

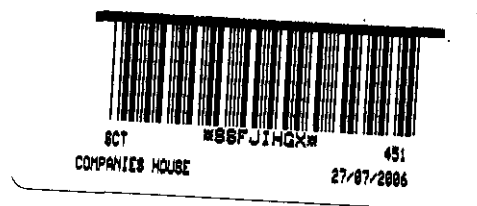
Company Registration No. SC15613

BURNDENE INVESTMENTS LIMITED

Report and Financial Statements

52 weeks ended 1 October 2005

**Deloitte & Touche LLP
Leeds**



BURNDENE INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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BURNDENE INVESTMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

I J Burville
D Little
C D Jeffrey
B M Murphy

Secretary

B M Murphy

Registered Office

PO Box 28448
Finance House
Orchard Brae
Edinburgh
EH4 1WQ

Auditors

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

BURNDENE INVESTMENTS LIMITED

DIRECTORS' REPORT

52 weeks ended 1 October 2005

The Directors present their annual report and audited financial statements for the 52 weeks ended 1 October 2005.

PRINCIPAL ACTIVITIES

The principal business of the company throughout the period has been related to the manufacture and sale of holiday homes.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Directors are pleased with the progress made during the period and believe the company is well placed to take advantage of market opportunities as they arise.

RESULTS AND DIVIDENDS

Details of the results for the period ended 1 October 2005 are shown in the profit and loss account and related notes. The Directors recommend payment of a final dividend of 14.7p (2004: 15.8p) per share for the period making a total dividend for the period of 14.7p (2004: 15.8p) per share.

DIRECTORS AND THEIR INTERESTS

The Directors throughout the period ended 1 October 2005 are listed below.

I J Burville
C D Jeffrey
D Little
B M Murphy

None of the directors had an interest in the shares of the company. The interest of the directors in the parent company are shown in the accounts of that company.

CHARITABLE AND POLITICAL DONATIONS

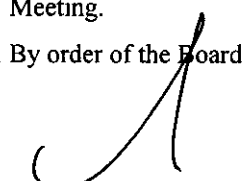
During the period the company made charitable donations of £Nil (2004: £Nil).

No political donations were made during the period (2004: £Nil)

AUDITORS

A resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board



I J Burville

Director

6th February 2006

BURNDENE INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period 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;
- state whether applicable accounting standards have been followed.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURNDENE INVESTMENTS LIMITED

We have audited the financial statements of Burndene Investments Limited for the 52 week period ended 1 October 2005 which comprise of the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 17. These financial statements have been prepared under 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 in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 if, in our opinion, the directors' report 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 directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 1 October 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Leeds

7 February 2006

BURNDENE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 1 October 2005

	Note	52 weeks ended 1 October 2005 £	53 weeks ended 2 October 2004 £
TURNOVER		125,000	125,000
Cost of sales		-	-
GROSS PROFIT		125,000	125,000
Administrative expenses		102,898	(1,812,773)
OPERATING PROFIT/(LOSS)	2	227,898	(1,687,773)
Loss on sale of subsidiary undertaking	5	-	(1,476,273)
Interest payable	3	(115,556)	(117,460)
Other income		229,923	-
Dividends received		7,000,000	13,400,000
Interest receivable		2,098	3,269
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		7,344,363	10,121,763
Taxation on profit on ordinary activities	6	(32,100)	(115,000)
PROFIT FOR THE FINANCIAL PERIOD AFTER TAX		7,312,263	10,006,763
Dividends	7	(12,500,000)	(13,400,000)
RETAINED (LOSS) FOR THE PERIOD TRANSFERRED FROM RESERVES	13,14	(5,187,737)	(3,393,237)

All amounts relate to continuing activities.

The accompanying notes are an integral part of this profit and loss account.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

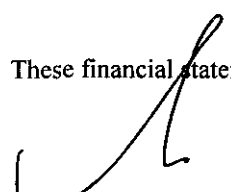
There are no gains or losses other than the result for each period. A separate statement of total recognised gains and losses has not been presented as a result.

