

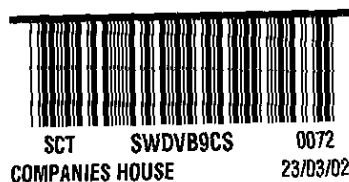
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GRAMPIAN TEST & CERTIFICATION LIMITED
(Company Number: 122818)

**DIRECTORS' REPORT
AND ABBREVIATED ACCOUNTS**

30 NOVEMBER 2001

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GRAMPIAN TEST & CERTIFICATION LIMITED
DIRECTORS' REPORT

A²+B

Directors: C G Melville (Appointed 14 September 2001)
S M Melville (Appointed 14 September 2001)
A Gowing (Appointed 14 September 2001)
G Middleton (Appointed 10 December 2001)

Secretaries: Iain Smith and Company

Registered office: 20 Queens Road, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 30 November 2001.

RESULTS AND DIVIDENDS

The profit for the year, amounting to £515,969 (2000 - £473,383), has been dealt with as shown in the profit and loss account. No dividends have been paid in the year (2000 - £nil).

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company is the testing, repair and maintenance of containers, lifting equipment, etc, and the manufacture of ancillary equipment.

The directors are pleased with the results for the year and are confident that the level of activity will continue to increase.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year ended 30 November 2001 were as noted above, together with A M Melville and D T Melville who resigned on 14 September 2001.

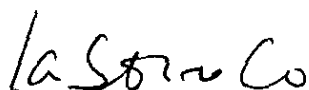
At 30 November 2001 the directors in office did not hold any beneficial interest in the share capital of the company, as defined by the Companies Act 1985.

The above directors are directors of the holding company, GTC Holdings Limited, and their interests in the share capital of that company are disclosed in its accounts.

AUDITORS

Anderson Anderson & Brown have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board


Secretaries

GRAMPIAN TEST & CERTIFICATION LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

A² + B

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:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) 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 which 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.

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ANDERSON
ANDERSON
& BROWN

CHARTERED
ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT TO
GRAMPIAN TEST & CERTIFICATION LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 4 to 16 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 30 November 2001.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our responsibilities set out above. 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 accounts.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 November 2001 and the abbreviated accounts on pages 4 to 16 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Registered Auditors
Aberdeen

19 MARCH 2002

GRAMPIAN TEST & CERTIFICATION LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2001

A²+B

	Note	2001 £	2000 £
GROSS PROFIT		5,946,325	4,952,498
Operating costs	2	<u>5,019,963</u>	<u>4,043,352</u>
OPERATING PROFIT	3	926,362	909,146
Interest payable	6	<u>166,815</u>	<u>182,482</u>
PROFIT BEFORE TAXATION		759,547	726,664
Taxation	7	<u>243,578</u>	<u>253,281</u>
PROFIT FOR FINANCIAL YEAR		<u>£ 515,969</u>	<u>£ 473,383</u>

The company has made no gains or losses other than as reported above.

Movements on reserves are as set out in Note 16.

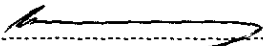
GRAMPIAN TEST & CERTIFICATION LIMITED
ABBREVIATED BALANCE SHEET – 30 NOVEMBER 2001

A²+B

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	<u>2,467,993</u>	<u>2,633,922</u>
CURRENT ASSETS			
Stocks and work in progress	9	1,440,096	984,636
Debtors	10	3,356,382	2,328,340
Cash at bank and in hand		<u>2,623</u>	<u>2,083</u>
		4,799,101	3,315,059
CREDITORS: amounts falling due within one year	11	<u>2,711,097</u>	<u>3,890,446</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,028,004</u>	<u>(575,387)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,495,997</u>	<u>2,058,535</u>
CREDITORS: amounts falling due after more than one year	12	2,551,131	607,787
PROVISION FOR LIABILITIES AND CHARGES	14	<u>229,342</u>	<u>251,193</u>
		<u>£ 1,715,524</u>	<u>£ 1,199,555</u>
CAPITAL AND RESERVES			
Called up share capital	15	105,000	105,000
Capital redemption reserve	16	104,285	104,285
Profit and loss account	16	<u>1,506,239</u>	<u>990,270</u>
SHAREHOLDERS' FUNDS	16	<u>£ 1,715,524</u>	<u>£ 1,199,555</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium sized companies.

