

ASHLEYBANK INVESTMENTS LIMITED

FINANCIAL STATEMENTS

For the year ended

28th January 2000

Registered No. SC047360



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COMPANIES HOUSE 10/11/00

DIRECTORS REPORT

The Directors present financial statements comprising their report and the accounts for the period ended 28th January 2000.

Principal Activities

The principal activities of the group are the provision of management services, the leasing of properties and the investment in trading businesses.

Results for the Period

The results for the period ended 28th January 2000 are shown in the consolidated profit and loss account.

Review of Business and Future Developments

The Group continued its activities during the period and produced a satisfactory result for the year.

Dividends

During the period the Company declared dividends on ordinary share capital amounting to £660,000.

Fixed Assets

The changes in the Group's fixed assets are summarised in the accounts. The directors consider that the market value of the Group's property is not less than the value shown in the accounts. The open market value of the Group's property has not been ascertained and the disclosure requirements of SSAP 19 have not been met as, in the opinion of the directors, this information is not of sufficient value to the shareholders to warrant the expense of valuation.

Directors

The Directors who held office during the period ended 28th January 2000, and their shareholdings, were as follows:-

	Ordinary Shares	
	2000	1999
D.D. Stevenson, Chairman & Managing Director	4,500	4,500
J.N. Stevenson, Deputy Managing Director	5,500	5,500
J.T.H. Ainslie	516	516
A.A. Stevenson	264	264
D.W. Needham (appointed 1st June 1999)	-	-
	=====	=====

Non Beneficial Shareholdings of the Directors as Trustees were as follows:-

D.D. Stevenson	3,000	3,000
D.D. Stevenson & J.N. Stevenson	1,250	1,250
	=====	=====

D.D. Stevenson retires by rotation and, being eligible, offers himself for re-election.

Charitable Donations

Charitable donations made by the Group during the year amounted to £10,000, (1999, £10,000).

DIRECTORS REPORT (Contd)

Directors Responsibilities

Company Law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of the affairs of the Company and Group and of the profit or loss for that period. In preparing these Accounts, the Directors are required to:

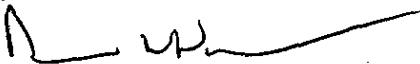
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the Accounts;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company and Group 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 Accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Welch & Co - Hawick, as auditors, will be proposed at the forthcoming Annual General Meeting.

By Order of the Board,



D.W. NEEDHAM,

Secretary.

Registered Office:- Ashley Bank House,
LANGHOLM.

4th September 2000.

ASHLEYBANK INVESTMENTS LIMITED

We have audited the Accounts on pages 4 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 & 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

BASIS OF 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 Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts, 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 Accounts 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 Accounts.

QUALIFIED OPINION ARISING FROM NON-COMPLIANCE WITH ACCOUNTING STANDARDS

The Investment Property of the Company and of the Group is accounted for at cost less depreciation. *Statement of Standard Accounting Practice 19* requires Investment Property to be accounted for at open market value. The Directors Report explains that this requirement has not been met as, in the opinion of the Directors, this information is not of sufficient value to the Shareholders to warrant the expense of valuation.

Except for this failure to account for Investment Property as required by SSAP19, in our opinion the Accounts give a true and fair view of the state of the affairs of the Company and the Group as at 28th January 2000 and of the profit of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**WELCH & CO - HAWICK,
Chartered Accountants &
Registered Auditors.**

**19 Buccleuch Street,
HAWICK.**

4th September 2000.

ASHLEYBANK INVESTMENTS LIMITED

4.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the period ended 28th January 2000