BURNDENE INVESTMENTS LIMITED

BALANCE SHEET 1 October 2005

	Note	2005 £	2004 £
Fixed assets			
Investments	8	5,715,163	6,218,587
Current assets			
Debtors	9	26,619,814	28,632,701
Cash at bank and in hand		-	45,124
		<u>26,619,814</u>	<u>28,677,825</u>
Creditors			
Amounts falling due within one year	10	<u>(4,715,490)</u>	<u>(2,089,188)</u>
Net current assets		<u>21,904,324</u>	<u>26,588,637</u>
Total assets less current liabilities		<u>27,619,487</u>	<u>32,807,224</u>
Creditors			
Amounts falling due after more than one year	11	<u>(772,487)</u>	<u>(772,487)</u>
Net assets		<u>26,847,000</u>	<u>32,034,737</u>
Capital and reserves			
Called up share capital	12	4,241,731	4,241,731
Capital redemption reserve	13	1,070,613	1,070,613
Profit and loss account	13	<u>21,534,656</u>	<u>26,722,393</u>
Equity shareholders' funds	14	<u>26,847,000</u>	<u>32,034,737</u>

These financial statements were approved by the Board on 6th February 2006


J. Burville

Director

BURNDENE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 1 October 2005

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Accounting periods

The Company's accounting reference date is 30 September. Financial statements are made up to a 52 or 53 week period ending on a Saturday adjacent to 30 September each year. These financial statements are for the 52 week period ended 1 October 2005. The comparative figures are for a 53 week period.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Consolidation

The company is exempt from preparing consolidated financial statements for its group as it is itself a subsidiary undertaking.

Cashflow statement

The company has not prepared a cashflow statement on the basis that it is a wholly owned subsidiary of Scaid Investments Limited and consolidated financial statements are prepared by that company and are publicly available.

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Finance costs

Finance costs of debt and non-equity shares are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax adjustments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

BURNDENE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 1 October 2005

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	52 weeks ended 1 October 2005 £	53 weeks ended 2 October 2004 £
Payments in respect of loss of office	-	923,519
Costs in relation to acquisition by ultimate parent company	-	703,466
Auditors' remuneration - audit	2,000	11,000
- non audit services	1,500	7,060
	<u>3,500</u>	<u>17,485</u>

3. INTEREST PAYABLE

	52 weeks ended 1 October 2005 £	53 weeks ended 2 October 2004 £
Bank interest	-	1,904
On loan stock repayable after five years	115,556	115,556
	<u>115,556</u>	<u>117,460</u>

4. STAFF COSTS

	52 weeks ended 1 October 2005 £	53 weeks ended 2 October 2004 £
Directors' remuneration:		
Aggregated emoluments	-	181,209
Aggregate pension contributions	-	-
Payments in respect of loss of office	122,844	824,470
	<u>122,844</u>	<u>1,005,679</u>

5. EXCEPTIONAL ITEMS REPORTED AFTER OPERATING LOSS

The loss on sale of discontinued operations in the prior period related to the disposal of the company's interest in the ordinary share capital of Pretty Legs Hosiery Limited. The effect of the prior period exceptional items reported after operating profit on the amount charged to the profit and loss account for taxation was £Nil.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 1 October 2005 £	53 weeks ended 2 October 2004 £
United Kingdom corporation tax at 30% (2004: 30%)	1,100	180,000

BURNDENE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 1 October 2005

Current tax charge	1,100	180,000
Deferred taxation - current period	31,000	(65,000)
	<u>32,100</u>	<u>115,000</u>

	2005 £	2004 £
Reconciliation of current tax charge:		
Profit on ordinary activities before tax	7,344,363	10,121,763
Tax at 30% thereon	2,203,309	3,036,529
Movement in short term timing differences	(31,000)	65,000
(Expenses not deductible for corporation tax)/other income not taxable	(69,184)	560,451
Loss on disposal of subsidiary shares	-	93,708
Marginal relief	(47)	-
Group relief not paid for	-	516,063
Non taxable UK dividend income	(2,101,301)	(4,020,771)
Rate difference	(677)	(70,980)
	<u>1,100</u>	<u>180,000</u>

7. DIVIDENDS

	52 weeks ended 1 October 2005 £	53 weeks ended 2 October 2004 £
Dividend 14.7p (2004: 15.8p) per ordinary share	12,500,000	13,400,000
	<u>12,500,000</u>	<u>13,400,000</u>

