



**THE GLAMIS PROPERTY
COMPANY LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

1 MARCH 2000

THE GLAMIS PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 1 March 2000

Company registration number: SC034509

Registered office: Glamis House
33 Albert Square
DUNDEE

Directors: Mr Alex Smith (Chairman) (retired 30 April 2000)
Mr R J W Smith
Mrs J A Smith (retired 30 April 2000)
Mr I M Christie CA

Secretary: Mr I M Christie CA

Bankers: Clydesdale Bank PLC
The Royal Bank of Scotland PLC

Solicitors: Shield & Kyd
Ross Strachan & Co
MacRoberts

Auditors: Grant Thornton
Registered auditors
Chartered accountants

THE GLAMIS PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 1 March 2000

INDEX

PAGE

Report of the directors	1 - 2
Report of the auditors	3
Principal accounting policies	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 15

THE GLAMIS PROPERTY COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 1 March 2000.

Principal activities

The Glamis Property Company Limited is principally engaged in property investment.

Business review

The profit for the year of £35,529 (1999 - £10,256) and the appropriation thereof are shown in the profit and loss account on page 5. The directors recommend payment of dividends of £24,400.

Directors

The present membership of the Board is set out below. All directors served throughout the year. Mr Alex Smith was due to retire by rotation. He did not seek re-election and retired on 30 April 2000.

Mrs JA Smith retired from the Board on 30 April 2000.

The interests of the directors in the shares of the company were as follows:

	Ordinary shares	
	1 March 2000	2 March 1999
Mr Alex Smith (Chairman) (retired 30 April 2000)	694	694
Mr R J W Smith	19,537	19,537
Mrs J A Smith (retired 30 April 2000)	694	694
Mr I M Christie CA	-	-

Directors' responsibilities for the financial statements

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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Market value of land and heritable properties

The directors consider that it is not relevant under present circumstances to incur the expense of valuation of land and buildings although such a valuation would show the market value to be in excess of book value.

THE GLAMIS PROPERTY COMPANY LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Ian M Christie
Secretary
30 April 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
THE GLAMIS PROPERTY COMPANY LIMITED**

We have audited the financial statements on pages 4 to 15 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. 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 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

The financial statements do not comply with the terms of Statement of Standard Accounting Practice No 19 as regards the revaluation of investment properties.

The financial statements do not comply with the terms of Statement of Standard Accounting Practice No 24 as regards the provision of unfunded contractual pension payments to two directors. The effects of this are disclosed in note 19 to the financial statements.

Except for the foregoing, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 1 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

GLASGOW OFFICE

Date

30 April 2001

THE GLAMIS PROPERTY COMPANY LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiaries, it qualifies as a medium-sized group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover comprises rents and associated charges receivable by the company in the ordinary course of business with outside customers, excluding Value Added Tax.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets (with the exception of land) by equal instalments over their expected useful lives. However, in respect of buildings, the useful lives and estimated residual values are mainly considered such that depreciation is not material. Accordingly, no depreciation is provided in respect of heritable property. However, in accordance with FRS 15, the directors consider those buildings for impairment on an annual basis. The rate applicable in respect of other assets is 25% on a reducing balance basis.

INVESTMENT PROPERTIES

Certain of the company's properties are held for long-term investment and are included in the balance sheet at cost. This policy represents a departure from SSAP 19, which requires investment properties to be carried at market value. Depreciation is not provided in respect of freehold investment properties.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

CONTRIBUTIONS TO PENSION FUNDS

The pension costs charged against profits represent the amount of the contributions payable to the Group schemes in respect of the accounting period.

