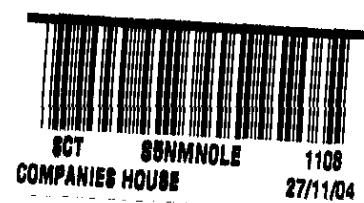


Abbreviated Accounts for the Year Ended 31 January 2004

for

D M Geddes & Sons Ltd



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for the Year Ended 31 January 2004**

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D M Geddes & Sons Ltd

**Company Information
for the Year Ended 31 January 2004**

DIRECTORS:

Mr W Falconer
Mrs I Falconer
Mr K W Falconer
Mrs K Cameron
Mr R Mackenzie
Mr S Allan

SECRETARY:

Mrs K Cameron

REGISTERED OFFICE:

Sinclair Lane
Halkirk
CAITHNESS
KW12 6YF

REGISTERED NUMBER:

32829 (Scotland)

AUDITORS:

Reid & Fraser
Registered Auditors
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

SOLICITORS:

Young, Robertson & Co
29 Traill Street
Thurso
Caithness
KW14 8EQ

D M Geddes & Sons Ltd

Report of the Directors for the Year Ended 31 January 2004

The directors present their report with the accounts of the company for the year ended 31 January 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS

Dividend distributions during the year amounted to £94,350. The directors do not propose to declare a final dividend.

DIRECTORS

The directors during the year under review were:

Mr W Falconer
Mrs I Falconer
Mr K W Falconer
Mrs K Cameron
Mr R Mackenzie
Mr S Allan

The beneficial interests of the directors holding office on 31 January 2004 in the issued share capital of the company were as follows:

	31.1.04	1.2.03
Ordinary £1 shares		
Mr W Falconer	3,002	3,002
Mrs I Falconer	750	750
Mr K W Falconer	1,255	1,255
Mrs K Cameron	770	770
Mr R Mackenzie	-	-
Mr S Allan	-	-

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 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.

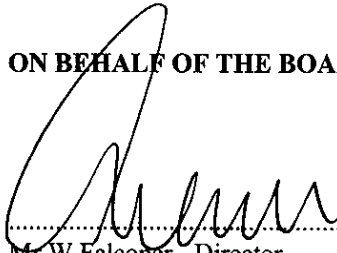
D M Geddes & Sons Ltd

**Report of the Directors
for the Year Ended 31 January 2004**

AUDITORS

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 22 July 1996 and accordingly Reid & Fraser shall be deemed reappointed.

ON BEHALF OF THE BOARD:


.....
Mr W Falconer - Director

Date: 25.11.04
.....

**Report of the Independent Auditors to
D M Geddes & Sons Ltd
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages five to eighteen, together with the full financial statements of the company for the year ended 31 January 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of 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 whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to eighteen are properly prepared in accordance with that provision.



Reid & Fraser
Registered Auditors
Chartered Accountants
15 Princes Street
Thurso
Caithness
KW14 7BQ

Date: 25.11.04

D M Geddes & Sons Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 January 2004**

		<u>2004</u>	<u>2003</u>
	Notes	£	£
GROSS PROFIT		323,285	358,488
Administrative expenses		<u>468,019</u>	<u>541,157</u>
OPERATING LOSS	3	(144,734)	(182,669)
Interest payable and similar charges	4	<u>48,703</u>	<u>20,929</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(193,437)	(203,598)
Tax on loss on ordinary activities	5	<u>(39,356)</u>	<u>(38,940)</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(154,081)	(164,658)
Dividends	6	<u>94,350</u>	<u>57,770</u>
		(248,431)	(222,428)
Retained profit brought forward		<u>470,829</u>	<u>693,257</u>
RETAINED PROFIT CARRIED FORWARD		<u>£222,398</u>	<u>£470,829</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

