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ROSSNOW LEISURE (ABERDEEN) LIMITED
(Company Number: SC058024)

ABBREVIATED ACCOUNTS

31 JULY 2000



Anderson Anderson & Brown
Chartered Accountants

ROSSNOW LEISURE (ABERDEEN) LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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Company law requires the director to prepare accounts 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 accounts, the director is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enables him to ensure that the accounts comply with the Companies Act 1985. He is 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.

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& BROWN

CHARTERED
ACCOUNTANTS

**AUDITORS' REPORT TO ROSSNOW LEISURE (ABERDEEN) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 7 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the period ended 31 July 2000.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our responsibilities set out above. 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 accounts.

Fundamental uncertainty

In forming our opinion, we have considered the disclosure in Note 1 of the accounts concerning the existence of a net current liability position of the company. In view of the significance of this we consider it should be drawn to your attention but our opinion is not qualified in this respect.

Unqualified opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 in respect of the period ended 31 July 2000 and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Registered Auditors
Aberdeen

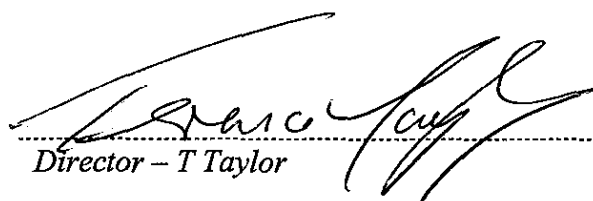
4 December 2000.

ROSSNOW LEISURE (ABERDEEN) LIMITED
ABBREVIATED BALANCE SHEET – 31 JULY 2000

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	Note	2000 £	1999 £
FIXED ASSETS			
Tangible assets	3	<u>1,803,008</u>	<u>1,878,214</u>
CURRENT ASSETS			
Stocks		-	16,482
Debtors		268,988	89,816
Cash at bank and in hand		<u>119</u>	<u>4,159</u>
		269,107	110,457
CREDITORS: amounts falling due within one year		<u>459,019</u>	<u>523,110</u>
NET CURRENT LIABILITIES		<u>(189,912)</u>	<u>(412,653)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,613,096	1,465,561
CREDITORS: amounts falling due after more than one year	5	1,416,269	1,026,404
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation		<u>928</u>	<u>-</u>
		<u>£ 195,899</u>	<u>£ 439,157</u>
CAPITAL AND RESERVES			
Called up share capital	6	113,336	113,336
Share premium account		221,665	221,665
Revaluation reserve		1,044,104	1,048,731
Profit and loss account		<u>(1,183,206)</u>	<u>(944,575)</u>
SHAREHOLDERS' FUNDS		<u>£ 195,899</u>	<u>£ 439,157</u>

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 applicable to small companies.


 Director – T Taylor

29/11/00 Date

1. FUNDAMENTAL UNCERTAINTY

The company has net current liabilities of £189,912 at 31 July 2000. However, the director has been successful in leasing the property and has secured an appropriate funding package. The accounts are therefore prepared on a going concern basis.

2. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention, as modified to incorporate the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

(b) *Fixed assets*

All fixed assets are initially recorded at cost. Investment properties are revalued periodically and the aggregate surplus or deficit is transferred to a revaluation reserve.

(c) *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset as follows:

Leasehold land and buildings	period of the lease
Investment properties	period of the lease
Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance
Finance leases	period of the lease

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

(d) *Stocks*

Stocks are valued at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

(e) *Deferred taxation*

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 31 JULY 2000

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2. ACCOUNTING POLICIES (continued)

(f) *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(g) *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

3. TANGIBLE FIXED ASSETS

	£
COST OR VALUATION	
At 31 March 1999	2,296,720
Additions	61,336
Disposals	(537,260)
At 31 July 2000	1,820,796
DEPRECIATION	
At 31 March 1999	418,506
Charge for period	36,994
Relating to disposals	(437,712)
At 31 July 2000	17,788
Net book values at:	
31 July 2000	£ 1,803,008
31 March 1999	£ 1,878,214

The net book value of fixtures and fittings, and motor vehicles includes an amount of £nil (1999 - £17,543) and £35,746 (1999 - £14,060) respectively in respect of assets held under finance leases and hire purchase contracts.

ROSSNOW LEISURE (ABERDEEN) LIMITED
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3. TANGIBLE FIXED ASSETS (continued)

The company ceased operating as a restaurant and bar in February 2000 and the property has been leased since that date. Accordingly, leasehold land and buildings have now been reclassified as investment property.

The historical cost of investment properties is as follows:

At 31 March 1999 and 31 July 2000	<u>£ 879,920</u>
Cumulative depreciation based on cost:	
At 31 March 1999	<u>£ 53,934</u>
At 31 July 2000	<u>£ 57,766</u>

The investment properties were valued by the directors at an open market value for existing use in February 1998. The director believes that the property values have not changed materially between February 1998 and 31 July 2000.

4. SECURITY

The Bank of Scotland holds letters of guarantee for £70,000 from Mr T Taylor and £85,000 from Mr and Mrs J Snowdon, together with a postponed standard security over property owned by Mr and Mrs J Snowdon.

5. LOANS

	2000 £	1999 £
Creditors include:		
<i>Loans not wholly repayable within five years:</i>		
Within five years	102,868	154,020
After five years	1,306,311	886,276
	<u>£ 1,409,179</u>	<u>£ 1,040,296</u>

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5. LOANS (continued)

The loan from Northern Rock Commercial Finance is secured over the leasehold property together with a bond and floating charge over the remaining assets. Northern Rock Commercial Finance also has a personal guarantee from one of the directors and the right of postponement of the director's loan.

The loan attracts interest at 2.25% over the three monthly LIBOR rate. The loan is repayable in full in May 2025.

6. CALLED UP SHARE CAPITAL

31 July 2000 & 31 March 1999

Authorised: Ordinary shares of £1 each	<u>£ 1,000,000</u>
Allotted, called up and fully paid: Ordinary shares of £1 each	<u>£ 113,336</u>