THE GLAMIS PROPERTY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 1 March 2000

	Note	2000 £	1999 £
Turnover	1	402,557	400,331
Cost of sales		(61,895)	(70,551)
Gross profit		340,662	329,780
Administrative expenses		(117,441)	(119,314)
Operating profit		223,221	210,466
Exceptional items			
Profit on sale of fixed assets		112,963	16,505
Interest payable and similar charges		(105,355)	(117,483)
Profit on ordinary activities before taxation	1	230,829	109,488
Tax on profit on ordinary activities	2	(195,300)	(99,232)
Profit for the financial year	11	35,529	10,256
Dividends			
Equity		(24,400)	-
		(24,400)	-
Profit transferred to reserves		11,129	10,256

STATEMENT OF RETAINED EARNINGS

	2000 £	1999 £
At 2 March 1999	1,699,402	1,689,146
Retained profit for the year	11,129	10,256
At 1 March 2000	1,710,531	1,699,402

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

THE GLAMIS PROPERTY COMPANY LIMITED

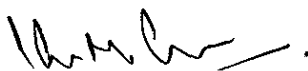
BALANCE SHEET AT 1 MARCH 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	3		3,539,514		2,786,947
Investments	4		250,100		250,100
			<u>3,789,614</u>		<u>3,037,047</u>
Current assets					
Debtors	5	596,255		588,945	
Cash at bank and in hand		-		3,412	
		<u>596,255</u>		<u>592,357</u>	
Creditors: amounts falling due within one year	6	(601,153)		(297,830)	
Net current liabilities			<u>(4,898)</u>		<u>294,527</u>
Total assets less current liabilities			<u>3,784,716</u>		<u>3,331,574</u>
Creditors: amounts falling due after more than one year	7		(1,928,068)		(1,486,055)
Provisions for liabilities and charges	8		(317)		(317)
			<u>1,856,331</u>		<u>1,845,202</u>
Capital and reserves					
Called up share capital	10		61,000		61,000
Share premium account	12		63,000		63,000
Revaluation reserve	12		17,050		17,050
Other reserves	12		4,750		4,750
Profit and loss account			1,710,531		1,699,402
Shareholders' funds	11		<u>1,856,331</u>		<u>1,845,202</u>

The financial statements were approved by the Board of Directors on 30 April 2001.



Director



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

THE GLAMIS PROPERTY COMPANY LIMITED

CASH FLOW STATEMENT

For the year ended 1 March 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	13	224,101	211,023
Returns on investments and servicing of finance			
Interest paid		(105,355)	(117,483)
Net cash outflow from returns on investments and servicing of finance		(105,355)	(117,483)
Taxation		(1,391)	(110,854)
Capital expenditure			
Purchase of tangible fixed assets		(910,008)	(205,795)
Sale of tangible fixed assets		273,504	134,990
Net cash outflow from capital expenditure		(636,504)	(70,805)
Equity dividends paid		(24,400)	-
Financing			
Receipts from borrowings		675,600	149,600
Repayment of borrowings		(169,055)	(48,863)
Capital element of finance lease rentals		(3,095)	(3,167)
Net cash inflow from financing		503,450	97,570
(Decrease) / Increase in cash	15	(40,099)	9,451

The accompanying accounting policies and notes form an integral part of these financial statements.

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is derived from the principal activity of property investment.

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration - audit services	4,500	7,000
Depreciation	3,434	2,325
Directors emoluments recharged from group undertakings	67,500	65,000

2 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
UK Corporation tax at 20% (1999 - 21%)	-	541
Group relief	195,300	98,136
Deferred taxation	-	(295)
	195,300	98,382
Adjustments in respect of prior periods:		
Corporation tax	-	850
	195,300	99,232

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

3 TANGIBLE FIXED ASSETS

	Investment properties £	Heritable Property £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 2 March 1999	2,599,088	180,448	14,500	5,957	2,799,993
Additions	708,680	201,330	13,734	-	923,744
Reclassifications	(107,111)	107,111	-	-	-
Disposals	(160,543)	-	(14,500)	-	(175,043)
At 1 March 2000	3,040,114	488,889	13,734	5,957	3,548,694
Depreciation					
At 2 March 1999	-	350	7,300	5,396	13,046
Provided in the year	-	-	3,434	-	3,434
Eliminated on disposals	-	-	(7,300)	-	(7,300)
At 1 March 1999	-	350	3,434	5,396	9,180
Net book amount at 1 March 2000	3,040,114	488,539	10,300	561	3,539,514
Net book amount at 1 March 1999	2,599,088	180,098	7,200	561	2,786,947

Contributions received relating to investment properties have been deducted from the cost of fixed assets. This is not in accordance with schedule 4 of the Companies Act which requires assets to be shown at purchase price or production cost and contributions to be presented as deferred income. This departure from the requirements of the Act is in the opinion of the directors necessary to give a true and fair view, as the related assets are not depreciated and therefore no basis exists to recognise contributions as deferred income.

