DEMOR INVESTMENTS LIMITED

COMPANY REGISTRATION - SC61021

FINANCIAL STATEMENTS

31 OCTOBER 2001

SCT S6X4MGNO 0205
COMPANIES HOUSE 11/12/02

DIRECTORS REPORT
YEAR ENDED 31 OCTOBER 2001

The director submits his report and the financial statements.

PRINCIPAL ACTIVITIES

The principal activity is property developing.

RESULTS

The results are shown on page 3.

DIRECTOR AND HIS INTEREST

Mr D R LeMarquand was the sole director throughout the year. His interest in the company's shares at 1 November 2000 and 31 October 2001, was -

D R LeMarquand	9,300

TANGIBLE FIXED ASSETS

Movements in fixed assets are detailed in note 5 to the accounts.

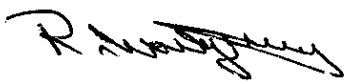
AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Hutchison & Co., Chartered Accountants, as auditors of the company until the next general meeting at which financial statements are presented.

SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



Secretary

STATEMENTS OF DIRECTOR'S RESPONSIBILITIES
YEAR ENDED 31 OCTOBER 2001

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit of the company for that period. In preparing those financial statements, the director is required to -

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the companies 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 to enable him to ensure that the financial statements 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.

The director confirms that the financial statements comply with the above requirements.



Director

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2001

	NOTE	£	2000 £
TURNOVER	1	499,263	420,908
COST OF SALES		91,567	76,013
GROSS PROFIT		407,696	344,895
ADMINISTRATIVE EXPENSES		291,628	158,733
OPERATING PROFIT		116,068	186,162
INTEREST PAYABLE	2	255,555	176,964
		(139,487)	9,198
EXCEPTIONAL ITEMS	3	601,719	(6,605)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	3	462,232	2,593
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	146,577	43,402
RETAINED PROFIT FOR THE YEAR		315,655	45,995
RETAINED PROFIT BROUGHT FORWARD		635,985	589,990
RETAINED PROFIT CARRIED FORWARD		951,640	635,985

References are to the notes on pages 5 to 8.

BALANCE SHEET AT 31 OCTOBER 2001

	NOTE	£	£	2000 £
FIXED ASSETS				
Tangible assets	5		4,488,470	2,077,255
Investments	6		241,292	241,292
			4,729,762	2,318,547
CURRENT ASSETS				
Investments	7	1,584,278	1,400,161	
Debtors	8	66,198	45,153	
Cash at bank		74	164	
		1,650,550	1,445,478	
CREDITORS (amounts falling due within one year)	9	4,392,698	1,988,432	
NET CURRENT LIABILITIES			2,742,148	542,954
			1,987,614	1,775,593
CREDITORS (amounts falling due after one year)	10	975,611	1,084,757	
PROVISION FOR LIABILITIES				
Deferred taxation	11	32,463	26,951	
			1,008,074	1,111,708
NET ASSETS			979,540	663,885
CAPITAL AND RESERVES				
Called up share capital	12		9,300	9,300
Share premium			6,200	6,200
Capital redemption reserve			12,400	12,400
Profit and loss account			951,640	635,985
			979,540	663,885

References are to the notes on pages 5 to 8.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) were approved by the board on 5 December 2002.

- Director

NOTES ON FINANCIAL STATEMENTS
31 OCTOBER 2001

1. ACCOUNTING POLICIES

Basis of accounting -

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Depreciation -

Tangible fixed assets are depreciated at rates expected to reduce costs to estimated residual value over their estimated useful lives. The following annual rates have been used -

Heritable property	2% straight line
Improvements to property	20% reducing balance
Plant and machinery	10% & 20% reducing balance
Motor vehicles	25% reducing balance

Stock -

Stocks and work in progress are valued at lower of cost and net realisable value.

Deferred taxation -

Provision is made under the liability method for corporation tax deferred by accelerated capital allowances and by other short term timing difference.

