

Abbreviated Financial Statements
for the Year Ended 31 December 1995
for
Reservoir Research Limited



Reservoir Research Limited

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for the Year Ended 31 December 1995

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Reservoir Research Limited

Company Information
for the Year Ended 31 December 1995

DIRECTORS: D Macintyre
C D Oakman

SECRETARY: C D Oakman

REGISTERED OFFICE: Jurassic House
2604 Maryhill Road
Glasgow
G20 0AB

REGISTERED NUMBER: 102526 (Scotland)

AUDITORS: T B Dunn & Co
Registered Auditor
Chartered Accountants
Glasgow

Reservoir Research Limited

Report of the Auditors to
Reservoir Research Limited

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages four to six together with the full financial statements of Reservoir Research Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 four and whether the abbreviated financial statements 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 financial statements 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 31 December 1995, and the abbreviated financial statements on pages four to six have been properly prepared in accordance with that Schedule.

Other information

On 17 May 1996 we reported, as auditors of Reservoir Research Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1995, and our audit report was as follows:

"We have audited the financial statements on pages five to thirteen which have been prepared under the historical cost convention and the accounting policies set out on pages seven and eight.

Respective responsibilities of directors and auditors

As described on page two the company's directors 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 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 financial statements. It also includes an assessment of the significant estimates and judgments 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 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 financial statements 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 financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to future cashflows and the ability of the company to continue to trade. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Reservoir Research Limited

Report of the Auditors to
Reservoir Research Limited

Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

A handwritten signature in black ink, appearing to read 'T B Dunn & Co', followed by a long, flowing horizontal line.

T B Dunn & Co
Registered Auditor
Chartered Accountants
Glasgow

Dated: 17 May 1996

Reservoir Research Limited

Abbreviated Balance Sheet
31 December 1995

		1995		1994	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		33,986		50,985
CURRENT ASSETS:					
Debtors		66,273		173,397	
Investments		-		7,168	
Cash at bank and in hand		177		43,143	
		<u>66,450</u>		<u>223,708</u>	
CREDITORS: Amounts falling due within one year	3	<u>114,651</u>		<u>149,376</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(48,201)</u>		<u>74,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>(14,215)</u>		<u>125,317</u>
CREDITORS: Amounts falling due after more than one year	3		<u>1,679</u>		<u>6,302</u>
			<u>£(15,894)</u>		<u>£119,015</u>
CAPITAL AND RESERVES:					
Called up share capital	4		10,000		10,000
Profit & loss account			<u>(25,894)</u>		<u>109,015</u>
Shareholders' funds			<u>£(15,894)</u>		<u>£119,015</u>

Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a small company.

In preparing the full financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. The directors have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions because it meets the qualifying conditions for small companies as stated in Section 247 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


D Macintyre - DIRECTOR


C D Oakman - DIRECTOR

Approved by the Board on 16 May 1996

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1995

1. **ACCOUNTING POLICIES**

Going Concern

The nature of the company's business is such that there can be a considerable variation in the timing and level of sales and cashflows. Sales in 1995 were far lower than anticipated although the directors expect these to recover in 1996 to approach the levels achieved in previous years. Early indications are favourable showing an increased level of sales invoiced and orders secured during the first four months of 1996. The directors have also put in place several cost cutting plans which will significantly reduce the company's expenditure in 1996.

In addition to the above the directors have secured an extension to the company's existing bank overdraft facility and have identified a third party investor who has expressed an interest in investing in the company. A combination of these two factors are required to ensure that the company has sufficient working capital to continue to trade.

The directors have considered the factors noted above and consider it appropriate to prepare the financial statements on a going concern basis.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & Equipment	- 25% on cost
Fixtures & Fittings	- 20% on reducing balance
Motor vehicles	- 25% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

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

Reservoir Research Limited

Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 1995

2. **TANGIBLE FIXED ASSETS**

	Total
	£
COST:	
At 1 January 1995	118,834
Additions	3,975
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At 31 December 1995	122,809
	<hr/>
DEPRECIATION:	
At 1 January 1995	67,848
Charge for year	20,975
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At 31 December 1995	88,823
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NET BOOK VALUE:	
At 31 December 1995	33,986
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At 31 December 1994	50,985
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3. **CREDITORS**

The following secured debts are included within creditors:

	1995	1994
	£	£
Bank overdrafts	52,990	-
	<hr/>	<hr/>

4. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	1995	1994
			£	£
50,000	Ordinary	£1	50,000	50,000
			<hr/>	<hr/>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1995	1994
			£	£
10,000	Ordinary	£1	10,000	10,000
			<hr/>	<hr/>