	Note	From 30.1.99 to 28.1.2000	From 31.1.98 to 29.1.99
Turnover	2	£ 1,904,654	£ 1,958,043
Cost of Sales	2	<u>435,195</u>	<u>353,483</u>
Gross Profit		£ <u>1,469,459</u>	£ <u>1,604,560</u>
Administrative Expenses		£ 571,208	£ 491,334
Provision against Loan to Associated Undertaking		<u>100,000</u> £ <u>671,208</u>	<u>-</u> £ <u>491,334</u>
Operating Profit		£ 798,251	£ 1,113,226
Share of Operating Profits/(Losses) of Associates		668,000	637,595
Exceptional Impairment of Goodwill of Associates		<u>-</u>	<u>(215,380)</u>
		£ <u>1,466,251</u>	£ <u>1,535,441</u>
Investment Income		471,761	536,168
Profit on Disposal of Fixed Assets	3	1,145,456	93,697
Net Interest Receivable	4	<u>266,941</u>	<u>279,849</u>
Profit on Ordinary Activities before Taxation	5	£ 3,350,409	£ 2,445,155
Taxation Charge	7	<u>569,230</u>	<u>833,190</u>
Profit on Ordinary Activities after Taxation		£ 2,781,179	£ 1,611,965
Minority Interests	20	<u>(7,337)</u>	<u>18,653</u>
Profit for Period		£ 2,788,516	£ 1,593,312
Dividends	8	<u>660,000</u>	<u>495,000</u>
Retained Profit Transferred to Reserves	18	£ <u>2,128,516</u> =====	£ <u>1,098,312</u> =====

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial periods.

TOTAL RECOGNISED GAINS AND LOSSES

The Group has no recognised gains or losses other than the profit for the above two financial periods.

ASHLEYBANK INVESTMENTS LIMITED

5.

CONSOLIDATED BALANCE SHEET

As at 28th January 2000

	Note	28.1.00	29.1.99
Fixed Assets			
Tangible Assets	9	£ 9,634,058	£ 12,521,506
Investments in Associates	10	3,113,857	3,120,348
Other Investments	10	<u>4,503,469</u>	<u>4,244,709</u>
		£ <u>17,251,384</u>	£ <u>19,886,563</u>
Current Assets			
Stocks	13	£ 494,683	£ 380,323
Debtors	14	934,530	453,177
Short Term Deposits		7,995,819	4,034,319
Cash at Bank and in Hand		<u>496,863</u>	<u>643,107</u>
		£ 9,921,895	£ 5,510,926
Creditors: Amounts falling due within one year	15	<u>704,301</u>	<u>1,035,380</u>
Net Current Assets		£ <u>9,217,594</u>	£ <u>4,475,546</u>
Total Assets less Current Liabilities		£ <u>26,468,978</u>	£ <u>24,362,109</u>
Deferred Income	16	£ <u>-</u>	£ <u>6,510</u>
		£ <u>26,468,978</u>	£ <u>24,355,599</u>
		=====	=====
Capital and Reserves			
Called Up Share Capital	17	£ 16,500	£ 16,500
Capital Redemption Reserve		7,523	7,523
Profit and Loss Account	18	<u>26,373,128</u>	<u>24,244,612</u>
		£ 26,397,151	£ 24,268,635
Minority Interests	20	<u>71,827</u>	<u>86,964</u>
		£ <u>26,468,978</u>	£ <u>24,355,599</u>
		=====	=====

Signed on behalf of the Board of Directors



D.D. STEVENSON - Director

Approved by the Board 4th September 2000.

BALANCE SHEET

As at 28th January 2000

	Note	28.1.00	29.1.99
Fixed Assets			
Tangible Assets	9	£ 1,342,561	£ 1,220,714
Investments in Associates	10	1,852,345	2,004,344
Other Investments	10	4,503,469	4,244,709
Shares in Subsidiary Undertakings	12	<u>494,058</u>	<u>494,058</u>
		£ <u>8,192,433</u>	£ <u>7,963,825</u>
Current Assets			
Stocks	13	£ 494,683	£ 380,323
Debtors	14	1,051,429	3,921,881
Short-Term Deposits		7,995,819	4,034,319
Cash at Bank		<u>441</u>	<u>73,989</u>
		£ 9,542,372	£ 8,410,512
Creditors: Amounts falling due within one year	15	<u>222,838</u>	<u>223,207</u>
Net Current Assets		£ <u>9,319,534</u>	£ <u>8,187,305</u>
Total Assets less Current Liabilities		£ 17,511,967 =====	£ 16,151,130 =====
Capital and Reserves			
Called Up Share Capital	17	£ 16,500	£ 16,500
Capital Redemption Reserve		7,523	7,523
Profit and Loss Account	18	<u>17,487,944</u>	<u>16,127,107</u>
		£ 17,511,967 =====	£ 16,151,130 =====

Signed on behalf of the Board of Directors



D.D. STEVENSON - Director

Approved by the Board 4th September 2000.

ASHLEYBANK INVESTMENTS LIMITED
CONSOLIDATED CASH FLOW STATEMENT

7.

