Beard Hotels plc

Financial Statements

For the year ended 30 April 2000

Registered number : SCO62649



Hardie Caldwell

CHARTERED ACCOUNTANTS

Glasgow



CONTENTS

	Page
Report of Directors	1
Directors' Responsibilities	2
Report of the Auditors	3
Consolidated Profit and Loss Account	4
Consolidated Balance Sheet	5
Parent Company Balance Sheet	6
Consolidated Cash Flow Statement	7
Notes to the Accounts	8 – 15



Beard Hotels plc

Report of the Directors
For the year ended 30 April 2000

Directors : E J Beard
I L A Beard

The directors present their report for the year to 30 April 2000 together with the group accounts and auditors' report thereon.

Results

The group loss for the year after taxation and minority interests amounted to £94,081 (1999 : £64,492 restated).

Dividend

The directors recommend that no dividend be paid for the year (1999 - £Nil)

Review of the business

The principal activity of the group is that of letting agents.

Directors' interests

The interests of the directors, as defined in the Companies Act, in the share capital of the company were as follows :

	Ordinary Shares of £1 each	
	30.04.00	**30.04.99**
E J Beard	50,000	50,000
I L A Beard	50,000	50,000

Fixed assets

Movements in fixed assets are shown in note 9.

Auditors

The auditors, Hardie Caldwell, Chartered Accountants, have intimated their willingness to continue in office and a resolution proposing their re-appointment will be put to the Annual General Meeting.

Approved by the Board on 29 November 2000 and signed on its behalf

E J Beard Secretary

Beard Hotels plc

Statement of Directors' Responsibilities

Company law requires the directors 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 group at the end of the year and of the profit or loss of the group for that period. In preparing those accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

Beard Hotels plc

Report of the Auditors
To the Shareholders of Beard Hotels plc

We have audited the accounts on pages 4 to 15 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors
As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Fundamental uncertainty
In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning the continued support of the company's directors and creditors. The accounts have been prepared on the going concern basis, the validity of which depends on this continued support. The accounts do not include any adjustments that would result from this support being withdrawn. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

Opinion
In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 30 April 2000 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hardie Caldwell

Hardie Caldwell
Chartered Accountants
and Registered Auditor
30 November 2000

Savoy Tower
77 Renfrew Street
Glasgow
G2 3BY

Beard Hotels plc

Consolidated Profit and Loss Account
For the year ended 30 April 2000

	Note	£	Restated 1999 £
Turnover	2	434,092	459,345
Cost of sales		-	-
Gross profit		434,092	459,345
Administrative costs		506,275	493,238
Other operating income		(10,850)	(9,517)
		495,425	483,721
Operating profit	3	(61,333)	(24,376)
Interest - receivable	5	15,046	22,217
- payable	6	(42,794)	(57,447)
Loss on ordinary activities before taxation		(89,081)	(59,606)
Tax charge on loss on ordinary activities	7	-	114
Loss on ordinary activities after taxation		(89,081)	(59,492)
Non-equity minority interest		5,000	5,000
Loss for the financial year retained		(94,081)	(64,492)
Retained by: parent company		(11,859)	(17,707)
subsidiary undertaking		(82,222)	(46,785)
		(94,081)	(64,492)

The profit and loss account contains all the gains and losses recognised in the current and preceding year and the losses in each of the years represents the only movement in shareholders funds.

The notes on pages 8 to 15 form part of these accounts.

Beard Hotels plc

Consolidated Balance Sheet
As at 30 April 2000

	Note	£	Restated 1999 £
Fixed assets			
Intangible assets	8	557,250	594,400
Tangible assets	9	194,387	93,418
		751,637	687,818
Current assets			
Debtors : amounts receivable within one year	11	73,589	107,659
Debtors : amounts receivable after more than one year		138,230	138,230
Cash at bank and in hand - firms		1,796	2,109
- clients		297,026	308,747
		510,641	556,745
Creditors : amounts falling due within one year	12	867,885	733,321
Net current liabilities		(357,244)	(176,576)
Total assets less current liabilities		394,393	511,242
Creditors : amounts falling due after more than one year	13	403,695	431,465
		(9,302)	79,777
Non-equity minority interest		125,000	120,000
		(134,302)	(40,223)
Capital and reserves			
Called up share capital	14	100,000	100,000
Share premium account		149,384	149,384
Profit and loss account	15	(383,686)	(289,607)
Shareholders funds		(134,302)	(40,223)

Approved by the Board on 29 November 2000 and signed on its behalf

E J Beard *Director*

I L A Beard *Director*

The notes on pages 8 to 15 form part of these accounts.