BURNDENE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 1 October 2005

8. INVESTMENTS

	2005 £	2004 £
a) In subsidiary undertakings		
Shares at cost		
At 3 October 2004	6,218,587	6,473,489
Less disposal of investment in subsidiary undertaking	(503,424)	(254,902)
At 1 October 2005	<u>5,715,163</u>	<u>6,218,587</u>
b) The holding company Burndene Investments Limited is registered in Scotland and operates in the United Kingdom. The subsidiaries are registered in and operate in England (E) except for one which is incorporated in and operates in the United States of America (US).		

	% Ordinary Shares
Caravan holiday home manufacturing:	
Willerby Holiday Homes Ltd (E)	100
BK Bluebird Limited (E)	100
Greatfield Windows Limited (E)	100
Property:	
Burndene Properties Limited (E)	100
Glencairn Development Corporation (US) – Dormant	100
Bankside Properties Limited (E)	100

9. DEBTORS

	2005 £	2004 £
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	26,585,814	28,567,701
Deferred taxation	34,000	65,000
	<u>26,619,814</u>	<u>28,632,701</u>

10. CREDITORS

	2005 £	2004 £
Amounts falling due within one year:		
Bank Overdraft	4,432,691	-
Corporation tax	1,100	-
Amounts owed to Group undertakings	-	1,275,642
Other taxes and social security costs	21,875	20,910
Accruals and deferred income	259,824	792,636
	<u>4,715,490</u>	<u>2,089,188</u>

11. CREDITORS

	2005 £	2004 £
Amounts falling due after more than one year:		
15% unsecured loan stock 2007/2012	<u>772,487</u>	<u>772,487</u>
Borrowings are repayable as follows:		
15% unsecured loan stock 2007/2012		
Between two and five years	<u>772,487</u>	<u>772,487</u>

BURNDENE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 1 October 2005

12. CALLED UP SHARE CAPITAL

	Authorised 2005 No.	2004 No.	Allotted, called up and fully paid 2005 No.	2004 No.
Ordinary shares of 5p each	<u>120,000,000</u>	<u>120,000,000</u>	<u>84,834,618</u>	<u>84,834,618</u>
	£	£	£	£
Ordinary shares of 5p each	<u>6,000,000</u>	<u>6,000,000</u>	<u>4,241,731</u>	<u>4,241,731</u>

13. RESERVES

Company	Capital redemption reserve £	Profit and loss account £
At 3 October 2004	1,070,613	26,722,393
Retained loss for period	-	(5,187,737)
At 1 October 2005	<u>1,070,613</u>	<u>21,534,656</u>

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit for the financial period	7,312,263	10,006,763
Dividends	<u>(12,500,000)</u>	<u>(13,400,000)</u>
Net addition to equity shareholders' funds	(5,187,737)	(3,393,237)
Opening equity shareholders' funds	<u>32,034,737</u>	<u>35,427,974</u>
Closing equity shareholders' funds	<u>26,847,000</u>	<u>32,034,737</u>

15. DEFERRED TAX

Deferred tax assets recognised:

	2005 £	2004 £
At start of period	(65,000)	-
Current period charge/(credit)	<u>31,000</u>	<u>(65,000)</u>
At end of period	<u>(34,000)</u>	<u>(65,000)</u>

Deferred tax assets comprise:

	2005 £	2004 £
Short term timing differences	<u>(34,000)</u>	<u>(65,000)</u>

There were no amounts of unprovided deferred tax in respect of the above at the period end (2004:£Nil).

BURNDENE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

52 weeks ended 1 October 2005

16. ULTIMATE HOLDING COMPANY

The smallest and largest group of which the company is a member and for which Group Financial Statements are drawn up is headed by Scaid Investments Limited, a company incorporated in Great Britain and registered in England and Wales. This company is the immediate and ultimate parent company of Burndene Investments Limited.

17. RELATED PARTY TRANSACTIONS

The company has claimed exemption from disclosing related party transactions with group companies on the grounds that it is a wholly owned subsidiary. The holding company's accounts are publicly available.