Signed on behalf of the board of directors


 Director – C G Melville

19-03-02

Date

GRAMPIAN TEST & CERTIFICATION LIMITED
ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2001

A² + B

	Note	2001 £	2000 £
Cash from operating activities	19	1,545,865	703,055
Returns on investments and servicing of finance	20	(166,815)	(182,482)
Taxation		(34,563)	(81,469)
Capital expenditure	20	(161,369)	(779,388)
		<hr/>	<hr/>
Financing – (decrease)/increase in debt	20	1,183,118 (720,553)	(340,284) 481,635
		<hr/>	<hr/>
Increase in cash in the year		£ 462,565	£ 141,351
		<hr/>	<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2001 £	2000 £
Increase in cash in the year		462,565	141,351
Cash outflow from decrease in debt		600,392	30,825
Cash outflow from decrease in lease financing		120,161	112,540
		<hr/>	<hr/>
Change in net debt resulting from cash flows		1,183,118	284,716
New loan		-	(625,000)
New finance leases		(166,771)	(26,595)
		<hr/>	<hr/>
Movement in net debt in year		1,016,347	(366,879)
Net debt at 30 November 2000		(1,645,931)	(1,279,052)
		<hr/>	<hr/>
Net debt at 30 November 2001	21	£ (629,584)	£ (1,645,931)
		<hr/>	<hr/>

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

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

(b) *Depreciation*

The cost of fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Freehold buildings	5-20 years
Leasehold land and buildings	20 years
Plant and machinery	5-10 years
Computers, furniture and fittings	5-10 years
Motor vehicles	4-6 years

(c) *Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items. In the case of work in progress, cost comprises direct materials and labour.

(d) *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.

(e) *Hire purchase and lease commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Rentals paid under operating leases are charged to income over the term of the lease.

(f) *Pensions*

The company operates and contributes towards defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A²+B

2. OPERATING COSTS

	2001 £	2000 £
Staff costs - salaries	2,834,680	2,499,227
- social security costs	260,676	252,338
- other pension costs	68,189	43,549
Depreciation - owned assets	409,970	322,541
- assets held under hire purchase and and finance leases	74,092	55,543
Other operating charges	1,372,356	870,154
	<u>£ 5,019,963</u>	<u>£ 4,043,352</u>

3. OPERATING PROFIT *is stated after charging:*

	2001 £	2000 £
Auditors' remuneration	10,000	9,000
Operating lease - equipment	54,867	48,738
- land and buildings	180,228	158,946
	<u>245,105</u>	<u>316,684</u>

4. STAFF NUMBERS

The average number of persons employed by the company during the year, including the directors, was as follows:

	2001 No	2000 No
Management, administration and sales	30	30
Workshop	112	95
	<u>142</u>	<u>125</u>

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A²+B

5. DIRECTORS' REMUNERATION

The remuneration paid to the directors of the company was:

	2001	2000
Emoluments (including pension contributions and benefits in kind)	<u>£ 175,566</u>	<u>£ 255,489</u>
Company contributions paid to defined contribution pension schemes	<u>£ 7,500</u>	<u>£ 10,000</u>
	No	No
Members of defined contribution pension schemes	<u>2</u>	<u>2</u>

The amounts in respect of the highest paid director are as follows:

Emoluments	<u>£ -</u>	<u>£ 156,788</u>
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6. INTEREST PAYABLE

	2001 £	2000 £
Bank overdraft and factoring	108,283	142,731
Bank loan	35,757	15,234
Hire purchase and finance leases	18,177	17,180
Late payment of tax	4,598	7,337
	<u>£ 166,815</u>	<u>£ 182,482</u>

7. TAXATION charge for the year comprises:

	2001 £	2000 £
UK corporation tax	265,429	84,771
Transfer (from)/to deferred tax	(21,851)	112,668
	243,578	197,439
<i>Prior year adjustment:</i>		
Corporation tax	-	55,842
	<u>£ 243,578</u>	<u>£ 253,281</u>