Beard Hotels plc

Parent Company Balance Sheet
As at 30 April 2000

	Note	£	Restated 1999 £
Fixed assets			
Tangible assets	9	3,090	4,023
Investments	10	300,000	300,000
		303,090	304,023
Current assets			
Debtors : amounts receivable within one year	11	46,840	46,843
Debtors : amounts receivable after more than one year	11	138,230	138,230
Bank and cash deposits		875	1,193
		185,945	186,266
Creditors : amounts falling due within one year	12	317,806	311,042
Net current liabilities		(131,861)	(124,776)
Total assets less current liabilities		171,229	179,247
Creditors : amounts falling due after more than one year	13	115,401	111,562
		55,828	67,685
Capital and reserves			
Called up share capital	14	100,000	100,000
Share premium account		149,384	149,384
Profit and loss account	15	(193,556)	(181,699)
Shareholders funds		55,828	67,685

Approved by the Board on 29 November 2000 and signed on its behalf

E J Beard *Director*

I L A Beard *Director*



The notes on pages 8 to 15 form part of these accounts.

Beard Hotels plc

Consolidated Cash Flow Statement
For the year ended 30 April 2000

	Note	£	1999 £
Net cash inflow from operating activities	17	131,406	47,544
Returns on investments and servicing of finance	18	(28,330)	(23,870)
Taxation		-	(4,078)
Capital expenditure and financial investment	18	(110,146)	(6,149)
Financing	18	(24,490)	(44,691)
Decrease in cash in year		(31,560)	(31,244)
Reconciliation of net cash flow to movement in net debt	19		**Restated**
Decrease in cash in year		(31,560)	(31,244)
Cash outflow from increase in debt and lease financing		(13,671)	14,692
Change in net debt resulting from cashflow		(45,231)	(16,552)
New hire purchase contracts		21,000	15,000
Capitalisation of interest		(3,839)	(11,317)
Movement in net debt in the year		(28,070)	(12,869)
Net debt as at 1 May 1999		(218,016)	(205,147)
Net debt as at 30 April 2000		(246,086)	(218,016)

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000

1) Accounting policies

Accounting convention
The accounts have been prepared under the historical cost convention and in accordance with *applicable accounting standards.*

Going concern
The financial statements have been prepared on the basis that the group can continue to operate as a going concern which assumes that the group will continue in operational existence for the foreseeable future. This assumption depends on the continued support of the company's directors and creditors. The directors will not seek repayment of sums due to them within the next twelve months and consider it appropriate to prepare the accounts on the going concern basis.

Basis of consolidation
The consolidated accounts comprise the accounts of Beard Hotels plc and its subsidiary undertaking. The parent company's investment in subsidiary undertakings is included at cost less amounts written off. No profit and loss account is presented for the parent company as provided by Sec. 230 of the Companies Act 1985. All operations are continuing.

Goodwill
Goodwill arose on the acquisition of the business of Fineholm Letting Services. The goodwill has been capitalised and is amortised over the period which the directors consider the company will benefit.

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

Goodwill	5% straight line
Land and buildings	2% and 5% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	15% reducing balance

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.

Pensions
The company makes defined contributions towards the personal pensions of certain employees. Contributions are charged to the profit and loss account as they become payable.

2) Turnover

Turnover represents the fees received net of Value Added Tax, from the services provided as letting agents.

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

3) Operating profit

		1999
Operating profit is stated after charging:	£	£
Staff costs (note 4)	268,202	261,906
Auditors' remuneration (company £1,638 (1999 : £1,645))	5,388	4,895
Auditors' remuneration - non audit work	820	900
Operating leases: land and buildings	24,000	24,000
Depreciation of tangible fixed assets: owned assets	12,843	10,283
assets under hire purchase	18,230	16,216
Amortisation of intangible fixed assets	37,150	37,150
Profit on sale of assets	(896)	(641)

4) Directors and employees

		1999
	£	£
Staff costs including directors' emoluments	243,949	235,311
Wages and salaries	20,474	23,135
Social security costs	3,779	3,460
Pension costs	268,202	261,906

	No	No
Average number employed including executive directors		
Office and management	13	14

