

THE GLAMIS PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

1 MARCH 2001

Company no SC034509

THE GLAMIS PROPERTY COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 1 March 2001

Company registration number:	SC034509
Registered office:	Glamis House 33 Albert Square DUNDEE
Directors:	Mr R J W Smith (Chairman) Mr I M Christie CA Mr Alex Smith (retired 30 April 2000) Mrs J A Smith (retired 30 April 2000)
Secretary:	Mr I M Christie CA
Bankers:	The Royal Bank of Scotland PLC
Solicitors:	MacRoberts Shield & Kyd
Auditors:	Grant Thornton Registered auditors Chartered accountants

THE GLAMIS PROPERTY COMPANY LIMITED

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For the year ended 1 March 2001

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REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 1 March 2001.

Principal activities

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

Business review

There was a profit for the year after taxation amounting to £70,372 (2000: profit £35,529). The directors recommend payment of dividends of £24,400 (2000: £24,400).

Directors

The present membership of the Board is set out below. All directors served throughout the year except where stated. Mr I M Christie retired by rotation and being eligible was re-elected.

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

	Ordinary shares	
	1 March 2001	2 March 2000
Mr R J W Smith (Chairman)	19,537	19,537
Mr I M Christie CA	-	-
Mr Alex Smith (retired 30 April 2000)	694	694
Mrs J A Smith (retired 30 April 2000)	-	694

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.

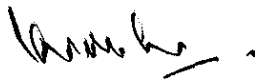
Market value of land and heritable properties

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.

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
22 February 2002

REPORT OF THE AUDITORS TO THE MEMBERS OF

THE GLAMIS PROPERTY COMPANY LIMITED

We have audited the financial statements on pages 4 to 14 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.

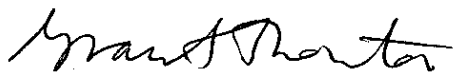
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 as disclosed in the principal accounting policies.

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 retired 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 2001 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
25 February 2002

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 (being those which do not qualify as investment properties), 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 2001

	Note	2001 £	2000 £
Turnover	1	**449,376**	402,557
Cost of sales		**(77,152)**	(61,895)
Gross profit		**372,224**	340,662
Administrative expenses		**(121,375)**	(117,441)
Operating profit		**250,849**	223,221
Exceptional items			
Profit on sale of fixed assets		**46,848**	112,963
Other interest receivable and similar income		**21,237**	-
Interest payable and similar charges		**(133,685)**	(105,355)
Profit on ordinary activities before taxation	1	**185,249**	230,829
Tax on profit on ordinary activities	2	**(114,877)**	(195,300)
Profit for the financial year	11	**70,372**	35,529
Dividends			
Equity		**(24,400)**	(24,400)
		(24,400)	(24,400)
Profit transferred to reserves		**45,972**	11,129

STATEMENT OF RETAINED EARNINGS	2001 £	2000 £
At 2 March 2000	**1,710,531**	1,699,402
Retained profit for the year	**45,972**	11,129
At 1 March 2001	**1,756,503**	1,710,531

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 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	3		3,505,139		3,539,514
Investments	4		250,100		250,100
			3,755,239		3,789,614
Current assets					
Debtors	5	381,390		596,255	
Cash at bank and in hand		2,875,000		-	
		3,256,390		596,255	
Creditors: amounts falling due within one year	6	(3,265,720)		(601,153)	
Net current liabilities			(9,330)		(4,898)
Total assets less current liabilities			3,745,909		3,784,716
Creditors: amounts falling due after more than one year	7		(1,843,606)		(1,928,068)
Provisions for liabilities and charges	8		-		(317)
			1,902,303		1,856,331
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			1,756,503		1,710,531
Shareholders' funds	11		1,902,303		1,856,331

The financial statements were approved by the Board of Directors on 22 February 2002

