

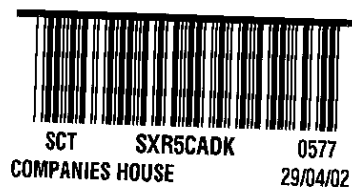
$A^2 + B$

P B DEVELOPMENT COMPANY LIMITED
(Company Number: 97813)

DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS

30 JUNE 2001.

Q



Anderson Anderson & Brown
Chartered Accountants

P B DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT

A²+B

Directors: J Clarkson
S A Clarkson

Secretaries: Paul & Williamsons

Registered office: Investment House, 6 Union Row, Aberdeen

The directors submit their report and the audited accounts of the company for the year ended 30 June 2001.

RESULTS AND DIVIDENDS

The profit for the year, amounting to £86,710 (2000 - £925,643) has been dealt with as shown in the profit and loss account. A dividend of £16,667 (2000 - £2,000) per share has been proposed during the year.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company consists of the provision of catering foods, drinks and entertainment.

The directors are satisfied with the results for the year.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year ended 30 June 2001 were 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 year were as follows:

	Ordinary shares of £1 each 2001 & 2000
J Clarkson	1
S A Clarkson	9

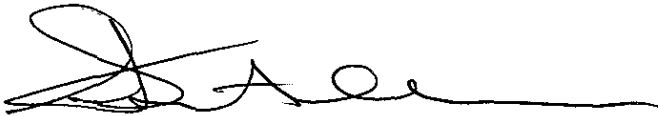
P B DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT (continued)

A²+B

AUDITORS

Anderson Anderson & Brown have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

By order of the board

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a series of loops and a long horizontal stroke.

Director

P B DEVELOPMENT COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

$A^2 + B$

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 profit or loss of the company for that period. In preparing those accounts, the directors are 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts 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.

²
A+B

ANDERSON
ANDERSON
& BROWN

CHARTERED
ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PB DEVELOPMENT COMPANY LIMITED UNDER SECTION 247B OF THE
COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 18 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 2001.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions.

Basis of opinion

We have carried out the procedures we considered necessary to discharge our responsibilities set out above. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 30 June 2001 and the abbreviated accounts on pages 5 to 18 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Registered Auditors
Aberdeen

25 April 2002

P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2001

A² + B

	Note	2001 £	2000 £
GROSS PROFIT		1,762,932	1,864,708
Operating costs	2	<u>1,601,839</u>	<u>1,767,883</u>
OPERATING PROFIT			
Continuing operations		172,109	(164,379)
Discontinued operations		<u>(11,016)</u>	<u>261,204</u>
		161,093	96,825
Profit on sale of trading entity		-	974,393
Loss on sale of fixed asset investment		-	(22,250)
Income from investments		-	4,600
Interest receivable		7,712	3,217
Interest payable and similar charges	6	<u>(53,858)</u>	<u>(62,900)</u>
PROFIT BEFORE TAXATION		114,947	993,885
Taxation	7	<u>28,237</u>	<u>68,242</u>
PROFIT AFTER TAXATION		86,710	925,643
Dividends	8	<u>166,667</u>	<u>20,000</u>
(ACCUMULATED LOSS)/ RETAINED PROFIT FOR YEAR		<u>£ (79,957)</u>	<u>£ 905,643</u>

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

Movements on reserves are as set in Note 19.

P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED BALANCE SHEET – 30 JUNE 2001

A²+B

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	9	2,263,160	2,299,646
Investments	10	1,100	1,100
		<u>2,264,260</u>	<u>2,300,746</u>
CURRENT ASSETS			
Stocks	11	23,637	39,834
Debtors	12	570,286	485,004
Cash at bank and in hand		31,263	17,987
		<u>625,186</u>	<u>542,825</u>
CREDITORS: amounts falling due within one year	13	<u>1,034,804</u>	<u>856,818</u>
NET CURRENT LIABILITIES		<u>(409,618)</u>	<u>(313,993)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,854,642	1,986,753
CREDITORS: amounts falling due after more than one year	14	118,008	168,331
PROVISION FOR LIABILITIES AND CHARGES	17	<u>97,094</u>	<u>98,925</u>
		<u>£ 1,639,540</u>	<u>£ 1,719,497</u>
CAPITAL AND RESERVES			
Called up share capital	18	10	10
Profit and loss account	19	<u>1,639,530</u>	<u>1,719,487</u>
SHAREHOLDERS' FUNDS	19	<u>£ 1,639,540</u>	<u>£ 1,719,497</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium sized companies.