		1999
Directors	£	£
Directors emoluments	147,756	133,333

5) Interest receivable

		1999
	£	£
Bank interest	15,046	22,217

6) Interest payable

		Restated 1999
	£	£
Hire purchase interest	3,726	3,130
Overdraft interest	1,093	562
Other loans repayable within 5 years	12,690	18,273
Other loans repayable wholly or part after 5 years	25,285	35,482
	42,794	57,447

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

7) Tax on loss on ordinary activities

	£	1999 £
Corporation tax at 20% (1999 : 21%)	-	-
Corporation tax (over)provided in previous years	-	(114)
	-	(114)

8) Intangible fixed assets

	Goodwill £
Cost	
1 May 1999 and 30 April 2000	743,000
Amortisation	
1 May 1999	148,600
Charge for the period	37,150
30 April 2000	185,750
Net book amount	
30 April 2000	557,250
30 April 1999	594,400

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

9) Tangible fixed assets

Group	Freehold Land and Buildings £	Fixtures & Fittings £	Computer Equipment £	Motor Vehicles £	Total £	1999 £
Cost or valuation						
At 1May 1999	10,300	47,166	6,320	132,482	196,268	193,536
Additions	99,345	-	-	39,000	138,345	31,636
Disposals	-	(749)	-	(23,827)	(24,576)	(28,904)
At 30 April 2000	109,645	46,417	6,320	147,655	310,037	196,268
Aggregate depreciation						
At 1 May 1999	6,695	21,951	1,580	72,624	102,850	98,396
Charge for year	2,502	3,678	1,580	23,313	31,073	26,499
Disposals	-	(52)	-	(18,221)	(18,273)	(22,045)
At 30 April 2000	9,197	25,577	3,160	77,716	115,650	102,850
Net book value	100,448	20,840	3,160	69,939	194,387	93,418

Company	Freehold Land and Buildings £	Motor Vehicles £	Total £	1999 £
Cost or valuation				
At 1 May 1999	10,300	7,427	17,727	46,631
Disposals	-	(7,427)	(7,427)	(28,904)
At 30 April 2000	10,300	-	10,300	17,727
Aggregate depreciation				
At 1 May 1999	6,695	7,009	13,704	35,094
Charge for year	515	-	515	655
Disposals	-	(7,009)	(7,009)	(22,045)
At 30 April 2000	7,210	-	7,210	13,704
Net book value	3,090	-	3,090	4,023

Assets held on hire purchase included in motor vehicles:

	Group		Company	
		1999		1999
	£	£	£	£
Cost	104,655	96,455	-	-
Depreciation	49,965	47,807	-	-
Charge for year	18,230	16,216	-	-

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

10) Investment in subsidiary undertaking

	£
Cost	
At 1 May 1999 and 30 April 2000	300,000

Subsidiary undertaking	Holding	Proportion held	Activities
Fineholm Letting Services Limited	Ordinary Shares	100%	Letting agents
Registered in Scotland	Cumulative Redeemable Preference Shares	67%	

11) Debtors

	Group		Company	
		1999		1999
Amounts receivable in one year:	£	£	£	£
Trade debtors	20,986	-	-	-
Prepayments and accrued income	5,763	5,918	-	3
Other debtors	46,840	101,741	46,840	46,840
	73,589	107,659	46,840	46,843
Amounts receivable after more than one year:				
Other debtors	138,230	138,230	138,230	138,230

12) Creditors : Amounts falling due within one year

	Group		Company	
		1999		1999
	£	£	£	£
Bank loans	63,663	30,983	-	-
Other loans	28,134	28,134	28,134	28,134
Bank overdraft	30,516	10,990	-	-
Sums due to clients	297,026	308,747	-	-
Taxation and social security costs	21,521	24,981	-	-
Other creditors and accruals	406,998	302,186	239,987	250,125
Amounts owed to group companies	-	-	48,558	32,783
Corporation tax	1,127	-	1,127	-
Hire purchase	18,900	27,300	-	-
	867,885	733,321	317,806	311,042

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

13) Creditors : Amounts falling due after more than one year

	Group		Company	
		Restated 1999		Restated 1999
	£	£	£	£
Bank loans	245,482	287,820	-	-
Other loans	140,401	136,562	115,401	111,562
Hire purchase	17,812	7,083	-	-
	403,695	431,465	115,401	111,562
Maturity of debt - bank loans				
In one year or less, or on demand - see note 12	63,663	30,983	-	-
Between one and two years	38,378	34,483	-	-
Between two and five years	132,488	128,629	-	-
In five years or more	99,616	124,708	-	-
	334,145	318,803	-	-
Amounts falling due after more than five years:				
Bank loans	74,616	99,708	-	-
Other loans	25,000	25,000	-	-
	99,616	124,708	-	-

Bank loans are secured by a Bond and Floating Charge over the company's whole property and undertaking. Loans are repayable in monthly instalments and interest is charged at the bank's base rate plus 3%.

