

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

DIRECTOR'S REPORT AND ACCOUNTS

31 MARCH 2002



ROSSNOW LEISURE (ABERDEEN) LIMITED
DIRECTOR'S REPORT

Director: T Taylor

Secretary: Raeburn Christie

Registered office: 16 Albyn Place, Aberdeen

The director submits his report together with the audited accounts of the company for the period ended 31 March 2002.

RESULTS AND DIVIDENDS

The loss for the twelve month period, amounting to £18,595 (2001 (8 month period) – profit £30,865), has been dealt with as shown in the profit and loss account. No dividends were paid during the period (2001 - £Nil) and the director does not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company during the period was property leasing.

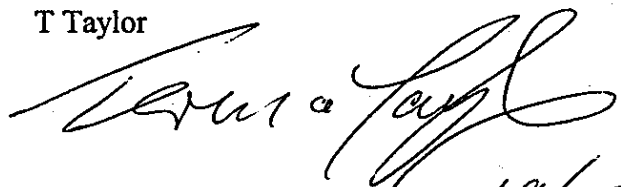
The company intends to continue its current operations and is looking to increase its income from rental property by developing a site adjacent to the existing property which is currently utilised as a car park area.

DIRECTORS AND DIRECTORS' INTEREST

The director of the company during the period ended 31 March 2002 was as noted above.

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company during the period were as follows:

	Ordinary shares of £1 each	
	31 March 2001	31 Mar 2002
T Taylor	113,336	113,336


19/12/2002

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

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.

ROSSNOW LEISURE (ABERDEEN) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2002

	Note	8 month period ended 31 March 2001 £	12 month period ended 31 March 2002 £
TURNOVER			
Continuing operations	3	<u>124,293</u>	<u>182,500</u>
GROSS PROFIT		124,293	182,500
Administrative expenses		<u>41,834</u>	<u>64,822</u>
OPERATING PROFIT/(LOSS)	4	82,459	117,678
Other Operating Income		22,893	15,165
Interest payable and similar charges	7	<u>(96,200)</u>	<u>(109,582)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		9,152	23,261
EXTRAORDINARY ITEMS			
Professional Fees in connection with Development			(41,856)
Taxation	8	<u>316</u>	<u></u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>8,836</u>	<u>(18,595)</u>

The company has made no gains or losses other than as reported above.

Movements on reserves are as set out in Note 17.

ROSSNOW LEISURE (ABERDEEN) LIMITED

BALANCE SHEET 31 MARCH 2002

FIXED ASSETS

Tangible assets

CURRENT ASSETS

Debtors

Cash at bank and in hand

CREDITORS: amounts falling due within one year

NET CURRENT LIABILITIES

TOTAL ASSETS LESS CURRENT LIABILITIES

CREDITORS: amounts falling due after more than one year

PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

CAPITAL AND RESERVES

Called up share capital

Share premium account

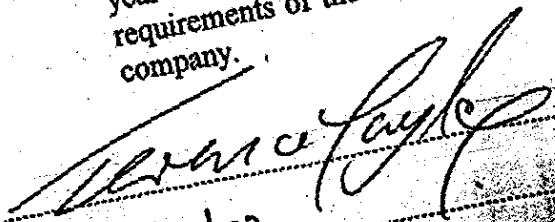
Revaluation reserve

Profit and loss account

SHAREHOLDER'S FUNDS

For the year ended 31 March 2002 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

- No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).
- The directors acknowledge their responsibilities for:
- Ensuring the company keeps accounting records which comply with section 221; and
 - Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.



Director - T Taylor
Date

16/12/02

Note

31 March
2001
£

31 March
2002
£

9	1,763,092	1,944,223
10	108,060 119	66,693 121
	108,179	66,814
11	258,372 (150,193)	374,617 (307,803)
	1,612,899	1,636,420
12	1,408,164	1,450,280
15	204,735	186,140
16	113,336	113,336
17	221,665	221,665
17	1,041,791	1,037,328
17	(1,172,057)	(1,186,189)
17	204,735	186,140

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

1. FUNDAMENTAL UNCERTAINTY

The company has net current liabilities of £307,803 at 31 March 2002. 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:

Investment properties	period of the lease
Motor vehicles	25% 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) *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 ACCOUNTS – 31 MARCH 2002

2. ACCOUNTING POLICIES (continued)

(e) *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.

(f) *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. TURNOVER

Turnover in respect of continuing activities represents the amounts derived from the rental of investment properties, stated net of value added tax.

4. OPERATING PROFIT/(LOSS) *is stated after charging:*

	8 month period ended 31 March 2001 £	12 month period ended 31 March 2002 £
Depreciation of tangible fixed assets		
- owned	4,170	6,254
Auditors' remuneration	5000	-
Loss on disposal of fixed assets	2943	-

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

5. EMOLUMENTS OF DIRECTOR

The remuneration paid to the director during the period was as follows:

	8 month period ended 31 March 2001	12 month period ended 31 March 2002
Emoluments (including estimated benefits in kind)	<u>10,411</u>	<u>10,000</u>
	8 month period ended 31 March 2001 No	12 month period ended 31 March 2002 No
Member of money purchase pension scheme	<u>1</u>	<u>1</u>

6. STAFF COSTS

	8 month period ended 31 March 2001 £	12 month period ended 31 March 2002 £
Wages and salaries	-	-
Social security costs	1,991	1,196
Other pension costs	-	-
	<u>1,991</u>	<u>1,196</u>

The average number of persons employed by the company during the period, including the director, was as follows:

	8 month period ended 31 March 2000 No	12 month period ended 31 March 2002 No
Management and administration	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

