SC94098

Report of the Directors and

Financial Statements for the Year Ended 31 January 2002

for

Aitken Holdings Limited



Company Information
for the Year Ended 31 January 2002

DIRECTORS:	Mr B J K Aitken Mr G B Aitken
SECRETARY:	Mrs C A T Aitken
REGISTERED OFFICE:	The Old Court 385 Hillington Road Glasgow G52 4BL
REGISTERED NUMBER:	94098 (Scotland)
AUDITORS:	Stevenson & Kyles 25 Sandyford Place Glasgow G3 7NJ

Report of the Directors for the Year Ended 31 January 2002

The directors present their report with the financial statements of the company for the year ended 31 January 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property rental and holding company.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 January 2002.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

FUTURE DEVELOPMENTS

The directors will continue to seek further opportunities in the property development and rental market on behalf of the company and its subsidiaries.

DIRECTORS

The directors during the year under review were:

Mr B J K Aitken
Mrs C A T Aitken - resigned 1.1.02
Mr G B Aitken

The beneficial interests of the directors holding office on 31 January 2002 in the issued share capital of the company were as follows:

	31.1.02	1.2.01
Ordinary £1 shares		
Mr B J K Aitken (as trustee)	6,849	6,849
Mr G B Aitken	5,624	5,624

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are 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 company 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

AUDITORS
The auditors, Stevenson & Kyles, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mrs C A T Aitken - SECRETARY

Dated: 28 November 2002

Report of the Independent Auditors to the Shareholders of Aitken Holdings Limited

We have audited the financial statements of Aitken Holdings Limited for the year ended 31 January 2002 on pages five to nineteen. 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 directors are 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 properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors 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 January 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Stevenson & Kyles
25 Sandyford Place
Glasgow
G3 7NJ

Dated: 28 November 2002

Profit and Loss Account
for the Year Ended 31 January 2002

	Notes	2002 £	2002 £	2001 £	2001 £
TURNOVER			13,267		214,078
Cost of sales			-		82,841
GROSS PROFIT			13,267		131,237
Administrative expenses			483,171		2,782,573
OPERATING LOSS	3		(469,904)		(2,651,336)
Sale of subsidiary	4		-		4,212,158
Inter-company loan written off	4		-		(799,280)
			(469,904)		761,542
Income from investments		-		2,592,000	
Interest receivable and similar income		111,558		39,843	
			111,558		2,631,843
			(358,346)		3,393,385
Interest payable and similar charges	5		5,415		88,918
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(363,761)		3,304,467
Tax on (loss)/profit on ordinary activities	6		(10,590)		10,590
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(353,171)		3,293,877
Retained profit brought forward			3,410,655		1,021,278
			3,057,484		4,315,155
Purchase of own shares			-		(904,500)
RETAINED PROFIT CARRIED FORWARD			£3,057,484		£3,410,655

The notes form part of these financial statements

Profit and Loss Account
for the Year Ended 31 January 2002

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

Balance Sheet
31 January 2002

	Notes	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS:					
Tangible assets	7		229,955		208,009
Investments	8		246,445		263,445
			476,400		471,454
CURRENT ASSETS:					
Stocks	9	87,507		129,399	
Debtors	10	1,734,993		2,054,878	
Cash at bank		919,590		3,145,063	
		2,742,090		5,329,340	
CREDITORS: Amounts falling due within one year	11	138,224		2,357,045	
NET CURRENT ASSETS:			2,603,866		2,972,295
TOTAL ASSETS LESS CURRENT LIABILITIES:			3,080,266		3,443,749
CREDITORS: Amounts falling due after more than one year	12		(9,098)		(19,410)
PROVISIONS FOR LIABILITIES AND CHARGES:	13		(3,684)		(3,684)
			£3,067,484		£3,420,655
CAPITAL AND RESERVES:					
Called up share capital	14		6,849		6,849
Capital redemption reserve	15		3,151		3,151
Profit and loss account			3,057,484		3,410,655
SHAREHOLDERS' FUNDS:	17		£3,067,484		£3,420,655

ON BEHALF OF THE BOARD:



Mr B J K Aitken - DIRECTOR

Approved by the Board on 28 November 2002

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 January 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Net cash outflow from operating activities	1		(1,154,280)		(2,402,266)
Returns on investments and servicing of finance	2		106,143		2,542,925
Taxation			(10,590)		-
Capital expenditure and financial investment	2		(32,816)		1,078,463
Acquisitions and disposals	2		-		3,412,878
			(1,091,543)		**4,632,000**
Financing	2		(1,133,930)		(88,358)
(Decrease)/Increase in cash in the period			**£(2,225,473)**		**£4,543,642**