The figures stated above include assets held under hire purchase contracts, as follows:

	Motor vehicles £
Net book amount at 1 March 2000	10,300
Net book amount at 1 March 1999	7,200
Depreciation provided during year	3,434

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

4 FIXED ASSETS INVESTMENTS

Shares in
group
undertakings
£

At 1 March 2000 and 2 March 1999

250,100

At 1 March 2000 the company held more than 20% of the allotted share capital of the following undertakings:

	Country of registration	Class of share capital held	Proportion held	Nature of business	Capital and reserves	Profit / (loss) for the financial year
					£	£
Alex Smith (Stores) Ltd	Scotland	Ordinary	100%	Retail Furniture	227,608	(29,832)
Robert Cable & Co Ltd	Scotland	Ordinary	100%	Finance Company	126,672	(71,017)
Howlon Ltd	Scotland	Ordinary	100%	Property trading	17,743	(35,064)
George Fairweather Ltd	Scotland	Ordinary	100%	Non trading	22,559	-
Cable Asset Management Ltd	Scotland	Ordinary	100%	Non trading	148,360	-
Rapid Recovery (Scotland) Limited	Scotland	Ordinary	100%	Non trading	100	-
Cable Financial Services Ltd	Scotland	Ordinary	100%	Non trading	100	-

The financial statements of the above subsidiary undertakings have not been consolidated because the directors have claimed exemption from doing so as a medium sized group under s248(3) of the Companies Act 1985.

5 DEBTORS

	2000 £	1999 £
Trade debtors	-	2,388
Amounts owed by subsidiary undertakings	596,255	586,557
	<u>596,255</u>	<u>588,945</u>

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans	89,616	20,334
Bank overdraft	36,687	-
Amounts due to subsidiary undertakings	197,830	197,831
Subsidiary undertaking creditor in respect of group relief	195,300	1,391
Social security and other taxes	-	585
Accruals and deferred income	78,720	75,578
Obligations under hire purchase agreements	3,000	2,111
	<u>601,153</u>	<u>297,830</u>

The bank loans are secured on specific properties belonging to the company.

The obligations under hire purchase agreements are secured on the underlying assets.

There are no fixed terms for payment of the amounts due to subsidiary undertakings.

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans	1,923,318	1,486,055
Obligations under hire purchase agreements	4,750	-
	<u>1,928,068</u>	<u>1,486,055</u>

Bank loans

The bank loans are repayable by monthly instalments over 13 years commencing August 1992, July 1994, December 1994, February 1995, January 1996, June 1997, March 1999, June 1999, September 2000, September 2001, October 2001 and November 2001 respectively, and carry interest at 1.5% over the base rate. The loans are secured as shown in note 6 above.

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

Borrowings are repayable as follows:	2000 £	1999 £
Within one year		
Bank and other borrowings	126,303	20,334
Obligations under hire purchase agreements	3,000	2,111
After one and within two years		
Bank and other borrowings	160,568	42,094
Obligations under hire purchase agreements	3,000	-
After two and within five years		
Bank and other borrowings	361,672	246,866
Obligations under hire purchase agreements	1,750	-
After five years		
Bank and other borrowings	1,401,078	1,197,095
	<u>2,057,371</u>	<u>1,508,500</u>
Bank and other borrowings repayable after five years comprise:	2000 £	1999 £
Bank loans	<u>1,401,078</u>	<u>1,197,095</u>

8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Total £
At 2 March 1999	317	317
At 1 March 2000	<u>317</u>	<u>317</u>

9 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	Amount provided 2000 £	1999 £
Accelerated capital allowances	<u>317</u>	<u>317</u>

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

10 SHARE CAPITAL

	2000 £	1999 £
Authorised 61,000 ordinary shares of £1 each	61,000	61,000
Allotted, called up and fully paid 61,000 ordinary shares of £1 each	61,000	61,000