For the period ended 28th January 2000

	Note	From 30.1.99 to 28.1.2000	From 31.1.98 to 29.1.99
Net Cash Inflow from Operating Activities	27	£ 680,444	£ 882,846
Dividends from Associates		£ 109,399	£ 74,380
Return on Investments and Servicing of Finance			
Investment Income - Other Investments		£ 460,161	£ 436,503
Interest Received		290,067	469,410
Interest Paid		(795)	(5,561)
Minority Dividends Paid		(7,800)	(7,800)
		£ 741,633	£ 892,552
Taxation			
Tax Paid		£ (696,735)	£ (275,933)
Capital Expenditure and Financial Investment			
Tangible Fixed Asset Purchase Payments		£ (570,282)	£ (2,107)
Investment in Associates Purchase Payments		(132)	(126,000)
Other Investment Purchase Payments		(460,500)	(3,050,934)
Loans Advanced		(400,000)	-
Tangible Fixed Asset Sales Receipts		4,844,414	1,287,183
Investment Sales Receipts		201,740	-
		£ 3,615,240	£ (1,891,858)
Equity Dividends Paid		£ (660,000)	£ (495,000)
Inflow of Cash and Liquid Resources	28	£ 3,789,981	£ (813,013)
Management of Liquid Resources			
Increase in Short-Term Deposits		(3,961,500)	(435,417)
Increase/(Decrease) in Cash in the Period		£ (171,519)	£ (1,248,430)
		=====	=====

NOTES TO THE ACCOUNTS

Period ended 28th January 2000

1. ACCOUNTING POLICIES

a) Basis of Accounting

The Accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards other than SSAP 19, and the Companies Act 1985.

The consolidated accounts incorporate the accounts of Ashleybank Investments Limited and all of its subsidiary undertakings together with the group's share of the results of significant associated undertakings.

The results of the acquired subsidiary undertakings are brought into account from the effective date of acquisition. The purchase consideration is allocated to each class of asset on the basis of fair value at the date of acquisition.

In accordance with Section 230 of the Companies Act 1985 a separate profit and loss account of Ashleybank Investments Limited has not been presented.

b) Goodwill

Any excess of the purchase consideration of subsidiary and associated undertakings over the fair value of the net tangible assets on the effective date of acquisition will be included within intangible fixed assets as goodwill and will be stated at cost less accumulated amortisation. The profit or loss on disposal of such undertakings will include attributable goodwill.

c) Fixed Assets

Depreciation is provided at the annual rates below to write off the cost of each asset evenly over its estimated useful life. Depreciation is only provided on freehold buildings where the Directors consider that the remaining useful life is less than fifty years. Provision for depreciation on long leasehold properties with over fifty years to run and freehold buildings where the estimated life exceeds fifty years is not considered necessary as it is the Group's policy to maintain its properties in good condition which prolongs their useful life and any depreciation involved would not be material. Depreciation is however provided on modernisation costs which enhance their value for a finite period and the costs of repairs and maintenance are charged to profit and loss account in the year in which they are incurred.

Freehold Land and Buildings	- Nil
Leasehold Land and Buildings over 50 years	- 2% over the last 50 years of lease
Modernisation Costs of Buildings	- 5% or 12.5%
Equipment and Vehicles	- 25%, 20% or 12.5%

Gains on disposal of investment properties are included in the profit and loss account as exceptional items.

d) Grants

Grants to meet capital costs in excess of normal construction costs are credited against the costs to which they relate.

Grants to meet equipment costs are credited to deferred income and released to profit and loss account in the period in which they are incurred.

e) Stocks

Stocks are valued at the lower of cost and net realisable value.

f) Leasing and Hire Purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

1. ACCOUNTING POLICIES (Contd)

g) **Deferred Taxation**

Deferred taxation is provided, using the liability method at current rates, in respect of the taxation effect of all material timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future. In the case of capital gains taxes on the disposal of certain properties, provision for deferred taxation is not made where these gains are rolled over into the cost of other assets.

h) **Investment Income**

Investment income is credited in the period in which it is received. FRS16 has been adopted. Dividend income is stated net of the associated tax credit. The comparative figure for 1999 has been restated accordingly.

i) **Operating Leases**

Property rental income receivable and ground rents payable are charged to the profit and loss account in the period to which they are attributable.

j) **Pension Costs**

The group operates defined contribution and defined benefit pension schemes. The costs of the defined contribution scheme are charged to profit and loss account in the period in which incurred. The costs of the defined benefit scheme, which have been determined in accordance with actuarial advice, are charged to profit and loss account over the remaining service lives of employees.