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A² + B

8. TANGIBLE FIXED ASSETS

	Freehold buildings £	Leasehold land & buildings £	Plant & machinery £	Computers, furniture & fittings £	Motor vehicles £	Total £
COST						
At 30 November 2000	497,421	129,810	2,488,626	267,898	338,098	3,721,853
Additions	2,510	-	252,626	46,652	29,000	330,788
Disposals	-	-	(18,072)	-	-	(18,072)
At 30 November 2001	<u>499,931</u>	<u>129,810</u>	<u>2,723,180</u>	<u>314,550</u>	<u>367,098</u>	<u>4,034,569</u>
DEPRECIATION						
At 30 November 2000	111,168	1,624	684,526	119,448	171,165	1,087,931
Charge for year	16,506	6,491	342,994	79,954	38,117	484,062
Relating to disposals	-	-	(5,417)	-	-	(5,417)
At 30 November 2001	<u>127,674</u>	<u>8,115</u>	<u>1,022,103</u>	<u>199,402</u>	<u>209,282</u>	<u>1,566,576</u>
Net book amounts at: 30 November 2001	<u>£ 372,257</u>	<u>£ 121,695</u>	<u>£ 1,701,077</u>	<u>£ 115,148</u>	<u>£ 157,816</u>	<u>£ 2,467,993</u>
30 November 2000	<u>£ 386,253</u>	<u>£ 128,186</u>	<u>£ 1,804,100</u>	<u>£ 148,450</u>	<u>£ 166,933</u>	<u>£ 2,633,922</u>

The net book value of tangible fixed assets includes an amount of £413,657 (2000 - £304,451) in respect of assets held under hire purchase and finance lease contracts.

9. STOCKS AND WORK IN PROGRESS

	2001 £	2000 £
Raw materials and consumables	1,134,213	682,196
Work in progress	<u>305,883</u>	<u>302,440</u>
	<u>£ 1,440,096</u>	<u>£ 984,636</u>

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A²+B

10. DEBTORS

	2001 £	2000 £
Trade debtors	2,811,736	2,105,424
Prepayments and accrued income	409,734	182,150
Other debtors	56,878	36,655
Factoring debtor	78,034	-
Advance corporation tax	-	4,111
	<u>£ 3,356,382</u>	<u>£ 2,328,340</u>

11. CREDITORS: *amounts falling due within one year*

	2001 £	2000 £
Bank overdraft	428,150	890,175
Bank loan (Note 12)	-	70,684
Trade creditors	1,312,702	1,235,010
Factoring creditor	-	1,055,659
Hire purchase and finance lease creditor (Note 13)	101,916	79,368
Corporation tax	350,200	123,445
Other taxes and social security	363,208	202,721
Accruals and deferred income	212,010	222,673
Other creditors	2,911	10,711
	<u>£ 2,771,097</u>	<u>£ 3,890,446</u>

The bank borrowings are secured by a standard security over the company's property and by a bond and floating charge over the assets of the company.

GRAMPLAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A²+B

12. CREDITORS: *amounts falling due after more than one year*

	2001 £	2000 £
Bank loan	-	529,708
Hire purchase and finance lease creditor (Note 13)	102,141	78,079
Amounts due to parent company	2,448,990	-
	<u>£ 2,551,131</u>	<u>£ 607,787</u>

The bank loan is repayable as follows:

	2001 £	2000 £
In one year or less	-	70,684
Between one and two years	-	74,103
Between two and five years	-	265,428
In more than five years	-	190,177
	<u>£ -</u>	<u>£ 600,392</u>

The bank loan was repaid on 17 September 2001.

13. OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASE CONTRACTS

	2001 £	2000 £
<i>Amounts repayable:</i>		
Within one year (Note 11)	101,916	79,368
Between two and five years (Note 12)	102,141	78,079
	<u>£ 204,057</u>	<u>£ 157,447</u>

14. PROVISION FOR LIABILITIES AND CHARGES: *comprises deferred taxation as follows*

	2001	2000
Accelerated capital allowances	<u>£ 229,342</u>	<u>£ 251,193</u>

Deferred taxation has been provided in full.

