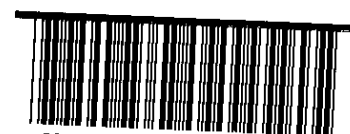
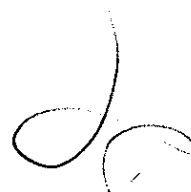


BEATSON'S BUILDING SUPPLIES LIMITED
FINANCIAL STATEMENTS
FOR
31 JULY 2001

Company Registration Number 44008



SCT SWCZ29BL
COMPANIES HOUSE

0233
22/03/02

BEATSON'S BUILDING SUPPLIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was supplying building materials.

The directors anticipate that increased turnover and profit will be sustained.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 31 July 2001	At 1 August 2000 or later date of appointment
J Marshall Jnr		315,000	315,000
S Marshall	(Appointed 26 July 2001)	-	-

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

BEATSON'S BUILDING SUPPLIES LIMITED**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31 JULY 2001****DONATIONS**

During the year the company made the following contributions:

	2001	2000
	£	£
Charitable	<u>2,415</u>	<u>1,164</u>

Signed by order of the directors



J Hunter
Company Secretary

Approved by the directors on 6 March 2002

CHARTERED ACCOUNTANTS

4 Dumbarton Road, Clydebank G81 1TU
Tel: 0141 941 3232 Fax: 0141 951 1116 E mail: clhde@millerc.co.uk

R M McGowan CA · W McKenna CA

BEATSON'S BUILDING SUPPLIES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31 JULY 2001

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of investment properties and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

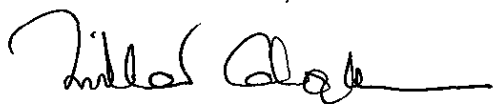
BASIS OF AUDIT OPINION

We conducted our audit in accordance with 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 31 July 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



MILLER COLQUHOUN
Chartered Accountants
& Registered Auditors

19 March 2002



BEATSON'S BUILDING SUPPLIES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JULY 2001**

	Note	£	2000 £
TURNOVER	2	8,135,839	7,534,955
Cost of sales		(5,795,281)	(5,515,706)
GROSS PROFIT		<u>2,340,558</u>	<u>2,019,249</u>
Administrative expenses		(2,099,663)	(1,778,835)
Other operating income	3	42,378	15,632
OPERATING PROFIT	4	<u>283,273</u>	<u>256,046</u>
Interest receivable		956	1,423
Interest payable	7	(9,784)	(4,008)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>274,445</u>	<u>253,461</u>
Tax on profit on ordinary activities	8	(50,206)	(40,952)
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>224,239</u></u>	<u><u>212,509</u></u>

The company has no recognised gains or losses other than the results for the year as set out above.

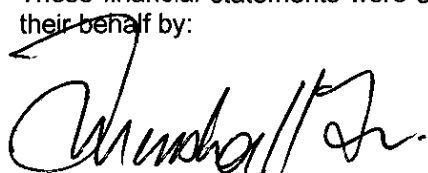
All of the activities of the company are classed as continuing.

The notes on pages 7 to 12 form part of these financial statements.

BEATSON'S BUILDING SUPPLIES LIMITED**BALANCE SHEET AT 31 JULY 2001**

	Note	£	£	2000 £
FIXED ASSETS				
Tangible assets	9		1,603,955	<u>1,546,403</u>
CURRENT ASSETS				
Stocks	10	788,779		806,889
Debtors	11	1,597,165		1,425,414
Cash in hand		357		633
		<u>2,386,301</u>		<u>2,232,936</u>
CREDITORS: Amounts falling due within one year	12	<u>(2,206,334)</u>		<u>(2,219,656)</u>
NET CURRENT ASSETS			179,967	13,280
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,783,922</u>	<u>1,559,683</u>
CAPITAL AND RESERVES				
Called-up equity share capital	14		315,000	315,000
Other reserves	15		35,889	35,889
Profit and Loss Account	16		1,433,033	1,208,794
SHAREHOLDER'S FUNDS	17		<u>1,783,922</u>	<u>1,559,683</u>

These financial statements were approved by the directors on the 6 March 2002 and are signed on their behalf by:



J Marshall Jnr

BEATSON'S BUILDING SUPPLIES LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 JULY 2001**

	Note	£	£	2000 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18		464,058	168,166
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received		956		1,423
Interest paid		(9,784)		(4,008)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(8,828)	(2,585)
TAXATION			(40,952)	3,546
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets		(277,364)		(248,504)
Receipts from sale of fixed assets		55,218		7,300
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(222,146)	(241,204)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			192,132	(72,077)
FINANCING			-	-
INCREASE/(DECREASE) IN CASH	19		192,132	(72,077)

The notes on pages 7 to 12 form part of these financial statements.