Maturity of debt - other loans	Group		Company	
		Restated 1999		Restated 1999
	£	£	£	£
In one year or less	28,134	28,134	28,134	28,134
Between one and two years	-	-	-	-
Between two and five years	97,401	93,562	72,401	68,562
In five years or more	43,000	43,000	43,000	43,000
	168,535	164,696	143,535	139,696

Loans repayable in five years or more consist of two loans of £21,500 which are each repayable in five annual instalments of £4,500 commencing on 28 February 2004 and 31 August 2005. Interest is charged at the bank base rate plus 3%.

	Group		Company	
Obligations under finance leases and hire purchase contracts	£	1999 £	£	1999 £
These are repayable over varying periods by monthly instalments as follows:				
In the next year - see note 12	18,900	27,300	-	-
In the second to fifth years	17,812	7,083	-	-
	36,712	34,383	-	-

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

14) Share Capital

	Authorised		Allotted, called up and fully paid	
	2000	1999	2000	1999
	No	No	£	£
Ordinary shares of £1 each	1,000,000	1,000,000	100,000	100,000

15) Profit and loss account

	Group 1999 £	Company 1999 £
At 1 May 1999		
As previously stated	(278,290)	(170,382)
Prior year adjustment	(11,315)	(11,315)
As restated	(289,605)	(181,697)
Retained (loss)/profit for year	(94,081)	(11,859)
At 30 April 2000	(383,686)	(193,556)

16) Operating lease commitments

Payments due during the year to 30 April 2001 on other operating leases which expire :

	Group		Company	
		1999		1999
	£	£	£	£
Within one year				
Land and buildings	4,000	-	-	-
Plant and equipment	999	-	-	-
Within two to five years				
Land and buildings	-	24,000	-	-
Plant and equipment	-	4,320	-	-

17) Reconciliation of operating profit to operating cash flows

		1999
	£	£
Operating (loss)/profit	(61,333)	(24,376)
Depreciation	31,073	26,499
Amortisation	37,150	37,150
Gain on disposal of fixed assets	(896)	(641)
Decrease/(increase) in debtors	34,424	(7,812)
(Decrease)/increase in creditors	90,988	16,724
Net cash inflow from operating activities	131,406	47,544

Beard Hotels plc

Notes to the Accounts
For the year ended 30 April 2000 (cont'd)

18) Analysis of cash flows for headings netted in the cash flow statement

	£	1999 £
Returns on investment and servicing of finance		
Interest received	14,692	23,435
Interest paid	(39,296)	(44,175)
Interest element of hire purchase payments	(3,726)	(3,130)
Net cash outflow for returns on investment and servicing of finance	(28,330)	(23,870)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(117,345)	(13,649)
Proceeds from sale of fixed assets	7,199	7,500
Net cash (outflow)/inflow for capital expenditure and financial investment	(110,146)	(6,149)
Financing		
Decrease in debt	(5,819)	(30,653)
Capital element of hire purchase payments	(18,671)	(14,038)
Net cash outflow from financing	(24,490)	(44,691)

19) Analysis of net debt

	Restated At 1 May 1999 £	Cash Flow £	Other non-cash changes £	At 30 April 2000 £
Cash at bank and in hand				
- firms	2,109	(313)		1,796
- clients	308,747	(11,721)		297,026
Overdraft	(10,990)	(19,526)		(30,516)
	299,866	(31,560)		268,306
Debt due after one year	(424,382)	42,338	(3,839)	(385,883)
Debt due within one year	(59,117)	(32,680)		(91,797)
Hire purchase	(34,383)	(23,329)	21,000	(36,712)
		(13,671)		
	(218,016)	(45,231)	17,161	(246,086)

20) Related party

Related parties	Transaction	£	Balance at year end 2000 £	Balance at year end 1999 £
Clanedge Limited, a company owned and controlled by ILA Beard and EJ Beard	Loan to parent company	-	138,230 dr	138,230 dr
	Overheads paid for parent company	1,671	117,152 cr	115,481 cr
	Overheads paid for subsidiary company	147,952	93,051 cr	54,901 dr
Beard Hotels plc Retirement Benefit Scheme	Loan	10,000	40,000 cr	30,000 cr