

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED

ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2002



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COMPANIES HOUSE 03/06/03

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED

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The following pages do not form part of the statutory accounts:

DETAILED PROFIT AND LOSS ACCOUNT

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED

COMPANY INFORMATION

Directors	Peter Irvine Anderson Samuel Stewart Anderson
Secretary	Jennifer Isabella Anderson
Company Number	SC24246
Registered Office	Wilson Road Garage Newhouse Motherwell ML1 5NB
Auditors	PKF 78 Carlton Place Glasgow G5 9TH
Solicitors	Headrick Inglis Glen & Co 48 West Regent Street Glasgow G5 9TH
Bankers	The Royal Bank of Scotland plc 7 Main Street Cleland ML1 5QW

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2002

The directors submit their report and the financial statements for the year ended 30 September 2002.

Principal activity

The company's principal activity during the year was the rental of property and commercial motor vehicles.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Ordinary Shares of £1 each	
	2002	2001
Peter Irvine Anderson	525	525
Samuel Stewart Anderson	525	525
Isabella Mason Graham Anderson	-	500

As announced in the prior year's financial statements Mr Samuel Anderson died on 23 February 2001, and the directors are also saddened to announce that Mrs Isabella Anderson died on 3rd March 2002.

At the balance sheet date, shares formerly held by Mr Samuel Anderson and Mrs Isabella Anderson were held by the executors of the relevant individual's estates, two of whom are Peter Irvine Anderson and Samuel Stewart Anderson.

Post balance sheet events

On 31 March 2003, the company became a wholly owned subsidiary of SAH Limited.

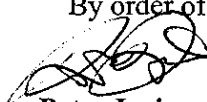
Auditors

The auditors, PKF, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Basis of preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


Peter Irvine Anderson
19/5/03 Director

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 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;
- prepare the financial statements 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 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ANDERSON COMMERCIAL (NEWHOUSE) LIMITED**

We have audited the financial statements of Anderson Commercial (Newhouse) Limited for the year ended 30 September 2002 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. 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 auditor's 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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.

INDEPENDENT AUDITORS' REPORT (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PWB

Glasgow, UK

PKF
Registered Auditors

30 May 2003

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
TURNOVER	2	411,114	365,863
Administrative expenses		<u>(121,177)</u>	<u>(256,481)</u>
OPERATING PROFIT	3	289,937	109,382
Profit on disposal of fixed assets		157,041	-
Income from other fixed asset investments		419	403
Interest receivable and similar income		68	-
Interest payable and similar charges	4	<u>(54,728)</u>	<u>(106,635)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		392,737	3,150
TAXATION	5	<u>(80,297)</u>	<u>(21,396)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>312,440</u>	<u>(18,246)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 SEPTEMBER 2002

	2002 £	2001 £
Profit/(loss) for the financial year	312,440	(18,246)
Unrealised surplus on revaluation of properties	<u>1,171,519</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>1,483,959</u>	<u>(18,246)</u>

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED

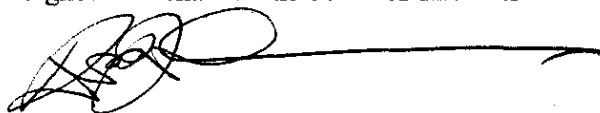
BALANCE SHEET 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible	6	4,539,086	3,250,668
Investments	7	2,084	2,084
		<u>4,541,170</u>	<u>3,252,752</u>
CURRENT ASSETS			
Debtors	8	133,963	31,032
Cash at bank and in hand		2,469	154
		<u>136,432</u>	<u>31,186</u>
CREDITORS: amounts falling due within one year	9	(2,833,530)	(2,946,362)
NET CURRENT LIABILITIES		<u>(2,697,098)</u>	<u>(2,915,176)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,844,072</u>	<u>337,576</u>
PROVISIONS FOR LIABILITIES AND CHARGES	10	(38,887)	(16,350)
NET ASSETS		<u><u>1,805,185</u></u>	<u><u>321,226</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	2,000	2,000
Revaluation reserve	12	1,171,519	-
Profit and loss account	12	631,666	319,226
		<u><u>1,805,185</u></u>	<u><u>321,226</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 19/5/03

Signed on behalf of the board of directors



Peter Irvine Anderson

Director

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

(b) Turnover

Turnover represents income receivable from the rental of land and buildings and motor vehicles, for the year under review.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	25 % reducing balance
Motor vehicles	15 % reducing balance

Investment Properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

(d) Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Investments

Investments are stated at cost.