BEATSON'S BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investment properties, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Heritable land and buildings	
Investment properties	- nil
Others	- 2% straight line
Plant and machinery	- 15% straight line
Furniture and fittings	- 15% straight line
Motor vehicles	- 20% straight line

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year. This is in accordance with Statement of Standard Accounting Practice 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for *obsolete and slow moving items*.

Operating lease agreements

Rents receivable from and rentals payable under operating leases are recognised on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

BEATSON'S BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2001****2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	£	2000 £
United Kingdom	<u>8,135,839</u>	<u>7,534,955</u>

3. OTHER OPERATING INCOME

	£	2000 £
Rent receivable	18,975	11,922
Commission receivable	6,213	-
Profit on disposal of fixed assets	17,190	3,710
	<u>42,378</u>	<u>15,632</u>

The rents receivable are in respect of rents receivable under operating leases.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	£	2000 £
Depreciation	181,784	149,652
Profit on disposal of fixed assets	(17,190)	(3,710)
Auditors' remuneration		
- as auditors	<u>6,500</u>	<u>6,125</u>

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	No.	2000 No.
Number of production staff	36	35
Number of administrative staff	24	21
	<u>60</u>	<u>56</u>

The aggregate payroll costs of the above were:

	£	2000 £
Wages and salaries	1,070,978	934,482
Social security costs	104,066	104,500
Staff pension contributions	19,880	25,975
Other pension costs	135,600	39,929
	<u>1,330,524</u>	<u>1,104,886</u>

BEATSON'S BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2001****6. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	£	2000 £
Emoluments receivable	183,063	185,907
Value of company pension contributions to money purchase schemes	135,600	39,929
	<u>318,663</u>	<u>225,836</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	No. 2	2000 No. 1
Money purchase schemes	<u>2</u>	<u>1</u>

7. INTEREST PAYABLE

	£	2000 £
Interest payable on bank borrowing	<u>9,784</u>	<u>4,008</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	£	2000 £
Corporation Tax based on the results for the year at 20% (2000 - 20%)	<u>50,206</u>	<u>40,952</u>

9. TANGIBLE FIXED ASSETS

	Heritable property £	Plant & machinery £	Furniture & fittings £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 August 2000	1,030,746	257,417	164,736	535,591	1,988,490
Additions	10,498	65,219	8,174	193,473	277,364
Disposals	-	(40,685)	-	(105,587)	(146,272)
At 31 July 2001	<u>1,041,244</u>	<u>281,951</u>	<u>172,910</u>	<u>623,477</u>	<u>2,119,582</u>
DEPRECIATION					
At 1 August 2000	78,852	89,771	50,313	223,151	442,087
Charge for the year	18,906	36,677	23,464	102,737	181,784
On disposals	-	(21,161)	-	(87,083)	(108,244)
At 31 July 2001	<u>97,758</u>	<u>105,287</u>	<u>73,777</u>	<u>238,805</u>	<u>515,627</u>
NET BOOK VALUE					
At 31 July 2001	<u>943,486</u>	<u>176,664</u>	<u>99,133</u>	<u>384,672</u>	<u>1,603,955</u>
At 31 July 2000	<u>951,894</u>	<u>167,646</u>	<u>114,423</u>	<u>312,440</u>	<u>1,546,403</u>

Included in heritable property is £86,200 (2000 £86,200) relating to investment properties from which the company receives operating lease rentals. These properties were revalued at 31 July 2001 by the directors and are included in the financial statements at values that represent their opinion of the open market value, with the surplus being credited to the investment property revaluation reserve.