2. **TURNOVER AND COST OF SALES**

Turnover is shown as the invoice price of goods and services supplied and property rentals net of value added tax. Cost of sales includes the cost of goods sold together with other direct costs.

	2000	1999
Turnover		
Trading	£ 273,892	£ 233,282
Property Income	<u>1,630,762</u>	<u>1,724,761</u>
	£ 1,904,654	£ 1,958,043
	=====	=====
 Group Share of Turnover of Associates	 £ 16,532,000	 £ 16,953,000
	=====	=====

3. **PROFIT ON DISPOSAL OF FIXED ASSETS**

Profit on Disposal of Properties	£ 1,423,079	£ 578,411
Loss on Write-Off of Investment in Associate	(277,623)	(430,714)
Losses on Disposal within Associates	-	(54,000)
	<u>£ 1,145,456</u>	<u>£ 93,697</u>
	=====	=====

4. **NET INTEREST RECEIVABLE**

Interest Payable on Loans and Overdrafts repayable within 5 years	£ (795)	£ (5,561)
Interest Receivable	406,736	469,410
Net Interest Payable, Associates	<u>(139,000)</u>	<u>(184,000)</u>
Net Interest Receivable	£ 266,941	£ 279,849
	=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

5. PROFIT ON ORDINARY ACTIVITIES

is stated after charging/(crediting)

	2000	1999
Depreciation of Tangible Fixed Assets	£ 36,395	£ 30,272
Grant Released	(3,380)	(3,360)
Auditors Remuneration		
Audit Work	11,200	10,450
Other Work	-	-
Rent of Property (Operating Leases)	21,497	41,287
	=====	=====

6. STAFF COSTS

Wages and Salaries	£ 107,162	£ 98,803
Social Security Costs	13,631	6,178
Directors Remuneration	127,897	54,500
Former Directors Pension	30,000	30,000
Other Pension Costs	11,893	5,406
	£ 290,583	£ 194,887
	=====	=====

The average weekly number of persons, excluding Directors, employed by the group during the period was:-

	2000	1999
	6	4
	==	==
Directors Remuneration		
Amounts paid to Directors	£ 63,397	£ -
Amounts paid to third parties	64,500	54,500
	=====	=====
Chairman	£ 64,500	£ 54,500
	=====	=====
Highest Paid Director	£ 64,500	£ 54,500
	=====	=====

Directors remuneration was paid to the following Companies

D.D. Stevenson - David Stevenson Limited

7. TAXATION CHARGE

Corporation Tax	- Current Period	£ 411,751	£ 690,131
	- Prior Periods	(2,722)	(8,666)
Deferred Tax	- Current Period	-	(2,490)
Associates		160,201	154,215
		£ 569,230	£ 833,190
		=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

8. DIVIDENDS

	2000	1999
Paid in period £40, (1999, £30) per Ord. Share	£ 660,000	£ 495,000
	=====	=====

9. TANGIBLE FIXED ASSETS

	Investment Property	Development Property	Equipment & Vehicles	TOTAL
Group Cost				
As at 29th January 1999	£ 11,980,490	£ 910,517	£ 184,296	£ 13,075,303
Additions	516,844	-	53,438	570,282
Disposals	(3,425,583)	-	(15,421)	(3,441,004)
As at 28th January 2000	£ 9,071,751	£ 910,517	£ 222,313	£ 10,204,581
Aggregate Depreciation				
As at 29th January 1999	£ 405,621	£ -	£ 148,176	£ 553,797
Charge for Period	7,132	-	29,263	36,395
Disposals	(11,188)	-	(8,481)	(19,669)
As at 28th January 2000	£ 401,565	£ -	£ 168,958	£ 570,523
Net Book Value				
As at 28th January 2000	£ 8,670,186	£ 910,517	£ 53,355	£ 9,634,058
	=====	=====	=====	=====
As at 29th January 1999	£ 11,574,869	£ 910,517	£ 36,120	£ 12,521,506
	=====	=====	=====	=====

Properties consist of

	N.B.V. 2000	N.B.V. 1999
Freehold	£ 9,021,826	£ 11,508,795
Long Leasehold	558,877	976,591
	£ 9,580,703	£ 12,485,386
	=====	=====

Included in Properties are assets which are not subject to depreciation. At 28th January 2000 these amounted to £8,593,711, (1999, £11,514,361).

