

CLAN HOUSE OF EDINBURGH LIMITED
ABBREVIATED FINANCIAL STATEMENTS
30 NOVEMBER 2000

Registered number: SC047985

McDONALD GORDON & CO. LTD
CHARTERED CERTIFIED ACCOUNTANTS



SCT SP4SP46C 0639
COMPANIES HOUSE 18/09/01

CLAN HOUSE OF EDINBURGH LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30 November 2000

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CLAN HOUSE OF EDINBURGH LIMITED

**Auditors' report to
Clan House of Edinburgh Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 30 November 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Other information

On 30 August 2001 we reported as auditors of the company to the members on the financial statements prepared under Section 226 of the Companies Act for the year ended 30 November 2000 and our audit report was as follows:-

"We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of 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 opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained. 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 error or other irregularity. However, the evidence available to us was limited because £577,035 of the company's recorded turnover comprises cash sales, over which there was no system of control on which we could rely for the purpose of our audit. There were no other satisfactory audit procedures that we could adopt to confirm that cash sales were properly recorded.

Also as explained in note 1 to the accounts, stock has been valued on the basis of sales price less average mark-ups. This is not in accordance with statement of Standard Accounting Practice 9.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Continued/...

CLAN HOUSE OF EDINBURGH LIMITED**Auditors' report to
Clan House of Edinburgh Limited
under section 247B of the Companies Act 1985****Qualified opinion arising from limitation of scope**

Except for the departure from Statement of Standard Accounting Practice 9 and any adjustments which would have been necessary had stock been valued in accordance with Statement of Standard Accounting Practice 9 and except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning cash sales, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work related to cash sales –

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether proper accounting records have been maintained.”



McDonald Gordon & Co.Ltd
Registered Auditors
Chartered Certified Accountants

30 August 2001

CLAN HOUSE OF EDINBURGH LIMITED

ABBREVIATED BALANCE SHEET

at 30 November 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	2		376,894		280,082
Current assets					
Stocks		489,944		408,847	
Debtors		236,052		253,848	
Cash at bank and in hand		62,092		47,225	
		<u>788,088</u>		<u>709,920</u>	
Creditors: amounts falling due within one year		<u>(378,095)</u>		<u>(305,664)</u>	
Net current assets			409,993		404,256
Total assets less current liabilities			<u>786,887</u>		<u>684,338</u>
Creditors: amounts falling due after more than one year	3		(15,400)		(10,536)
Provision for liabilities and charges			(3,310)		(3,310)
Deferred income			(6,262)		(6,958)
			<u>761,915</u>		<u>663,534</u>
Capital and reserves					
Called up share capital	4		100,000		100,000
Share premium account			142,500		142,500
Revaluation reserve			75,056		-
Profit and loss account			444,359		421,034
Total shareholders' funds			<u>761,915</u>		<u>663,534</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 29 August 2001 and signed on its behalf by:

S. Fyfe
DIRECTOR



CLAN HOUSE OF EDINBURGH LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 2000

1 Accounting policies**Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	
Freehold buildings	2.5% on reducing balance
Motor vehicles	25% on reducing balance
Fixtures and fittings	10% on reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed at selling price less estimated mark-ups.

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date.

All differences are taken to the profit and loss account.

CLAN HOUSE OF EDINBURGH LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 2000

1 Accounting policies continued

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Government grants

The government grant is written off to the profit and loss account over the useful life of the asset to which it relates.

Operating leases

Operating leases are leases where substantially all of the benefits and risks of ownership remain with the lessor. Rentals are charged to the profit and loss account.

2 Fixed assets

	Tangible fixed assets £
Cost or valuation	
1 December 1999	435,301
Additions	169,182
Disposals	(134,244)
Surplus on revaluation	74,596
30 November 2000	544,835
Depreciation	
1 December 1999	155,219
Charge for the year	48,981
Disposals	(28,759)
Depreciation written back on revaluation	(7,500)
30 November 2000	167,941
Net book amount	
30 November 2000	376,894
1 December 1999	280,082

CLAN HOUSE OF EDINBURGH LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30 November 2000

3 Creditors:

	2000 £	1999 £
Secured creditors		
Bank overdraft	179,877	166,379

The Bank of Scotland has a Bond and Floating over all the assets of the company and a Letter of Guarantee effected by DA Fyfe and MD Fyfe for all sums due.

4 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	200,000	200,000	200,000	200,000
Allotted called up and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

5 Directors' interests and loans

During the period the company rented the property situated at 117 Grove Street, Edinburgh from Michael Fyfe (director) and Steven Fyfe (director) for an annual rent of £20,000. Rent is due quarterly in arrears.

During the period David Fyfe (director) purchased his vehicle from the company for the sum of £18,000, the vehicle was valued at market value by a Mercedes Benz car dealership.

At the balance sheet date the company was due the following sums to directors:-

	2000 £	1999 £
M.D. Fyfe	6,691	9,746
S. Fyfe	19,718	14,806

Maximum balance outstanding:-

MD Fyfe	10,284
S Fyfe	19,718

Directors DA Fyfe and MD Fyfe have effected a letter of guarantee to the Bank of Scotland for all sums due by the company.