BEATSON'S BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2001****10. STOCKS**

	2000 £	2000 £
Finished goods and goods for resale	<u>788,779</u>	<u>806,889</u>

11. DEBTORS

	2000 £	2000 £
Trade debtors	1,535,367	1,394,448
Other debtors	23,336	27,929
Prepayments and accrued income	38,462	3,037
	<u>1,597,165</u>	<u>1,425,414</u>

12. CREDITORS: Amounts falling due within one year

	2000 £	2000 £
Bank loans and overdrafts	537,538	729,946
Trade creditors	1,017,194	864,963
Corporation Tax	50,206	40,952
PAYE and social security	52,849	98,966
VAT	80,588	34,934
Directors current account	231,784	230,885
Accruals and deferred income	236,175	219,010
	<u>2,206,334</u>	<u>2,219,656</u>

13. DEFERRED TAXATION

No provision has been made in the accounts and the amounts unprovided at the end of the year are as follows:

	2000 £	2000 £
Excess of taxation allowances over depreciation on fixed assets	<u>43,904</u>	<u>33,937</u>

14. SHARE CAPITAL**Authorised share capital:**

	2000 £	2000 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2000 £	2000 £
Ordinary share capital	<u>315,000</u>	<u>315,000</u>

15. OTHER RESERVES

	2000 £	2000 £
Investment property revaluation reserve	<u>35,889</u>	<u>35,889</u>

BEATSON'S BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2001****16. PROFIT AND LOSS ACCOUNT**

	2000 £	2000 £
Balance brought forward	1,208,794	996,285
Retained profit for the financial year	224,239	212,509
Balance carried forward	<u>1,433,033</u>	<u>1,208,794</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2000 £	2000 £
Profit for the financial year	224,239	212,509
Opening shareholder's equity funds	1,559,683	1,347,174
Closing shareholder's equity funds	<u>1,783,922</u>	<u>1,559,683</u>

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	2000 £
Operating profit	283,273	256,046
Depreciation	181,784	149,652
Profit on disposal of fixed assets	(17,190)	(3,710)
Decrease/(Increase) in stocks	18,110	(180,075)
Increase in debtors	(171,751)	(96,540)
Increase in creditors	169,832	42,793
Net cash inflow from operating activities	<u>464,058</u>	<u>168,166</u>

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	2000 £
Increase/(Decrease) in cash in the period	192,132	(72,077)
Movement in net debt in the period	192,132	(72,077)
Net debt at 1 August 2000	(729,313)	(657,236)
Net debt at 31 July 2001	<u>(537,181)</u>	<u>(729,313)</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2000 £	Cash flows £	At 31 July 2001 £
Net cash:			
Cash in hand and at bank	633	(276)	357
Overdrafts	(729,946)	192,408	(537,538)
Net debt	<u>(729,313)</u>	<u>192,132</u>	<u>(537,181)</u>

BEATSON'S BUILDING SUPPLIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 JULY 2001****21. RELATED PARTY DISCLOSURES**

J Marshall Jnr, who is a director of the company, is the beneficial owner of 100% of the issued share capital of the company. Included in creditors is £231,784 advanced by him to the company (2000 £230,885). The amount due carried no interest charge and there are no fixed repayment terms.

Beatson's Building Supplies Limited trades on a regular basis with Marshall Construction Limited a company which is under the control of R Marshall, the brother of J Marshall Jnr. Included in turnover is £429,910 (2000 £667,029) of goods sold to Marshall Construction Limited and included in trade debtors is £90,224 owing from that company (2000 £118,243). During the year £92,890 (2000 £105,136) of goods were purchased from Marshall Construction Limited and included in trade creditors is £26,359 (2000 £33,800) owing to that company in respect of those goods.

Beatsons Building Supplies Limited trades on a regular basis with Marshall Warehousing Limited, a company which is under the control equally of one of the directors, J Marshall Jnr, his brother, Robert Marshall and his sister Jean Hunter. Included in turnover is £3,999 (2000 £nil) of goods sold to Marshall Warehousing Limited and included in trade debtors is £902 (2000 £nil) due from that company.

Beatsons Building Supplies Limited trades on a regular basis with Marshall Farms, a partnership in which Jean Hunter is the senior partner. Included in turnover is £6,015 (2000 £nil) of goods sold to Marshall Farms and included in trade debtors is £978 due from the partnership. During the year £614 of goods were purchased from Marshall Farms and included in trade creditors is £242 (2000 £nil) due to that partnership.