I M Christie **Director**

R J W Smith **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 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	13	**135,312**	224,102
Returns on investments and servicing of finance			
Interest received		**21,237**	-
Interest paid		**(133,685)**	(105,355)
Net cash outflow from returns on investments and servicing of finance		**(112,448)**	(105,355)
Taxation		**(50,226)**	(1,391)
Capital expenditure			
Purchase of tangible fixed assets		**(41,092)**	(910,008)
Sale of tangible fixed assets		**119,740**	273,504
Net cash outflow from capital expenditure		**78,648**	(636,504)
Acquisitions and disposals			
Proceeds from sales of businesses within subsidiaries		**2,925,103**	-
Equity dividends paid		-	(24,400)
Management of liquid resources			
Deposits		**(2,875,000)**	-
Financing			
Receipts from borrowings		**83,200**	675,600
Repayment of borrowings		**(157,138)**	(169,056)
Capital element of finance lease rentals		**(3,000)**	(3,095)
Net cash outflow from financing		**(76,938)**	503,449
Increase / (Decrease) in cash	15	**24,451**	(40,099)

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

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:	2001 £	2000 £
Auditors' remuneration - audit services	4,600	4,500
Depreciation	2,575	3,434
Directors emoluments recharged from group undertakings	67,500	67,500

2 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
UK Corporation tax at 21% (2000 - 21%)	23,201	-
Group relief	91,993	195,300
Deferred taxation	(317)	-
	114,877	195,300

3 TANGIBLE FIXED ASSETS

	Investment properties £	Heritable Property £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
At 2 March 2000	3,040,114	488,889	13,734	5,957	3,548,694
Additions	-	41,092	-	-	41,092
Reclassifications	276,570	(276,570)	-	-	-
Disposals	(72,892)	-	-	-	(72,892)
At 1 March 2001	3,243,792	253,411	13,734	5,957	3,516,894
Depreciation					
At 2 March 2000	-	350	3,434	5,396	9,180
Provided in the year	-	-	2,575	-	2,575
At 1 March 2001	-	350	6,009	5,396	11,755
Net book amount at 1 March 2001	**3,243,792**	**253,061**	7,725	**561**	**3,505,139**
Net book amount at 1 March 2000	3,040,114	488,539	10,300	561	3,539,514

Contributions received amounting to £54,000 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 2001	7,725
Net book amount at 1 March 2000	10,300
Depreciation provided during year	2,575

4 FIXED ASSETS INVESTMENTS

	Shares in group undertakings £
At 1 March 2001 and 2 March 2000	250,100

At 1 March 2001 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	661,226	433,618
Robert Cable & Co Ltd	Scotland	Ordinary	100%	Finance Company	1,128,379	1,001,707
Howlon Ltd	Scotland	Ordinary	100%	Property trading	17,743	-
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

	2001 £	2000 £
Amounts owed by subsidiary undertakings	331,164	596,255
Taxation recoverable	50,226	-
	381,390	596,255

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank loans	97,140	89,616
Bank overdraft	12,236	36,687
Amounts due to subsidiary undertakings	2,913,233	393,130
Corporation Tax (including group relief - see below)	115,194	-
Proposed dividends	24,400	-
Accruals and deferred income	100,517	78,720
Obligations under hire purchase agreements	3,000	3,000
	3,265,720	601,153

The above corporation tax creditor includes amounts due to group undertakings of £91,993 in respect of group relief. The balance of £23,201 is in respect of amounts due to taxation authorities.

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

	2001 £	2000 £
Bank loans	1,841,856	1,923,318
Obligations under hire purchase agreements	1,750	4,750
	1,843,606	1,928,068

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, November 2001 and May 2002 respectively, and carry interest at 1.5% over the base rate. The loans are secured as shown in note 6 above.

Borrowings are repayable as follows:	2001 £	2000 £
Within one year		
Bank and other borrowings	109,376	126,303
Obligations under hire purchase agreements	3,000	3,000
After one and within two years		
Bank and other borrowings	127,380	160,568
Obligations under hire purchase agreements	1,750	3,000
After two and within five years		
Bank and other borrowings	442,251	361,672
Obligations under hire purchase agreements	-	1,750
After five years		
Bank and other borrowings	1,272,225	1,401,078
	1,955,982	2,057,371

Bank and other borrowings repayable after five years comprise:	2001 £	2000 £
Bank loans	1,272,225	1,401,078

8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Total £
At 2 March 2000	317	317
Utilised during the year	(317)	(317)
At 1 March 2001	-	-