Reconciliation of net cash flow to movement in net funds	3			
(Decrease)/Increase in cash in the period		**(2,225,473)**	**4,543,642**	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(8,490)	18,627	
Change in net funds resulting from cash flows		(2,233,963)		4,562,269
Movement in net funds in the period		**(2,233,963)**		**4,562,269**
Net funds/(debt) at 1 February		**3,101,281**		**(1,460,988)**
Net funds at 31 January		**£867,318**		**£3,101,281**

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 January 2002

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	(469,904)	(2,651,336)
Depreciation charges	28,270	28,419
Loss on sale of fixed assets	-	11,997
Profit on sale of fixed assets	(400)	(276,598)
Decrease/(Increase) in stocks	41,892	(988)
Decrease/(Increase) in debtors	330,475	(163,675)
(Decrease)/Increase in creditors	(1,084,613)	649,915
Net cash outflow from operating activities	(1,154,280)	(2,402,266)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	111,558	39,843
Interest paid	(2,502)	(81,356)
Interest element of hire purchase or finance lease rentals payments	(2,913)	(7,562)
Dividends received	-	2,592,000
Net cash inflow for returns on investments and servicing of finance	106,143	2,542,925
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(51,816)	(177,545)
Cash payments - investmt purch	-	(884)
Sale of tangible fixed assets	2,000	1,256,892
Cash receipts - investmt sales	17,000	-
Net cash (outflow)/inflow for capital expenditure	(32,816)	1,078,463

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 January 2002

2. **ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued**

	2002 £	2001 £
Acquisitions and disposals		
Sale of subsidiary	-	4,212,158
Inter-company loan written off	-	(799,280)
Net cash inflow for acquisitions and disposals	-	3,412,878
Financing		
Loan repayments in year	-	(318,140)
Amount introduced by directors	(1,133,930)	-
Amount withdrawn by directors	-	1,134,282
Purchase of own shares	-	(904,500)
Net cash outflow from financing	(1,133,930)	(88,358)

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Year Ended 31 January 2002

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.01 £	Cash flow £	At 31.1.02 £
Net cash:			
Cash at bank and in hand	3,145,063	(2,225,473)	919,590
	3,145,063	(2,225,473)	919,590
Debt:			
Hire purchase or finance leases	(43,782)	(8,490)	(52,272)
	(43,782)	(8,490)	(52,272)
Total	3,101,281	(2,233,963)	867,318
Analysed in Balance Sheet			
Cash at bank and in hand	3,145,063		919,590
Hire purchase or finance leases			
within one year	(24,372)		(43,174)
after one year	(19,410)		(9,098)
	3,101,281		867,318

Notes to the Financial Statements
for the Year Ended 31 January 2002

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain tangible fixed assets. The accounts are prepared in accordance with applicable accounting standards.

Turnover
Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land & buildings	- 2% on cost
Furniture & Fittings	- 15% to 25% straight line
Motor vehicles	- 25% straight line

Stocks
Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	280,359	2,298,488
Social security costs	32,385	261,776
	312,744	2,560,264

The average monthly number of employees during the year was as follows:

	2002	2001
Management and supervisory	5	11

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation - owned assets	12,878	7,896
Depreciation - assets on hire purchase contracts or finance leases	15,392	20,523
Profit on disposal of fixed assets	(400)	(264,601)
Auditors' remuneration	10,000	6,084
Directors' emoluments	239,892	2,149,610

Information regarding the highest paid director is as follows:

	2002	2001
	£	£
Emoluments etc	154,165	2,149,610

4. EXCEPTIONAL ITEMS

This represented the sale of CRT Displays Limited during the previous year and the write off of amounts owed by AM-P Quarrymasters Limited as in the opinion of the directors this amount was irrecoverable.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	2,442	65,560
Loan interest	60	15,796
Hire purchase interest	2,913	7,562
	5,415	88,918

6. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2002 £	2001 £
Current tax:		
UK corporation tax	-	10,590
Tax over-provision in previous year	(10,590)	-
Total current tax	(10,590)	10,590
Tax on (loss)/profit on ordinary activities	(10,590)	10,590

7. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Furniture & Fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST:					
At 1 February 2001	142,200	45,621	118,579	735	307,135
Additions	-	48,722	1,750	1,344	51,816
Disposals	-	-	(51,203)	-	(51,203)
At 31 January 2002	142,200	94,343	69,126	2,079	307,748
DEPRECIATION:					
At 1 February 2001	2,844	40,886	55,212	184	99,126
Charge for year	2,844	9,076	15,830	520	28,270
Eliminated on disposals	-	-	(49,603)	-	(49,603)
At 31 January 2002	5,688	49,962	21,439	704	77,793
NET BOOK VALUE:					
At 31 January 2002	136,512	44,381	47,687	1,375	229,955
At 31 January 2001	139,356	4,735	63,367	551	208,009

Notes to the Financial Statements
for the Year Ended 31 January 2002

7. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 February 2001 and 31 January 2002	82,090
DEPRECIATION:	
At 1 February 2001	20,523
Charge for year	15,392
At 31 January 2002	35,915
NET BOOK VALUE:	
At 31 January 2002	46,175
At 31 January 2001	61,567

8. FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

B.J.K. Aitken (Commercial Industries) Limited
Country of incorporation: Scotland
Nature of business: Sub holding company

Class of shares:	% holding
Ordinary shares	100.00*

B.J.K. Aitken (Property Services) Limited
Country of incorporation: Scotland
Nature of business: Sub holding company

Class of shares:	% holding
Ordinary shares	100.00*

8. **FIXED ASSET INVESTMENTS - continued**

Aitken Developments Limited
Country of incorporation: Scotland
Nature of business: Property developers

Class of shares:	% holding
Ordinary shares	100.00

A-MP Quarrymasters Limited
Country of incorporation: Scotland
Nature of business: Non trading

Class of shares:	% holding
Ordinary shares	80.00

Aitken Multipurpose Arenas Limited
Country of incorporation: Scotland
Nature of business: Football and Fitness Centre Operators

Class of shares:	% holding
Ordinary shares	100.00

A-M Sports Management Limited
Country of incorporation: Scotland
Nature of business: Sports Management

Class of shares:	% holding
Ordinary shares	90.00

Aitken Projects Limited
Country of incorporation: Scotland
Nature of business: Non trading

Class of shares:	% holding
Ordinary shares	100.00

8. **FIXED ASSET INVESTMENTS - continued**

Big Papas Pizza Company (Kilwinning) Limited
Country of incorporation: Scotland
Nature of business: Pizza Carry Out

Class of shares:	% holding
Ordinary shares	100.00

* shares held directly by Aitken Holdings Limited

Associate Undertakings

James McGee Limited
Country of incorporation: Scotland
Nature of business: Property Surveyors

Class of shares:	% holding
Ordinary shares	35.00

Investment in Associate

	2002 £	2001 £
Cost brought forward	34,445	33,561
Movement in loan	(17,000)	884
	17,445	34,445

Investments (neither listed nor unlisted) were as follows:

	2002 £	2001 £
Investment in Subsidiaries at cost	229,000	229,000
Investment in Associate	17,445	34,445
	246,445	263,445

9. **STOCKS**

	2002 £	2001 £
Stock	87,507	129,399

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Prepaid charges	11,049	38,629
Amount due from Group Co.	1,380,016	1,060,270
Sundry debtors	310,305	955,979
VAT	23,033	-
Corporation tax recoverable	10,590	-
	1,734,993	2,054,878

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	63,144	103,693
Hire purchase	43,174	24,372
Other creditors	-	1,235
Directors' current accounts	352	1,134,282
Social security & other taxes	(2,163)	1,019,438
VAT	-	14,243
Amount due to Group Companies	8,000	13,192
Taxation	-	10,590
Accrued charges	25,717	36,000
	138,224	2,357,045

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Hire purchase	9,098	19,410

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation	3,684	3,684

The deferred taxation provision is in respect of other timing differences.

Notes to the Financial Statements
for the Year Ended 31 January 2002

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
9,750	Ordinary	£1	9,750	9,750

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
6,849	Ordinary	£1	6,849	6,849

15. CAPITAL REDEMPTION RESERVE

	2002 £	2001 £
Brought forward	3,151	2,390
Purchase of own shares	-	761
	3,151	3,151

16. RELATED PARTY DISCLOSURES

The company is 100% controlled by the directors, Mr B.J.K. Aitken, Mr G.B. Aitken and Mrs C.A.T. Aitken. There were no transactions during the year between the directors and any other companies controlled by them.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
(Loss)/Profit for the financial year	(353,171)	3,293,877
Purchase of own shares	-	(904,500)
Net (reduction)/addition to shareholders' funds	(353,171)	2,389,377
Opening shareholders' funds	3,420,655	1,031,278
Closing shareholders' funds	3,067,484	3,420,655
Equity interests	3,067,484	3,420,655