The notes form part of these abbreviated accounts

D M Geddes & Sons Ltd

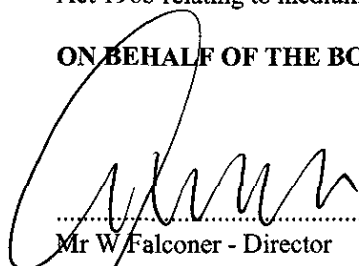
Abbreviated Balance Sheet

31 January 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	7		599,604		650,200
Investments	8		129,100		129,100
			728,704		779,300
CURRENT ASSETS:					
Stocks	9	187,834		262,343	
Debtors	10	839,809		938,942	
Cash in hand		67		391	
		1,027,710		1,201,676	
CREDITORS: Amounts falling due within one year	11	1,427,967		1,361,277	
NET CURRENT LIABILITIES:			(400,257)		(159,601)
TOTAL ASSETS LESS CURRENT LIABILITIES:			328,447		619,699
CREDITORS: Amounts falling due after more than one year	12		(54,237)		(81,100)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		(25,975)		(39,491)
ACCRUALS AND DEFERRED INCOME:	17		(13,837)		(16,279)
			£234,398		£482,829
CAPITAL AND RESERVES:					
Called up share capital	18		5,777		5,777
Other reserves	19		6,223		6,223
Profit and loss account			222,398		470,829
SHAREHOLDERS' FUNDS:	21		£234,398		£482,829

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



 Mr W Falconer - Director

Approved by the Board on 25.11.04

The notes form part of these abbreviated accounts

D M Geddes & Sons Ltd

**Cash Flow Statement
for the Year Ended 31 January 2004**

		2004		2003	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(498,460)		4,987
Returns on investments and servicing of finance	2		(48,703)		(20,929)
Taxation			35,668		(20,383)
Capital expenditure	2		(24,716)		(122,758)
Equity dividends paid			(94,350)		(57,770)
			(630,561)		(216,853)
Financing	2		(34,294)		(34,991)
Decrease in cash in the period			£(664,855)		£(251,844)
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(664,855)		(251,844)	
Cash outflow from decrease in debt and lease financing		12,970		12,496	
Change in net debt resulting from cash flows			(651,885)		(239,348)
New finance leases			-		(20,290)
Movement in net debt in the period			(651,885)		(259,638)
Net debt at 1 February			(261,456)		(1,818)
Net debt at 31 January			£(913,341)		£(261,456)

The notes form part of these abbreviated accounts

**Notes to the Cash Flow Statement
for the Year Ended 31 January 2004**

1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2004 £	2003 £
Operating loss	(144,734)	(182,669)
Depreciation charges	73,442	86,859
Loss on sale of fixed assets	1,868	11,712
Government grants released	(2,442)	(2,873)
Decrease/(Increase) in stocks	74,509	(123,932)
Decrease/(Increase) in debtors	89,305	(315,619)
(Decrease)/Increase in creditors	(590,408)	531,509
Net cash (outflow)/inflow from operating activities	(498,460)	4,987

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

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest paid	(46,493)	(19,389)
Interest element of hire purchase payments	(2,210)	(1,540)
Net cash outflow for returns on investments and servicing of finance	(48,703)	(20,929)
Capital expenditure		
Purchase of tangible fixed assets	(30,084)	(125,690)
Sale of tangible fixed assets	5,368	2,932
Net cash outflow for capital expenditure	(24,716)	(122,758)
Financing		
Loan repayments in year	(34,294)	(34,991)
Net cash outflow from financing	(34,294)	(34,991)

**Notes to the Cash Flow Statement
for the Year Ended 31 January 2004**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.03 £	Cash flow £	At 31.1.04 £
Net cash:			
Cash at bank and in hand	391	(324)	67
Bank overdraft	(235,905)	(664,531)	(900,436)
	<u>(235,514)</u>	<u>(664,855)</u>	<u>(900,369)</u>
Debt:			
Hire purchase	(25,942)	12,970	(12,972)
	<u>(25,942)</u>	<u>12,970</u>	<u>(12,972)</u>
Total	<u>(261,456)</u>	<u>(651,885)</u>	<u>(913,341)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	391		67
Bank overdraft	(235,905)		(900,436)
Hire purchase			
within one year	(12,969)		(4,806)
after one year	(12,973)		(8,166)
	<u>(261,456)</u>		<u>(913,341)</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

1. ACCOUNTING POLICIES

Accounting convention

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

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.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax.