9 DEFERRED TAXATION

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

	Amount provided 2001 £	2000 £
Accelerated capital allowances	-	317

10 SHARE CAPITAL

	2001 £	2000 £
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

	2001 £	2000 £
Profit for the financial year	**70,372**	35,529
Dividends	**(24,400)**	(24,400)
	45,972	11,129
Shareholders' funds at 2 March 2000	**1,856,331**	1,845,202
Shareholders' funds at 1 March 2001	**1,902,303**	1,856,331

12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Revaluation reserve £	Other reserves £
At 1 March 2001 and 2 March 2000	63,000	17,050	4,750

13 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	**250,849**	223,221
Depreciation	**2,575**	3,434
Loss on sale of tangible fixed assets	**-**	2,200
Decrease in debtors	**265,091**	(7,310)
Decrease in creditors	**(383,203)**	2,557
Net cash inflow from continuing operating activities	**135,312**	224,102

14 ANALYSIS OF CHANGES IN NET DEBT

	At 2 March 2000 £	Cash flow £	At 1 March 2001 £
Bank overdraft	(36,687)	24,451	**(12,236)**
Debt	(2,012,934)	73,938	**(1,938,996)**
Finance leases	(7,750)	3,000	**(4,750)**
Bank Deposits	-	2,875,000	**2,875,000**
	(2,057,371)	2,976,389	**919,018**

Bank deposits comprise of two separate deposits of £2,750,000 and £125,000, both attracting interest at a rate of 5.375% and maturing on 5 March 2001.

15 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase in cash in the year	**24,451**	(40,099)
Cash outflow from financing in the year	**73,938**	(506,544)
Cash outflow from finance leases in the year	**3,000**	3,095
Cash outflow from increase in liquid resources	**2,875,000**	-
Inception of finance leases	**-**	(8,734)
Movement in net debt in the year	**2,976,389**	(552,282)
Net debt at 2 March 2000	**(2,057,371)**	(1,505,089)
Net funds at 1 March 2001	**919,018**	(2,057,371)

16 CAPITAL COMMITMENTS

There were no capital commitments at 1 March 2001 or 1 March 2000.

17 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 1 March 2001 or 1 March 2000.

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 £1,278,181 at 1 March 2001.

19 PENSIONS

The company has contracted to pay annual pensions of £19,830 (2000 - £37,390) for past directors services. The actuarial valuation of the unfunded future pension liability at 1 March 2001 was £112,722 (2000 - £202,339) 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 £3,760 (2000 - £4,334)

20 RELATED PARTY TRANSACTIONS

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 (2000 - £60,000) were recharged to Howlon Limited plus £8,907 (2000 - £8,074) of expenses and overheads. Howlon Limited remitted £Nil (2000 - £5,000) to the company.

Expenses and overheads amounting to £112,934 (2000 - £111,582) and management charges of £127,500 (2000 - £127,500) were recharged by Alex Smith (Stores) Limited. In addition, Alex Smith (Stores) Limited paid £Nil (2000 - £204,293) in respect of property purchases on behalf of the company and remitted the proceeds of an insurance policy of £93,803 to the company. The company remitted £Nil (2000 - £390,000) to Alex Smith (Stores) Limited.

During the year seven 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 £16,926 (2000 - £14,040). Part of the cash proceeds from Robert Cable & Company Limited's disposals to Shopacheck Financial Services Limited amounting to £2,925,103 were paid to the company. Other cash transfers to Robert Cable & Company Limited of £405,000 were made by the company.

In addition, the company leases a property from a third party which is sub-let to Robert Cable & Company Limited. The annual rent on this property amounts to £14,850, and the outstanding lease period is 9 years.

The balances due by Howlon Limited, Cable Asset Management Limited, and Alex Smith (Stores) Limited amount to £219,183 (2000 - £150,275), £64,714 (2000 - £64,714) and £47,016 (2000 - £381,266) respectively and are included in note 5. The balance due to Robert Cable & Company Limited is £2,913,233 (2000 - £391,300) and included in note 6. In addition the company was charged £31,212 and £60,781 by Howlon Limited and Scott's Travel Agency, a subsidiary of Robert Cable & Company Limited, for use of their group tax relief which is disclosed as a creditor in note 6.