7. INTEREST PAYABLE AND SIMILAR CHARGES

	8 month period ended 31 March 2001 £	12 month period ended 31 March 2002 £
Finance charges payable under finance lease and hire purchase contracts	1,899	-
Bank loans and overdrafts	82,174	107,799
Other interest	-	1,783
	<u>£84,073</u>	<u>£109,582</u>

8. TAXATION *charge based on the profit/(loss) for the period comprises:*

	8 month period ended 31 March 2001 £	12 month period ended 31 March 2002 £
UK corporation tax	1,191	-
Deferred taxation	(928)	-
Under Provision in prior years	53	-
	<u>316</u>	<u>-</u>

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

9. TANGIBLE FIXED ASSETS

	Investment properties £
COST OR VALUATION	
At 31 March 2001	1,784,801
Additions	187,385
Disposals	
At 31 March 2002	<u>1,969,186</u>
DEPRECIATION	
At 31 March 2001	18,709
Charge for period Relating to disposals	6,254
At 31 March 2002	<u>24,963</u>
Net book values at:	
31 March 2002	<u>1,944,223</u>
31 March 2001	<u>1,763,092</u>

The historical cost of investment properties is as follows:

At 31 March 2001 and 31 March 2002	<u>£ 879,920</u>
Cumulative depreciation based on cost:	
At 31 March 2001	<u>£61,382</u>
At 31 March 2002	<u>£62,556</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 March 2002.

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

10. DEBTORS

	31 March 2001 £	31 March 2002 £
Trade debtors	-	224
Other debtors and prepayments	3,986	3,986
Corporation tax recoverable	33,728	22,137
Other loan account	70,346	40,346
	<u>£ 108,060</u>	<u>£66,693</u>

The corporation tax recoverable will be recovered within one year.

11. CREDITORS: *amounts falling due within one year*

	31 March 2001 £	31 March 2002 £
Bank loans and overdrafts (see Note 13)	59,152	122,549
Trade creditors	73,863	162,945
Corporation tax	3,479	-
S419 tax payable	3,750	-
Other taxes and social security	12,508	-
VAT Due	-	7,572
Loan from Told-M-Two Ltd	-	20,200
Accruals and other creditors	59,197	11,476
Director's loan account	17,335	20,787
Pension Fund loan	29,088	29,088
	<u>256,372</u>	<u>374,617</u>

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.

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

12. CREDITORS: *amounts falling due after more than one year*

	31 March 2001 £	31 March 2002 £
Loans (see Note 13)	<u>1,408,164</u>	<u>1,450,280</u>
	<u>1,408,164</u>	<u>1,450,280</u>

13. LOANS

	31 March 2001 £	31 March 2002 £
<i>Not wholly repayable within five years:</i>		
Northern Rock Commercial Finance	<u>1,408,164</u>	<u>£ 1,450,280</u>
	31 March 2001 £	31 March 2002 £
<i>Amounts repayable by instalments:</i>		
Within five years	244,898	244,898
After five years	<u>1,163,266</u>	<u>1,205,382</u>
	<u>£ 1,408,164</u>	<u>£1,450,280</u>

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.

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	31 March 2001 £	31 March 2002 £
<i>Amounts payable:</i>		
Within one year	-	-
Within two to five years	-	-
Less: finance charges allocated to future periods	-	-
	Nil	-
	31 March 2001 £	31 March 2002 £
<i>Hire purchase contracts are analysed as follows:</i>		
Current obligations (Note 11)	-	-
Non-current obligations (Note 12)	-	-
	Nil	-

15. PROVISION FOR LIABILITIES AND CHARGES

The movements in deferred taxation are:

	31 March 2001 £	31 March 2002 £
At 31 July 2000	-	-
Charge for period	-	-
At 31 March 2001	-	-

Deferred taxation has not been provided on the potential capital gain arising on the leasehold land and buildings revalued February 1998 as the company does not intend to sell the property in the foreseeable future.

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

16. CALLED UP SHARE CAPITAL

31 March 2001 & 31 March 2002

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>

**17. RECONCILIATION OF SHAREHOLDER'S FUNDS
AND MOVEMENTS ON RESERVES**

	Share capital £	Share premium £	Revaluation reserve £	Profit and loss account £	Total £
At 31 July 2000	113,336	221,665	1,044,104	(1,183,206)	195,899
Transfer from reserves	-	-	(2,313)	2,313	-
Profit for the period	-	-	-	8,836	8836
At 31 March 2001	113,336	221,665	1,041,791	(1,172,057)	204,735
Transfer from reserves	-	-	(4,463)	4,463	-
Loss for the period	-	-	-	(18,595)	(18,595)
At 31 March 2002	<u>£ 113,336</u>	<u>£ 221,665</u>	<u>£ 1,037,328</u>	<u>£ (1,186,189)</u>	<u>(186,140)</u>

18. OPERATING LEASE COMMITMENTS

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 31 March 2001 £	Land and buildings 31 March 2002 £	Other 31 March 2001 £	Other 31 March 2002 £
<i>Operating leases which expire:</i>				
Within one year		-		-
Within two to five years		-		-
Over five years	16,500	16,500		-
	<u>£ 16,500</u>	<u>£ 16,500</u>	<u>-</u>	<u>-</u>

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2002

19. RELATED PARTY TRANSACTIONS

Control

Throughout the period the company was controlled by the director. Details of the director's interest in the share capital are set out in the director's report.

Transactions

Related Party	Transaction		Balance due to / (by) Rossnow Leisure
Metrixx Ltd a company which T Taylor is a director	Management Fees	£10,000	nil
Told-M-Two Ltd a company Which T Taylor is a director	Loan to Rossnow	£20,200	(£20,200)
T Taylor director	movement in directors Loan account	£3,452	(£20,787