decided not to present a cash flow statement.

2 TURNOVER

Turnover is attributable to the continuing activities of the operation of an electric power station and the hiring of plant. Turnover is stated net of VAT and relates entirely to services within the United Kingdom.

NOTES ON THE ACCOUNTS

at 31 October 1995

3 NET OPERATING (LOSS) is stated after charging:

	1995	1994
	£	£
Depreciation of tangible fixed assets	9,426	7,399
Auditors' remuneration	1,756	1,713
Directors' remuneration	3,000	3,150

4 OTHER INCOME

	1995	1994
	£	£
Dividends from unlisted investments	6,794	7,231
Dividends from listed investments	4,659	3,204
Bank deposit interest	4,510	3,851
Building Society interest	189	164
	16,152	14,450

5 TAXATION

The charge/(credit) based on the profit for the year comprises:

	1995	1994
	£	£
UK Corporation tax	3,621	381
Foreign tax	1,134	1,492
Tax on Franked Investment Income	643	421
Transfer to/(from) deferred taxation	657	(984)
	6,055	1,310
Adjustments in respect of prior years:		
UK Corporation tax	2,699	(1,483)
Transfer (from) deferred taxation	-	(57)
	8,754	(230)

UK Corporation tax has been provided at an average rate of 25% (1994 - 25%).

NOTES ON THE ACCOUNTS

at 31 October 1995

6 TANGIBLE FIXED ASSETS

	<i>Land and buildings £</i>	<i>Hydro electric develop- ment £</i>	<i>Aircraft £</i>	<i>Equipment and vehicles £</i>	<i>Total £</i>
Cost					
At 1 November 1994	99,982	132,837	22,442	50,868	306,129
Additions	1,544	-	-	-	1,544
At 31 October 1995	101,526	132,837	22,442	50,868	307,673
Depreciation					
At 1 November 1994	-	86,922	22,441	31,816	141,179
Charge for year	2,030	4,075	-	3,321	9,426
At 31 October 1995	2,030	90,997	22,441	35,137	150,605
Net book value at 31 October 1995	99,496	41,840	1	15,731	157,068
Net book value at 1 November 1994	99,982	45,915	1	19,052	164,950

From 1 November 1994, buildings included in freehold property are now depreciated. As the directors are unable to obtain an accurate split of the purchase price of the freehold property between land and buildings they have depreciated the total cost of building over 50 years commencing 1 November 1994.

7 INVESTMENTS

	<i>1995 £</i>	<i>1994 £</i>
Listed investments		
Cost at 31 October 1994 and 1995	36,062	36,062
Unlisted investments		
Directors' valuation at 31 October 1994 and 1995 (Cost - £Nil)	21,132	21,132
Subsidiary company (see below)		
Cost at 31 October 1994 and 1995	-	1,759
	<u>57,194</u>	<u>58,953</u>

NOTES ON THE ACCOUNTS

at 31 October 1995

7 INVESTMENTS (continued)

The market value of listed investments on the UK Stock Exchange as at 31 October 1995 was £124,742 (1994 - £108,737). If these investments were sold at this value there would be a liability of £17,413 (1994 - £14,452) on the capital gain arising from the sale. No deferred tax provision has been made for these potential liabilities.

The subsidiary (which is wholly owned) is James S McDonald & Company Limited, a company registered in Scotland whose principal activity was that of builders however during the year the subsidiary ceased to trade and is now dormant. The net assets of the subsidiary undertaking at 31 October 1995 were £Nil (1994 - £6,166) and the profit for the year after all charges amounted to £466 (1994 - profit £55). All of the capital and reserves of the subsidiary have been paid to the company by way of dividend, accordingly the investment on the subsidiary has been written down to nil.

8 DEBTORS

	1995 £	1994 £
Trade debtors	21,684	16,163
VAT	-	1,007
Income tax recoverable	-	278
Advance corporation tax recoverable	-	4,888
Other debtor	6,787	125
	<hr/>	<hr/>
	28,471	22,461
	<hr/>	<hr/>

Included in debtors are amounts of £nil which are due after more than one year (1994 - £4,888).

9 CREDITORS - amounts falling due within one year

	1995 £	1994 £
Trade creditors	13,436	10,147
Accruals	3,854	1,600
VAT	175	-
Amount due to subsidiary undertaking	-	22
Corporation tax	432	-
ACT payable	-	2,437
Proposed dividend	-	9,750
	<hr/>	<hr/>
	17,897	23,956
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Bridge of Tilt Company Limited

NOTES ON THE ACCOUNTS

at 31 October 1995

10 DEFERRED TAXATION

Provision for deferred taxation is made as follows:

	1995 £	1994 £
Accelerated capital allowances	8,922	8,889
Other timing differences	-	32
Tax effect of losses carried forward	(3,399)	(4,055)
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	5,523	4,866
Advance corporation tax	(1,182)	(2,451)
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	4,341	2,415
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The above amounts are stated at 25% (1994 - 25%).

Except for the potential taxation on the gain on sale of listed investments noted in note 7, there are no other potential deferred tax liabilities.

11 SHARE CAPITAL

	Authorised 1995 & 1994 £	Allotted, called up & fully paid 1995 & 1994 £
Ordinary shares of £1 each	97,500	97,500
	<hr/>	<hr/>

NOTES ON THE ACCOUNTS

at 31 October 1995

12 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Other reserves £</i>	<i>Revaluation reserve £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 November 1993	97,500	73,994	21,132	96,546	289,172
Profit for the year	-	-	-	10,839	10,839
Dividends	-	-	-	(9,750)	(9,750)
At 1 November 1994	97,500	73,994	21,132	97,635	290,261
Profit for the year	-	-	-	11,872	11,872
At 31 October 1995	97,500	73,994	21,132	109,507	302,133

13 OTHER DIRECTORS INTERESTS

During the year the company purchased services to the value of £6,406 at normal market prices from the director A D Gordon in respect of time incurred in the maintenance of the hydro electric plant.