(f) Deferred taxation

The charge for taxation is based on the profit for the year as adjusted for tax purposes. The company has adopted Financial Reporting Standard for Smaller Entities (FRSSE effective June 2002) during 2002. In accordance with the standard, full provision is made at current rates for taxation deferred in respect of all timing differences other than revaluation gains. Deferred tax balances are not discounted.

2 TURNOVER

All turnover arose within the United Kingdom.

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation of tangible fixed assets:		
- owned by the company	37,999	205,429
Audit fees	1,500	1,500
Income from listed investments	(419)	(403)
Operating lease - land and buildings	36,860	26,125
	<u>36,860</u>	<u>26,125</u>

No directors received any emoluments (2001 - £NIL).

4 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable includes **£54,728** (2001 - £106,635) payable to related undertakings.

5 TAXATION

	2002 £	2001 £
Current year taxation		
UK corporation tax	58,000	5,000
Deferred tax	22,537	16,350
Total UK taxation	<u>80,537</u>	<u>21,350</u>
Adjustments in respect of prior periods		
Corporation tax	(240)	46
	<u>80,297</u>	<u>21,396</u>

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

6 TANGIBLE FIXED ASSETS

	Investment properties £	Plant, machinery & vehicles £	Total £
Cost or valuation			
At 1 October 2001	3,507,188	785,809	4,292,997
Additions	-	280,000	280,000
Disposals	(135,981)	-	(135,981)
Transfers	555,809	(555,809)	-
Revaluations	143,070	-	143,070
At 30 September 2002	<u>4,070,086</u>	<u>510,000</u>	<u>4,580,086</u>
Depreciation			
At 1 October 2001	669,942	372,387	1,042,329
Charge for the year	-	37,999	37,999
On disposals	(10,879)	-	(10,879)
Transfers	369,386	(369,386)	-
Revaluations	(1,028,449)	-	(1,028,449)
At 30 September 2002	<u>-</u>	<u>41,000</u>	<u>41,000</u>
Net book amount			
At 30 September 2002	<u>4,070,086</u>	<u>469,000</u>	<u>4,539,086</u>
At 30 September 2001	<u>2,837,246</u>	<u>413,422</u>	<u>3,250,668</u>

The net book amounts of investment properties above are:

	2002 £	2001 £
Long leasehold investment properties	2,925,234	1,848,064
Freehold investment properties	1,125,000	989,182
	<u>4,050,234</u>	<u>2,837,246</u>

The company previously depreciated their investment properties in line with applicable accounting standards as, in the opinion of the directors the properties were specialised in nature. Having had external valuations carried out in the year, the directors are satisfied that no depreciation is necessary and accordingly will now carry the investment properties at open market value and not charge depreciation. This change in estimation technique has resulted in the depreciation charge for the year being reduced by approximately £180,000.

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

6 TANGIBLE FIXED ASSETS (continued)

The company's investment properties were revalued during the year ended 30 September 2002 by Whyte and Barrie, Chartered Surveyors, on the basis of Open Market Value.

On the historical cost basis, investment properties would have been included as follows:

	2002	2001
	£	£
Cost	3,927,016	3,507,188
Cumulative depreciation	(1,028,449)	(669,942)
Net book amount	<u>2,898,567</u>	<u>2,837,246</u>

Certain items which had previously been classified as plant and machinery were incorporated in the valuations carried out during the year. These items of fixed plant, with a net book value of £186,423, have therefore been reclassified as investment properties and as such have not been depreciated in the year.

7 FIXED ASSET INVESTMENTS

	Subsidiary undertakings	Other investments	Total
	£	£	£
Cost			
At 1 October 2001			
and 30 September 2002	<u>2</u>	<u>2,082</u>	<u>2,084</u>

Other investments comprise listed investments amounting to **£2,082** (2001 - £2,082).

The market value of the listed investments at the balance sheet date was **£6,026** (2001 - £7,515).