Goodwill -

Goodwill is amortised evenly over its estimated useful life of five years.

Turnover -

Turnover represents net invoiced sales of goods.

NOTES ON FINANCIAL STATEMENTS (CONTINUED)
31 OCTOBER 2001

2. INTEREST PAYABLE

	£	2000 £
Bank overdraft interest	168,186	66,705
Bank loan interest	87,369	110,259
	255,555	176,964

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging -

		£
Directors remuneration for management services	74,008	4,008
Depreciation owned assets	26,815	2,914
Auditors remuneration	5,583	8,097
Exceptional item -		
Gain on disposal of properties	601,719	6,605

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	£	£
Current year -		
Corporation tax payable at 25.23%	130,196	43,402
Transfer to deferred tax reserve	5,512	-
	135,708	43,402
Prior years -		
Corporation tax payable	10,869	-
	146,577	43,202

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

NOTES ON FINANCIAL STATEMENTS (CONTINUED)
31 OCTOBER 2001

5. TANGIBLE FIXED ASSETS

	Heritable property	*Improvements to property*	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost -					
At 1 November 2000	2,105,065	4,531	68,686	90,310	2,268,592
Additions in year	2,330,382	-	105,739	3,409	2,439,530
Additions in year	(-)	(-)	(-)	(4,608)	(4,608)
At 31 October 2001	4,435,447	4,531	174,425	89,111	4,703,514
Depreciation -					
At 1 November 2000	85,208	4,037	42,747	59,345	191,337
Charge for year	-	494	15,945	10,376	26,815
On disposals	(-)	(-)	(-)	(3,108)	(3,108)
At 31 October 2001	85,208	4,531	58,692	66,613	215,044
Net book value -					
At 31 October 2000	4,350,239	-	115,733	22,498	4,488,470
At 31 October 2000	2,019,857	494	25,939	30,965	2,077,255

6. FIXED ASSET INVESTMENT

	£	2000 £
Investment in subsidiaries	*600*	*600*
Loans to subsidiaries	240,692	240,692
	241,292	241,292

The company holds 100% of the ordinary share capital of Wilson's Bar Limited, which is a licence holder, and Demor Investments (TF Properties) Limited, which is a property investments company.

7. CURRENT ASSETS

	£	£
Development properties	1,584,278	1,400,161

NOTES ON FINANCIAL STATEMENTS (CONTINUED)
31 OCTOBER 2001

8. DEBTORS (falling due within one year)

	£	2000 £
Trade debtors	15,290	7,160
Other debtors	50,908	37,993
	66,198	45,153

9. CREDITORS (falling due within one year)

	£	£
Bank overdraft	3,625,908	1,596,872
Bank loans	200,847	200,847
Trade creditors	19,354	19,876
Director's current account	267,907	121,338
Corporation tax	141,065	-
Other taxes and social security costs	18,078	7,250
Other creditors	119,539	42,249
	4,392,698	1,988,432

The overdraft and loans are secured by a standard security over the heritable property of the company and its subsidiaries and by a bond and floating charge over the assets of the company.

10. CREDITORS (falling due after one year)

	£	£
Bank loans	975,611	1,084,757

Bank loans include instalments due after more than five year of £189,962 (2000 £289,839).

11. DEFERRED TAXATION

	£	£
Accelerated capital allowances	5,512	-
Losses	(1,115)	(1,115)
Other timing differences	28,066	28,066
	32,463	26,951

12. SHARE CAPITAL

	£	£
Authorised -		
25,000 ordinary shares of £1	25,000	25,000
Allotted, called up and fully paid -		
9,300 ordinary shares of £1	9,300	9,300

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF

DEMOR INVESTMENTS LIMITED

We have audited the financial statements of Demor Investments Limited for the year ended 31 October 2001 on pages three to eight. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described on page two the company's director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are property prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Director is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hutchison & Co
Chartered Accountants
and Registered Auditor
B5 Whitecrook Business Centre
Clydebank
G81 1QF

Date: 6.December.2002