Capital Commitments

Authorised but not contracted	£ NIL	£ NIL
Contracted, but not provided in these Accounts	NIL	NIL
	=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

9. TANGIBLE FIXED ASSETS (Contd)

	Investment Property	Equipment & Vehicles	TOTAL
Company Cost			
As at 29th January 1999	£ 1,227,456	£ 40,742	£ 1,268,198
Additions	493,540	53,438	546,978
Disposals	(2,328,374)	(15,421)	(2,343,795)
Group Transfer	1,919,820	-	1,919,820
As at 28th January 2000	£ 1,312,442	£ 78,759	£ 1,391,201
Aggregate Depreciation			
As at 29th January 1999	£ 23,073	£ 24,411	£ 47,484
Charge for Period	-	11,319	11,319
Disposals	(1,682)	(8,481)	(10,163)
As at 28th January 2000	£ 21,391	£ 27,249	£ 48,640
Net Book Value			
As at 28th January 2000	£ 1,291,051	£ 51,510	£ 1,342,561
	=====	=====	=====
As at 29th January 1999	£ 1,204,383	£ 16,331	£ 1,220,714
	=====	=====	=====

Investment Properties consist of:

Freehold

	N.B.V. 2000	N.B.V. 1999
	£1,291,051	£ 1,204,383
	=====	=====

Investment Properties are not subject to depreciation.

Capital Commitments

Authorised, but not contracted	£	NIL	£	NIL
Contracted, but not provided in these Accounts		NIL		NIL
	=====	=====	=====	=====

10. FIXED ASSET INVESTMENTS

Group	Associates	Quoted	Other Unquoted	TOTAL
Cost or Value as at 29.1.99	£ 3,120,348	£ 1,389,206	£ 2,855,503	£ 7,365,057
Additions	132	448,500	12,000	460,632
Disposals	-	-	(201,740)	(201,740)
Amounts Written-Off	(277,623)	-	-	(277,623)
Share of Profits Retained	271,000	-	-	271,000
Cost or Value as at 28.1.00	£ 3,113,857	£ 1,837,706	£ 2,665,763	£ 7,617,326
	=====	=====	=====	=====
Valuation				
Net Asset Value	£ 3,177,000			
Discount on Acquisition	(82,600)			
	£ 3,094,400			
	=====			
Market Value		£ 7,785,000		
		=====		
Market Value on AIM			£ 1,948,000	
Directors Valuation			1,519,000	
			£ 3,467,000	
			=====	

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

10. FIXED ASSETS INVESTMENTS (Contd)

The principal Investments are:-

		Country of Registration	Class of Shares	% of Shares held	Year Consolidated
Associates					
SEET plc	(Clothing Manufacturers)	Scotland	Ordinary	23.0%	Dec. 2000
Schuh Limited	(Footwear Retailers)	Scotland	Ordinary	33.2% (23.7% fully diluted)	March 2000

Other Unquoted Investments

Dobbies Garden Centres plc	Scotland	Ordinary	9.5%
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Company	Associates	Quoted	Other Unquoted	TOTAL
Cost or Value as at 29.1.99	£ 2,004,344	£1,389,206	£ 2,855,503	£ 6,249,053
Additions	-	448,500	12,000	460,500
Disposals	-	-	(201,740)	(201,740)
Amounts Written Off	(151,999)	-	-	(151,999)
Cost or Value at 28.1.00	£ 1,852,345	£1,837,706	£ 2,665,763	£ 6,355,814

11. INVESTMENTS IN ASSOCIATES

The Group's share of the results and net assets of its material Associates are further analysed as:-

	SEET Plc		SCHUH Ltd.	
	2000 £000 12 months	1999 £000 12 months	2000 £000 12 months	1999 £000 12 months
Turnover	7,499	7,211	9,033	7,449
Profit before Tax	152	207	356	255
Tax	(55)	(51)	(105)	(78)
Profit after Tax	97	156	251	177
Fixed Assets	819	785	1,097	1,140
Current Assets	2,714	2,465	2,071	2,060
Liabilities - Due within one year	(1,831)	(1,527)	(1,376)	(1,614)
Liabilities - Due after more than one year	(141)	(250)	(176)	(205)
Net Assets	1,561	1,473	1,616	1,381

The Group's share of SEET Plc is taken here from its audited accounts, 2000 - 31.12.99, 1999 - 31.12.98. The figures consolidated are 2000 - 12 months to 31.12.99, 1999 - 14 months to 31.12.98, taken from management accounts.