Signed on behalf of the board of directors


 Director – S A Clarkson

25/4/02

Date

P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2001

A² + B

	Note	2001 £	2000 £
Net cash inflow/(outflow) from operating activities	20	132,253	(124,772)
Returns on investments and servicing of finance	21	(46,146)	(55,083)
Taxation	21	(29,998)	(50,344)
Capital transactions	21	(8,248)	617,690
Equity dividend – paid		-	(20,000)
Cash inflow before financing		47,861	367,491
Financing – decrease in debt	21	(106,778)	(393,240)
Decrease in cash in year		£ (58,917)	£ (25,749)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	2001 £	2000 £
Decrease in cash in year		(58,917)	(25,749)
Cash inflow from decrease in debt and lease financing		106,778	393,240
Change in net debt resulting from cash flows		47,861	367,491
New finance leases and hire purchase agreements		(80,329)	(78,518)
Movements in net debt in year		(32,468)	288,973
Net debt at 30 June 2000	22	(601,703)	(890,676)
Net debt at 30 June 2001	22	£ (634,171)	£ (601,703)

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

$A^2 + B$

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Depreciation*

The base stock of cutlery and glassware is not depreciated.

The cost of other fixed assets is depreciated by equal instalments over their expected useful lives as follows:

Heritable property	50 years
Tenants improvements	7 years
Furniture, fixtures, fittings and equipment	5-10 years
Motor vehicles	4-5 years

(c) *Stocks*

Stocks are valued at the lower of cost and net realisable value.

(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.

(e) *Leasing and hire purchase commitments*

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

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

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

(f) *Pensions*

The company contributes to the personal pension scheme of one of the directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

P B DEVELOPMENT COMPANY LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A² + B

2. OPERATING COSTS

	2001 £	2000 £
Decrease/(increase) in stocks	16,197	(3,541)
Purchases	516,836	558,820
Staff costs - wages and salaries	479,209	501,389
- social security	47,697	40,510
Pensions	4,698	-
Depreciation - owned assets	89,192	109,774
- assets held under hire purchase contracts	49,939	33,483
Other operating charges	398,071	527,448
	<u>£ 1,601,839</u>	<u>£ 1,767,883</u>

3. OPERATING PROFIT *is stated after charging:*

	2001 £	2000 £
Operating lease rentals - plant and machinery	3,693	11,967
Auditors' remuneration - audit services	<u>6,200</u>	<u>6,200</u>

4. EMOLUMENTS OF DIRECTORS

The directors received remuneration of £187,006, including pension contributions and benefits in kind, during the year (2000 - £227,042).

Payments were made to the personal pension scheme of one director.

5. STAFF NUMBERS

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

	2001 No	2000 No
Management and administration	10	9
Bar/Restaurant – full time	12	20
Bar/Restaurant – part time	41	28
	<u>63</u>	<u>57</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

 $A^2 + B$ **6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2001 £	2000 £
Bank overdraft and loan	42,205	54,184
Hire purchase charges	11,624	6,888
Other interest	29	1,828
	<u>£ 53,858</u>	<u>£ 62,900</u>

7. TAXATION *charge based on the profit for the year comprises:*

	2001 £	2000 £
Corporation tax	30,068	51,341
Transfer (from)/to deferred taxation	(1,831)	15,656
Prior year adjustment	-	1,245
	<u>£ 28,237</u>	<u>£ 68,242</u>

8. DIVIDENDS

	2001	2000
£16,667 per ordinary share proposed (2000 - £2,000 paid)	<u>£ 166,667</u>	<u>£ 20,000</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A² + B

9. TANGIBLE FIXED ASSETS

	Heritable property & tenants improvements £	Furniture, fixtures, fittings & equipment £	Motor vehicles £	Base stock, cutlery & glassware £	Total £
COST					
At 30 June 2000	2,049,689	368,230	225,344	23,422	2,666,685
Additions	52,396	32,313	131,068	-	215,777
Disposals	-	-	(156,911)	-	(156,911)
At 30 June 2001	<u>2,102,085</u>	<u>400,543</u>	<u>199,501</u>	<u>23,422</u>	<u>2,725,551</u>
DEPRECIATION					
At 30 June 2000	116,084	175,103	75,852	-	367,039
Charge for year	31,534	58,428	49,169	-	139,131
Relating to disposals	-	-	(43,779)	-	(43,779)
At 30 June 2001	<u>147,618</u>	<u>233,531</u>	<u>81,242</u>	<u>-</u>	<u>462,391</u>
Net book amounts at:					
30 June 2001	<u>£ 1,954,467</u>	<u>£ 167,012</u>	<u>£ 118,259</u>	<u>£ 23,422</u>	<u>£ 2,263,160</u>
30 June 2000	<u>£ 1,933,605</u>	<u>£ 193,127</u>	<u>£ 149,492</u>	<u>£ 23,422</u>	<u>£ 2,299,646</u>

The net book values of motor vehicles and furniture, fixtures, fittings and equipment include amounts of £109,716 (2000 - £118,826) and £19,973 (2000 - £26,630) respectively, relating to assets held under finance leases and hire purchase contracts.

The land element of heritable property is not considered material by the directors, therefore the full cost of heritable property is depreciated, except for an investment property with cost and net book value of £153,884, which is not depreciated, and a property which is not yet redeveloped with cost and net book value of £569,073, which is also not depreciated.