In respect of long-term contracts, turnover represents the sales value of work done in the year, including estimates of amounts not invoiced.

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.

Freehold property	- 2% straight line
Leasehold property	- 2% straight line
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

Pension costs

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

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by annual instalments.

Government grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

2. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	921,677	1,088,227
Social security costs	77,247	81,276
Other pension costs	12,042	14,759
	<u>1,010,966</u>	<u>1,184,262</u>

The average monthly number of employees during the year was as follows:

	2004	2003
Production	42	55
Administration	15	15
	<u>57</u>	<u>70</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	68,284	75,814
Depreciation - assets on hire purchase contracts	5,158	11,045
Loss on disposal of fixed assets	1,868	11,712
Auditors' remuneration	4,500	3,500
	<u>79,750</u>	<u>101,071</u>
Directors' emoluments	167,601	175,713
Directors' pension contributions to money purchase schemes	5,631	8,492
	<u>173,232</u>	<u>184,205</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2004	2003
Money purchase schemes	3	4
	<u>3</u>	<u>4</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Bank interest	40,186	10,249
Bank loan interest	6,307	7,956
Other loan interest	-	1,184
Hire purchase and lease interest	2,210	1,540
	<u>48,703</u>	<u>20,929</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

5. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2004 £	2003 £
Current tax:		
UK corporation tax	(25,840)	(38,940)
Deferred taxation	(13,516)	-
Tax on loss on ordinary activities	<u>(39,356)</u>	<u>(38,940)</u>

UK corporation tax has been charged at 20.31% (2003 - 19.61%).

Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2004 £	2003 £
Loss on ordinary activities before tax	<u>(193,437)</u>	<u>(203,598)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.305% (2003 - 19.609%)	(39,277)	(39,924)
Effects of:		
Expenses not deductible for tax purposes	1,001	1,314
Depreciation in excess of capital allowances	12,932	233
Income not deductible for tax purposes period	(496)	(563)
Current tax credit	<u>(25,840)</u>	<u>(38,940)</u>

6. DIVIDENDS

	2004 £	2003 £
Equity shares:		
Final - Ordinary	<u>94,350</u>	<u>57,770</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

7. TANGIBLE FIXED ASSETS

	Freehold property	Leasehold property	Plant and machinery	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 February 2003	123,412	206,962	950,758	211,301	1,492,433
Additions	8,904	2,105	17,025	2,050	30,084
Disposals	-	-	(26,945)	(15,280)	(42,225)
At 31 January 2004	<u>132,316</u>	<u>209,067</u>	<u>940,838</u>	<u>198,071</u>	<u>1,480,292</u>
DEPRECIATION:					
At 1 February 2003	20,438	31,036	672,851	117,910	842,235
Charge for year	2,646	4,182	43,909	22,705	73,442
Eliminated on disposals	-	-	(24,821)	(10,168)	(34,989)
At 31 January 2004	<u>23,084</u>	<u>35,218</u>	<u>691,939</u>	<u>130,447</u>	<u>880,688</u>
NET BOOK VALUE:					
At 31 January 2004	<u>109,232</u>	<u>173,849</u>	<u>248,899</u>	<u>67,624</u>	<u>599,604</u>
At 31 January 2003	<u>102,975</u>	<u>175,926</u>	<u>277,907</u>	<u>93,392</u>	<u>650,200</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 February 2003	38,450	27,510	65,960
Transferred to ownership	(38,450)	-	(38,450)
At 31 January 2004	<u>-</u>	<u>27,510</u>	<u>27,510</u>
DEPRECIATION:			
At 1 February 2003	14,837	6,878	21,715
Charge for year	-	5,158	5,158
Transferred to ownership	(14,837)	-	(14,837)
At 31 January 2004	<u>-</u>	<u>12,036</u>	<u>12,036</u>
NET BOOK VALUE:			
At 31 January 2004	<u>-</u>	<u>15,474</u>	<u>15,474</u>
At 31 January 2003	<u>23,613</u>	<u>20,632</u>	<u>44,245</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

8. FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Geddes Window Systems Ltd

Nature of business: Manufacture of windows and doors

	%
Class of shares:	holding
Ordinary	100.00

Brownhill Precast Concrete Company Ltd

Nature of business: Property development

	%
Class of shares:	holding
Ordinary	100.00

Investments (neither listed nor unlisted) were as follows:

	2004 £	2003 £
Investment in Brownhill Precast Concrete Co Ltd	129,000	129,000
Investment in Geddes Window Systems Ltd	100	100
	<u>129,100</u>	<u>129,100</u>

9. STOCKS

	2004 £	2003 £
Raw materials and consumables	57,376	108,847
Work in progress	130,458	153,496
	<u>187,834</u>	<u>262,343</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade debtors	139,576	701,589
Other debtors	12,963	-
Prepayments & accrued income	7,418	13,464
Amounts owed by subsidiary undertakings	478,935	14,889
Amounts recoverable on long term contracts	171,805	170,060
Taxation	29,112	38,940
	<u>839,809</u>	<u>938,942</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Bank loans and overdrafts (see note 13)	922,401	257,137
Hire purchase contracts (see note 14)	4,806	12,969
Trade creditors	219,724	723,842
Amounts owed to subsidiary undertakings	44,057	59,190
Other creditors	210,958	198,137
Other taxation and social security costs	26,021	110,002
	<u>1,427,967</u>	<u>1,361,277</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2004 £	2003 £
Bank loans (see note 13)	46,071	68,127
Hire purchase contracts (see note 14)	8,166	12,973
	<u>54,237</u>	<u>81,100</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2004	2003
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	900,436	235,905
Bank loans	21,965	21,232
	<u>922,401</u>	<u>257,137</u>
Amounts falling due between one and two years:		
Bank loans	<u>20,071</u>	<u>22,034</u>
Amounts falling due between two and five years:		
Bank loans	<u>26,000</u>	<u>44,093</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>-</u>	<u>2,000</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2004	2003
	£	£
Gross obligations repayable:		
Within one year	5,884	15,170
Between one and five years	8,826	14,220
	<u>14,710</u>	<u>29,390</u>
Finance charges repayable:		
Within one year	1,078	2,201
Between one and five years	660	1,247
	<u>1,738</u>	<u>3,448</u>
Net obligations repayable:		
Within one year	4,806	12,969
Between one and five years	8,166	12,973
	<u>12,972</u>	<u>25,942</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

15. SECURED DEBTS

The following secured debts are included within creditors:

	2004 £	2003 £
Bank overdrafts	900,436	235,905
Bank loans	68,036	89,359
	<u>968,472</u>	<u>325,264</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2004 £	2003 £
Deferred taxation	<u>25,975</u>	<u>39,491</u>

	Deferred tax £
Balance at 1 February 2003	39,491
Decrease in provision in year	(13,516)
Balance at 31 January 2004	<u>25,975</u>

17. ACCRUALS AND DEFERRED INCOME

	2004 £	2003 £
Deferred government grants		
As at 1st February	16,279	19,152
Released in year	(2,442)	(2,873)
	<u>13,837</u>	<u>16,279</u>

18. CALLED UP SHARE CAPITAL

Authorised:			2004 £	2003 £
Number:	Class:	Nominal value:		
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid:			2004 £	2003 £
Number:	Class:	Nominal value:		
5,777	Ordinary	£1	<u>5,777</u>	<u>5,777</u>

19. OTHER RESERVES

	2004 £	2003 £
Capital redemption reserve	<u>6,223</u>	<u>6,223</u>

**Notes to the Abbreviated Accounts
for the Year Ended 31 January 2004**

20. CONTINGENT LIABILITIES

The company has given its bank a cross guarantee in respect of Brownhill Precast Concrete Company Limited and Geddes Window Systems Limited, both subsidiary companies.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Loss for the financial year	(154,081)	(164,658)
Dividends	(94,350)	(57,770)
Net reduction of shareholders' funds	(248,431)	(222,428)
Opening shareholders' funds	482,829	705,257
Closing shareholders' funds	234,398	482,829
 Equity interests	 234,398	 482,829