Investments include an investment in a subsidiary, Anbank Limited, a company incorporated in Scotland, comprising a holding of two ordinary shares of £1 each. This holding represents 100% of its issued ordinary capital and the aggregate of its capital and reserves.

During its latest financial year to 30 September 2002 Anbank Limited has not traded and does not intend to trade in the foreseeable future.

8 DEBTORS

	2002	2001
	£	£
Other debtors	<u>133,963</u>	<u>31,032</u>

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

9 CREDITORS:

Amounts falling due within one year

	2002 £	2001 £
Amounts owed to related undertakings	1,925,518	1,981,385
Corporation tax	58,000	5,000
Other creditors	850,012	959,977
	<u>2,833,530</u>	<u>2,946,362</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 October 2001	16,350
Charged to the profit and loss account	22,537
At 30 September 2002	<u>38,887</u>

Deferred tax is analysed as follows:

	2002 £	2001 £
Accelerated capital allowances	38,887	16,350

As disclosed in note 14, one of the investment properties was sold post year end. No provision is required for corporation tax due on this sale. There is an estimated potential chargeable gain of £262,872 should the other investment properties be sold at their carrying values. No provision has been made in respect of tax due on this gain, as the directors do not intend to dispose of any of these building for the foreseeable future.

11 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 October 2001 and 30 September 2002			
Ordinary shares of £1 each	3,000	2,000	2,000

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

12 RESERVES

Revaluation reserve	£
At 1 October 2001	-
Revaluation during the year	<u>1,171,519</u>
At 30 September 2002	<u><u>1,171,519</u></u>
 Profit and loss account	 £
At 1 October 2001	319,226
Profit for the year	<u>312,440</u>
At 30 September 2002	<u><u>631,666</u></u>

13 OTHER COMMITMENTS

At 30 September 2002 the company had annual commitments under operating leases as follows:

	2002	2001
	£	£
Expiry date:		
After more than five years	<u>28,650</u>	<u>36,860</u>

14 POST BALANCE SHEET EVENTS

Since the year end, the company has sold investment properties with a net book value of £785,085 for proceeds of £795,000.

On 31 March 2003, the company became a wholly owned subsidiary of SAH Limited.

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

15 TRANSACTIONS WITH RELATED PARTIES

In the course of normal operations, the company has contracted, on an arms length basis, with certain related undertakings as detailed below. In respect of each of the undertakings, Peter Irvine Anderson and Samuel Stewart Anderson are directors of all the companies. The related undertakings pursue a combined purchasing policy for certain goods and services where advantageous terms can be obtained by such purchasing. These services are recharged on a cost only basis by the principal negotiating company.

	2002	2001
	£	£
<u>a) F Short & Sons</u>		
Amounts paid	-	-
Amounts received	(525,000)	-
Balance due to related undertaking	(525,000)	-
<u>b) Hutchisons Coaches (Overtown) Limited</u>		
Amounts received	(565,000)	(10,000)
Amounts paid	936,385	530,000
Interest charged and paid on balance outstanding	(54,726)	(106,635)
Balance due to related undertaking	(1,109,726)	(1,426,385)
<u>c) B Mullen & Sons Limited</u>		
Amounts received	(35,000)	-
Amounts paid	15,000	2,500
Balance due to related undertaking	(250,000)	(230,000)
<u>d) Scothaul (UK) Limited</u>		
Amounts received		
Amounts paid	(291,000)	(325,000)
Balance due to related undertaking	616,000	616,000
	-	(325,000)
<u>e) Sam Anderson (Newhouse) Limited</u>		
Amounts received	(40,792)	-
Balance due to related undertaking	(40,792)	-

ANDERSON COMMERCIAL (NEWHOUSE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2002

Transactions with directors

Isabella M G Anderson

Movement in year	-	14,150
Balance transferred to other creditors	213,850	-
Balance outstanding to the director	-	(213,850)

Peter I Anderson

Movement in year	(62,937)	19,500
Balance outstanding to the director	(105,563)	(168,500)

S Stuart Anderson

Transferred from related undertaking	16,250	(100,882)
Balance outstanding to the director	(84,632)	(100,882)

The amounts due to related undertakings at the financial year end in respect of financing and other trading balances are disclosed in note 9 to the financial statements.

The amounts due to the directors are included within other creditors in note 9.