The Group's share of Schuh Limited is adjusted for share options in issue on the basis that all such options will be exercised.

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

12. SHARES IN SUBSIDIARY UNDERTAKINGS

	2000	1999
Company		
Cost as at 29th January 1999 & 28th January 2000	£ 494,058	£ 494,058
	=====	=====

The Company's principal operating subsidiary undertakings are

		Country of Registration	Class of Shares	% of Shares held
Eskvale Properties Limited	(Property Rental)	Scotland	Ordinary	100%
The Scottish Wool Centre Limited	(Visitor Centre)	Scotland	Ordinary	74%
			Deferred	98%
AB Ventures Limited	(Investment in Unquoted Companies)	Scotland	Ordinary	90%

13. STOCKS

	2000		1999	
	Group	Company	Group	Company
Sundry Stocks	£ 494,683	£ 494,683	£ 380,323	£ 380,323
	=====	=====	=====	=====

14. DEBTORS

Amounts falling due within one year

	2000		1999	
	Group	Company	Group	Company
Loans to Associated Undertakings	£ -	£ -	£ 100,000	£ -
Loans to Related Undertakings	400,000	400,000	-	-
Amounts Due by Associated Undertakings	6,695	-	-	-
Amounts owed by Subsidiary Undertakings	-	-	-	5,350
Corporation Tax Recoverable	-	-	30,000	-
Other Debtors and Prepayments	521,835	295,429	316,177	129,672
	£ 928,530	£ 695,429	£ 446,177	£ 135,022
	=====	=====	=====	=====

Amounts falling due after more
than one year

Amounts owed by Subsidiary Undertakings	£ -	£ 350,000	£ -	£ 3,779,859
Other Debtors	6,000	6,000	7,000	7,000
	£ 6,000	£ 356,000	£ 7,000	£ 3,786,859
	=====	=====	=====	=====

Total	£ 934,530	£ 1,051,429	£ 453,177	£ 3,921,881
	=====	=====	=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

15. CREDITORS

Amounts falling due within one year

	2000		1999	
	Group	Company	Group	Company
Social Security and Other Taxes	£ 129,023	£ 32,536	£ 143,813	£ 44,072
Bank Overdraft	53,269	53,269	27,994	-
Corporation Tax	249,320	7,101	567,026	74,089
Other Creditors and Accruals	272,689	129,932	296,547	105,046
	£ 704,301	£ 222,838	£1,035,380	£ 223,207

16. DEFERRED INCOME

Grants reserve:

	2000 Group	1999 Group
As at 29th January 1999	£ 3,380	£ 6,740
Released to Profit and Loss Account	(3,380)	(3,360)
As at 28th January 2000	£ -	£ 3,380

Dilapidation of Property:

As at 29th January 1999	£ 3,130	£ 13,905
Written Back to Profit & Loss Account	(3,130)	(10,775)
As at 28th January 2000	£ -	£ 3,130

Total Deferred Income as at 28th January 2000

£ -	£ 6,510
-----	---------

17. SHARE CAPITAL

	2000 Group & Company	1999 Group & Company
Authorised		
25,000 Ordinary Shares of £1 each	£ 25,000	£ 25,000
Allotted, Issued and Fully Paid		
16,500 Ordinary Shares of £1 each	£ 16,500	£ 16,500

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

18. PROFIT AND LOSS ACCOUNT
Group

	Profit and Loss Account
As at 29th January 1999	£ 24,244,612
Retained Profit for the Period	<u>2,128,516</u>
As at 28th January 2000	£ 26,373,128
	=====

Cumulative Goodwill on acquisitions written off as at 28th January 2000 £179,938, (1999, £179,938).