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	35,529	10,256
Dividends	(24,400)	-
	11,129	10,256
Shareholders' funds at 2 March 1999	1,845,202	1,834,946
Shareholders' funds at 1 March 2000	1,856,331	1,845,202

12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Revaluation reserve £	Other reserves £
At 2 March 1999 and 1 March 2000	63,000	17,050	4,750

13 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	223,221	210,466
Depreciation	3,434	2,325
Loss on sale of tangible fixed assets	2,200	-
Increase in debtors	(7,310)	(69,428)
Increase in creditors	2,556	67,660
Net cash inflow from continuing operating activities	224,101	211,023

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

14 ANALYSIS OF CHANGES IN NET DEBT

	At 2 March 1999 £	Cash flow £	Non - cash items £	At 1 March 2000 £
Cash in hand and at bank	3,412	(3,412)	-	-
Bank overdraft	-	(36,687)	-	(36,687)
Debt	(1,506,389)	(506,545)	-	(2,012,934)
Finance leases	(2,111)	3,095	(8,734)	(7,750)
	<u>(1,505,088)</u>	<u>(543,549)</u>	<u>(8,734)</u>	<u>(2,057,371)</u>

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
Decrease in cash in the year	(40,099)	9,451
Cash inflow from financing in the year	(506,545)	(100,737)
Cash outflow from finance leases in the year	3,095	3,167
Inception of finance leases	(8,734)	-
Movement in net debt in the year	<u>(552,283)</u>	<u>(88,119)</u>
Net debt at 2 March 1999	<u>(1,505,088)</u>	<u>(1,416,969)</u>
Net debt at 1 March 2000	<u>(2,057,371)</u>	<u>(1,505,088)</u>

16 CAPITAL COMMITMENTS

There were no capital commitments at 1 March 2000 (1999 - £147,500).

17 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 1 March 2000 or 1 March 1999 except in respect of deferred taxation.

18 GUARANTEES

In addition to the properties secured per note 6, the company has granted a standard security over one of its properties as security for a bank overdraft of Robert Cable & Company Limited which amounted to £1,737,672 at 1 March 2000.

THE GLAMIS PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 1 March 2000

19 PENSIONS

The company has contracted to pay annual pensions of £37,390 (1999 - £37,390) to two directors for past services. The actuarial valuation of the unfunded future pension liability at 1 March 2000 was £202,339 (1999 - £202,592) for which no provision has been made in the financial statements.

The company makes contributions to group personal pension plans operated by a subsidiary undertaking. The contributions are on behalf of those members of staff who have elected to join the scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension contributions payable by the company to the fund amounted to £4,334 (1999 - £4,313)

20 RELATED PARTY TRANSACTIONS AND CONTROLLING RELATED PARTY

During the year the company entered into the following transactions with related parties who are related by virtue of common control.

Management charges of £60,000 (1999 - £59,000) were recharged to Howlon Limited plus £8,074 (1999 - £22,332) of expenses and overheads. Howlon Limited remitted £5,000 (1999 - £35,000) to the company.

Expenses and overheads amounting to £111,582 (1999 - £106,453) and management charges of £127,500 (1999 - £124,000) were recharged by Alex Smith (Stores) Limited. In addition, Alex Smith (Stores) Limited paid £204,293 in respect of property purchases on behalf of the company. The company remitted £390,000 (1999 - £305,000) to Alex Smith (Stores) Limited.

During the year five properties were leased to Robert Cable & Company Limited at no charge. Although no formal lease exists, the finance costs are incurred by Robert Cable & Company Limited amounting to £14,040 (1999 - £8,130).

The balances due by Howlon Limited, Cable Asset Management Limited and Alex Smith (Stores) Limited amount to £150,275 (1999 - £87,202), £64,714 (1999 - £64,714) and £381,266 (1999 - £434,645) respectively and are included in note 5. The balance due to Robert Cable & Company Limited is £197,830 (1999 - £197,831) and included in note 6. In addition the company was charged £195,300 by Robert Cable & Company Ltd for use of their group tax relief which is disclosed as a creditor in note 6.