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A² + B

15. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised:		
105,000 Ordinary shares of £1 each	105,000	105,000
44,985 Cumulative Convertible Participating Preferred Ordinary shares of £1 each	-	44,985
59,300 11% Cumulative Redeemable Preference shares of £1 each	-	59,300
	<u>£ 105,000</u>	<u>£ 209,285</u>
		2001 & 2000
Allotted, called up and fully paid:		
105,000 Ordinary shares of £1 each		<u>£ 105,000</u>

**16. RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENTS ON RESERVES**

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 30 November 1999	105,000	104,285	516,887	726,172
Profit for year	-	-	473,383	473,383
At 30 November 2000	105,000	104,285	990,270	1,199,555
Profit for year	-	-	515,969	515,969
At 30 November 2001	<u>£ 105,000</u>	<u>£ 104,285</u>	<u>£ 1,506,239</u>	<u>£ 1,715,524</u>

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A²+B

17. OTHER FINANCIAL COMMITMENTS

At 30 November 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Equipment		Land & buildings	
	2001	2000	2001	2000
	£	£	£	£
<i>Operating leases which expire:</i>				
In less than one year	3,181	-	7,000	7,000
Within two to five years	37,043	27,393	79,000	79,000
After five years	-	9,650	85,150	82,600
	<u>£ 40,224</u>	<u>£ 37,043</u>	<u>£ 171,150</u>	<u>£ 168,600</u>

18. CAPITAL COMMITMENTS

	2001	2000
Commitments under finance leases commencing after the year end	<u>£ 22,250</u>	<u>£ -</u>

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£	£
Operating profit	926,362	909,146
Depreciation charge	484,062	378,084
Loss on sale of tangible fixed assets	10,007	19,338
Increase in debtors	(1,032,153)	(793,216)
Increase in creditors	1,613,047	384,976
Increase in stock and work in progress	(455,460)	(195,273)
Net cash inflow	<u>£ 1,545,865</u>	<u>£ 703,055</u>

GRAMPIAN TEST & CERTIFICATION LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 NOVEMBER 2001

A² + B

**20. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT**

	2001 £	2001 £
Returns on investments and servicing of finance		
Interest paid	(166,815)	(182,482)
Net cash outflow from returns on investments and servicing of finance	<u>£ (166,815)</u>	<u>£ (182,482)</u>
Capital expenditure		
Purchase of tangible fixed assets	(164,017)	(786,838)
Sale of plant and machinery	2,648	7,450
Net cash outflow from capital expenditure	<u>£ (161,369)</u>	<u>£ (779,388)</u>
Financing		
New loan	-	625,000
Repayment of loan	(600,392)	(30,825)
Capital element of finance lease rental payments	(120,161)	(112,540)
Net cash (outflow)/inflow from financing	<u>£ (720,553)</u>	<u>£ 481,635</u>

21. ANALYSIS OF NET DEBT

	At 30 November 2000 £	Cash flow £	Other non-cash charges £	At 30 November 2001 £
Cash at bank and in hand	(888,092)	462,565	-	(425,527)
Loan	(600,392)	600,392	-	-
Finance leases	(157,447)	120,161	(166,771)	(204,057)
Total	<u>£ (1,645,931)</u>	<u>£ 1,183,118</u>	<u>£ (166,771)</u>	<u>£ (629,584)</u>
	At 30 November 1999 £	Cash flow £	Other non-cash charges £	At 30 November 2000 £
Cash at bank and in hand	(1,029,443)	141,351	-	(888,092)
Loan	(6,217)	30,825	(625,000)	(600,392)
Finance leases	(243,392)	112,540	(26,595)	(157,447)
Total	<u>£ (1,279,052)</u>	<u>£ 284,716</u>	<u>£ (651,595)</u>	<u>£ (1,645,931)</u>

22. TRANSACTIONS WITH DIRECTORS

During the year the company had the following transactions with directors:

Related party	Transaction	£	Due to/(by) company at year end £
<i>Included in other creditors, Note 11</i>			
A & D Melville, former directors	Loan repaid	9,965	(746)
<i>Included in other debtors, Note 10</i>			
C Melville, director	Loan from company (fully repaid after the year end)	34,206	34,206
S Melville, director	Loan to company	1,705	(1,705)

23. ULTIMATE PARENT COMPANY

The ultimate parent company is GTC Holdings Limited, a company registered in Scotland.

24. CONTINGENT LIABILITY

The company has given a guarantee in respect of the bank borrowings of GTC Holdings Limited. At 30 November 2001, bank borrowings amounted to £6,240,192.