Company

As at 29th January 1999	£ 16,127,107
Retained Profit for Period	<u>1,360,837</u>
As at 28th January 2000	£ 17,487,944
	=====

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

As at 29th January 1999	£ 24,268,635
Profit after Tax and Minority Interests for Period	2,788,516
Dividends	<u>(660,000)</u>
As at 28th January 2000	£ 26,397,151
	=====

20. MINORITY INTERESTS

	2000	1999
As at 29th January 1999	£ 86,964	£ 76,111
Share of Profit/(Loss) for Period	(7,337)	18,653
Dividends Paid by Subsidiary Undertaking	<u>(7,800)</u>	<u>(7,800)</u>
As at 28th January 2000	£ 71,827	£ 86,964
	=====	=====
Representing		
Equity Interests	£ 71,827	£ 86,964
	=====	=====

21. CONTINGENT LIABILITIES

Grants receivable from Scottish Tourist Board of £140,000 are repayable in instalments to 2002 in certain eventualities, all of which the directors consider to be unlikely. The group had no other material contingent liabilities at 28th January 2000 (1999, £Nil). The company had no material contingent liabilities at 28th January 2000 (1999, £Nil) other than the inter-company guarantees referred to under bank borrowing below.

22. BANK BORROWING

The company has given, in security for bank borrowing, an unlimited inter-company guarantee of certain subsidiary undertakings.

23. OPERATING LEASE COMMITMENTS

Annual commitments under operating leases are as follows:-

	Group Property
Leases which expire in five years or more	£ 12,500
	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

24. PENSION COMMITMENTS

The Group contributes to defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in funds administered through Insurance Companies. The schemes provide money purchase benefits for certain employees of the Group based on the accumulated contributions paid on behalf of each member.

No pension contributions were unpaid at 28th January 2000, (1999, £Nil).

25. RELATED PARTY TRANSACTIONS

D.D. Stevenson is a Director of Grampian Holdings plc. During the year the Group received rental income and other property related service income from Grampian Holdings plc group companies totalling £1,669,700 (1999, £1,433,697). All rentals are subject to formal leases and have been negotiated at arms length. During the year the Company entered into a profit-sharing agreement with The Edinburgh Woollen Mill Limited, a Grampian Holdings plc Group Company, for the development of a shop site. The balance due to The Edinburgh Woollen Mill Limited at 28th January 2000 was £30,000 (1999, £Nil). This shop site development was contracted to Corriebe Limited, a Company in which D.D. Stevenson, J.N. Stevenson and J.T.H. Ainslie have material beneficial interests.

David Stevenson Limited and Acorn Consultants Limited were also related to the Group by virtue of a nucleus of common Directors and Shareholders. These companies provide certain executive management services to the Group. In addition to the emoluments shown in note 6, £150,000, (1999, £120,000) was paid to these companies in respect of such services.

D.D. Stevenson has a material beneficial interest in Frangipani Properties Inc. The Company advanced £15,832 on its behalf which was due by it at 28th January 2000, and has since been paid.

D.D. Stevenson has a material beneficial interest in St. Andrews Golf Discount Limited. During the year the Company advanced £400,000 to that Company on commercial terms to finance trading.

26. CONTROLLING PARTY

The Company is controlled by Stevenson family interests.

27. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2000	1999
Operating Profit	£ 798,251	£ 1,113,226
Depreciation	36,395	30,272
Provision against Loan to Associated Undertaking	100,000	-
Grants & Other Deferred Income Received	(6,510)	(14,135)
Decrease/(Increase) in Working Capital		
Stocks	(114,360)	(234,622)
Debtors	(94,684)	(81,525)
Creditors	<u>(38,648)</u>	<u>69,630</u>
Net Cash Inflow from Ordinary Activities	£ 680,444	£ 882,846
	=====	=====

NOTES TO THE ACCOUNTS (Contd)

Period ended 28th January 2000

28. ANALYSIS OF CHANGES IN NET LIQUID RESOURCES DURING THE PERIOD

	2000	1999
Cash & Cash Equivalents as at 29th January 1999		
Short-Term Deposits	£ 4,034,319	£ 3,598,902
Cash at Bank and on Hand	643,107	1,872,626
Bank Overdraft	(27,994)	(9,083)
	£ 4,649,432	£ 5,462,445
Net Inflow/(Outflow)	3,789,981	(813,013)
	£ 8,439,413	£ 4,649,432
	=====	=====
Cash & Cash Equivalents as at 28th January 2000		
Short-Term Deposits	£ 7,995,819	£ 4,034,319
Cash at Bank and on Hand	496,863	643,107
Bank Overdraft	(53,269)	(27,994)
	£ 8,439,413	£ 4,649,432
	=====	=====