

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

DIRECTOR'S REPORT AND ACCOUNTS

31 MARCH 2003



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 2003.

RESULTS AND DIVIDENDS

The loss for the twelve month period, amounting to £13,778 (2002 £18,595), 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



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 2003

	Note	12 month period ended 31 March 2003 £	12 month period ended 31 March 2002 £
TURNOVER			
Continuing operations	3	<u>182,500</u>	<u>182,500</u>
GROSS PROFIT			182,500
Administrative expenses		<u>99,192</u>	<u>64,822</u>
OPERATING PROFIT/(LOSS)	4	83,308	117,678
Other Operating Income		5,164	15,165
Interest payable and similar charges	7	<u>(102,250)</u>	<u>(109,582)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,778)	23,261
EXTRAORDINARY ITEMS			
Professional Fees in connection with Development			(41,856)
Taxation	8	<u> </u>	<u> </u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u><u>(13,778)</u></u>	<u><u>(18,595)</u></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 2003

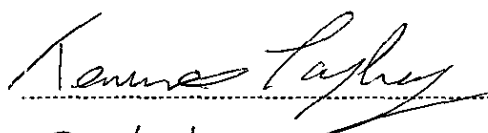
	Note	31 March 2003 £	31 March 2002 £
FIXED ASSETS			
Tangible assets	9	<u>1,936,416</u>	<u>1,944,223</u>
CURRENT ASSETS			
Debtors	10	66,116	66,693
Cash at bank and in hand		-	121
		<u>66,116</u>	<u>66,814</u>
CREDITORS: amounts falling due within one year	11	<u>350,357</u>	<u>374,617</u>
NET CURRENT LIABILITIES		<u>(284,241)</u>	<u>(307,803)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,652,175</u>	<u>1,636,420</u>
CREDITORS: amounts falling due after more than one year	12	1,479,813	1,450,280
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	15	-	-
		<u>172,362</u>	<u>186,140</u>
CAPITAL AND RESERVES			
Called up share capital	16	113,336	113,336
Share premium account	17	221,665	221,665
Revaluation reserve	17	1,032,865	1,037,328
Profit and loss account	17	<u>(1,195,504)</u>	<u>(1,186,189)</u>
SHAREHOLDER'S FUNDS	17	<u>172,362</u>	<u>186,140</u>

For the year ended 31 March 2003 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:

- i) Ensuring the company keeps accounting records which comply with section 221; and
- ii) 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.


 30/12/03

Director – T Taylor

Date

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2003

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:*

	12 month period ended 31 March 2001 £	12 month period ended 31 March 2002 £
Depreciation of tangible fixed assets		
- owned	7,807	6,254
Auditors' remuneration	-	-
Loss on disposal of fixed assets	-	-
	<u> </u>	<u> </u>

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2003

5. EMOLUMENTS OF DIRECTOR

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

	12 month period ended 31 March 2003	12 month period ended 31 March 2002
Emoluments (including estimated benefits in kind)	<u>10,000</u>	<u>10,000</u>
	12 month period ended 31 March 2003 No	12 month period ended 31 March 2002 No
Member of money purchase pension scheme	<u>1</u>	<u>1</u>

6. STAFF COSTS

	12 month period ended 31 March 2003 £	12 month period ended 31 March 2002 £
Wages and salaries	-	-
Social security costs	1,316	1,196
Other pension costs	-	-
	<u>1,316</u>	<u>1,196</u>

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

	12 month period ended 31 March 2003 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 2003

7. INTEREST PAYABLE AND SIMILAR CHARGES

	12 month period ended 31 March 2003 £	12 month period ended 31 March 2002 £
Bank loans and overdrafts	102,250	-
Other interest		107,799
		1,783
	<u>£102,250</u>	<u>£109,582</u>

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

	12 month period ended 31 March 2003 £	12 month period ended 31 March 2002 £
UK corporation tax	-	-
Deferred taxation	-	-
Under Provision in prior years	-	-
	<u>-</u>	<u>-</u>

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2003

9. TANGIBLE FIXED ASSETS

	Investment properties £
COST OR VALUATION	
At 31 March 2002	1,969,186
Additions	
Disposals	
At 31 March 2003	<u>1,969,186</u>
DEPRECIATION	
At 31 March 2002	24,963
Charge for period	7,807
Relating to disposals	
At 31 March 2003	<u>32,770</u>
Net book values at:	
31 March 2002	<u>1,944,223</u>
31 March 2003	<u>1,936,416</u>

The historical cost of investment properties is as follows:

At 31 March 2002 and 31 March 2003	<u>£ 879,920</u>
Cumulative depreciation based on cost:	
At 31 March 2002	<u>£62,556</u>
At 31 March 2003	<u>£63,730</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 2003.

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2003

10. DEBTORS

	31 March 2003 £	31 March 2002 £
Trade debtors	7,640	224
Other debtors and prepayments	3,986	3,986
Corporation tax recoverable	22,202	22,137
Loan to Fishtrader Ltd	6,942	
Other loan account	25,346	40,346
	<u>£66,116</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 2003 £	31 March 2002 £
Bank loans (see Note 13)	70,467	-
Bank Overdraft	68,806	122,549
Trade creditors	122,080	162,945
Corporation tax	-	-
S419 tax payable	-	-
Other taxes and social security	-	-
VAT Due	8,410	7,572
Loan from Told-M-Two Ltd	20,194	20,200
Accruals and other creditors	11,476	11,476
Director's loan account	19,836	20,787
Pension Fund loan	29,088	29,088
	<u>350,357</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 2003

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

	31 March 2003 £	31 March 2002 £
Loans (see Note 13)	<u>1,550,280</u>	<u>1,450,280</u>
	<u>1,550,280</u>	<u>1,450,280</u>

13. LOANS

	31 March 2003 £	31 March 2002 £
<i>Not wholly repayable within five years:</i>		
Northern Rock Commercial Finance	<u>£1,550,280</u>	<u>£ 1,450,280</u>
	31 March 2003 £	31 March 2002 £
<i>Amounts repayable by instalments:</i>		
Within five years	352,336	244,898
After five years	<u>1,197,944</u>	<u>1,205,382</u>
	<u>£1,550,280</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 2003

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	31 March 2003 £	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 2003 £	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 2003 £	31 March 2002 £
At 31 July 2002	-	-
Charge for period	-	-
At 31 March 2003	-	-

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 2003

16. CALLED UP SHARE CAPITAL

31 March 2002 & 31 March 2003

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

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

	Share capital £	Share premium £	Revaluation reserve £	Profit and loss account £	Total £
At 31 July 2001	113,336	221,665	1,041,791	(1,172,057)	204,735
Transfer from reserves	-	-	(4,463)	4,463	-
Profit for the period	-	-	-	(18,595)	(18,595)
At 31 March 2002	113,336	221,665	1,037,328	(1,186,189)	186,140
Transfer from reserves	-	-	(4,463)	4,463	-
Loss for the period	-	-	-	(13,778)	(13,778)
At 31 March 2003	£ 113,336	£ 221,665	£ 1,032,865	£ (1,195,504)	172,362

18. OPERATING LEASE COMMITMENTS

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 31 March 2003 £	Land and buildings 31 March 2002 £	31 March 2003 £	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		-
	£ 16,500	£ 16,500	-	-

ROSSNOW LEISURE (ABERDEEN) LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2003

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
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)