10. INVESTMENTS

COST		
At 30 June 2000 and 2001		<u>£ 1,100</u>
	2001	2000
Unlisted investments	<u>£ 1,100</u>	<u>£ 1,100</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A²+B**11. STOCKS**

	2001	2000
Goods for resale	<u>£ 23,637</u>	<u>£ 39,834</u>

12. DEBTORS

	2001 £	2000 £
Trade debtors	21,159	23,213
Other debtors	1,222	125,500
Prepayments and accrued income	29,709	35,030
Amounts due by related parties (Note 24)	388,295	300,688
Directors' loan accounts (Note 24)	129,328	-
Corporation tax	573	573
	<u>£ 570,286</u>	<u>£ 485,004</u>

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

	2001 £	2000 £
Bank overdraft	143,075	70,882
Bank loans (Note 15)	385,265	384,469
Trade creditors	142,717	124,867
Advance discount	5,068	6,866
Corporation tax	51,411	51,341
Social security	13,547	11,932
Value added tax	39,154	27,155
Accruals and deferred income	39,135	70,496
Obligations under finance leases and hire purchase contracts (Note 16)	48,765	28,957
Other creditors	-	4,960
Directors' loan account	-	74,893
Proposed dividend	166,667	-
	<u>£ 1,034,804</u>	<u>£ 856,818</u>

The bank overdraft and bank loans are secured by standard securities over the company's properties and a floating charge over the company's assets and undertakings.

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A²+B

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

	2001 £	2000 £
Bank loans (Note 15)	38,732	55,221
Advance discount	29,679	32,949
Obligations under finance leases and hire purchase contracts (Note 16)	49,597	80,161
	<u>£ 118,008</u>	<u>£ 168,331</u>

15. LOANS

	2001 £	2000 £
Bank term loan at 2% over base rate repayable in quarterly instalments of variable amounts commencing 28 May 1997	48,997	64,690
Libor related loan repayable 28 June 2002	375,000	375,000
	<u>£ 423,997</u>	<u>£ 439,690</u>
<i>Amounts repayable by instalments:</i>		
Within one year	385,265	384,469
Between one and two years	11,111	10,265
Between two and five years	27,621	36,146
After five years	-	8,810
	<u>423,997</u>	<u>439,690</u>
Included in creditors: <i>amounts falling due within one year</i>	<u>(385,265)</u>	<u>(384,469)</u>
Included in creditors: <i>amounts falling due after more than one year</i>	<u>£ 38,732</u>	<u>£ 55,221</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A²+B

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2001 £	2000 £
<i>Amounts payable:</i>		
Within one year	56,749	36,911
Within two to five years	52,796	89,051
	109,545	125,962
Less: finance charges allocated to future periods	11,183	16,844
	<u>£ 98,362</u>	<u>£ 109,118</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations (Note 13)	48,765	28,957
Non-current obligations (Note 14)	49,597	80,161
	<u>£ 98,362</u>	<u>£ 109,118</u>

17. PROVISION FOR LIABILITIES AND CHARGES

	2001 £	2000 £
<i>Deferred taxation:</i>		
Provision at 30 June 2000	98,925	83,269
Transfer (to)/from profit and loss account	(1,831)	15,656
Provision at 30 June 2001	<u>£ 97,094</u>	<u>£ 98,925</u>
 <i>Deferred taxation provided is attributable to:</i>		
Accelerated capital allowances	97,594	99,425
Other timing differences	(500)	(500)
	<u>£ 97,094</u>	<u>£ 98,925</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A² + B

18. CALLED UP SHARE CAPITAL

2001 & 2000

Authorised: Ordinary shares of £1 each

£ 1,000

Allotted, called up and fully paid: Ordinary shares of £1 each

£ 10

**19. RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENTS ON RESERVES**

	Share capital £	Profit and loss account £	Total £
At 30 June 1999	10	813,844	813,854
Profit for the year	-	925,643	925,643
Dividends	-	(20,000)	(20,000)
At 30 June 2000	10	1,719,487	1,719,497
Profit for the year	-	86,710	86,710
Dividends	-	(166,667)	(166,667)
At 30 June 2001	<u>£ 10</u>	<u>£ 1,639,530</u>	<u>£ 1,639,540</u>

**20. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit	161,093	96,825
(Gain)/loss on sale of fixed assets	(14,068)	7,971
Depreciation	139,131	143,257
Increase in debtors	(85,282)	(315,787)
Decrease in creditors	(84,818)	(53,497)
Decrease/(increase) in stock	16,197	(3,541)
	<u>£ 132,253</u>	<u>£ (124,772)</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A² + B**21. ANALYSIS OF CASH FLOWS FOR HEADINGS
NETTED IN THE CASH FLOW STATEMENT**

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	7,712	3,217
Dividends received	-	4,600
Interest paid	(42,234)	(56,012)
Interest element of hire purchase rental payments	(11,624)	(6,888)
Net cash outflow from returns on investments and servicing of finance	£ (46,146)	£ (55,083)
Taxation		
UK corporation tax paid	£ (29,998)	£ (50,344)
Capital transactions		
Purchase of tangible fixed assets	(135,448)	(860,359)
Sale of tangible fixed assets	127,200	1,402,299
Sale of fixed asset investment	-	75,750
	£ (8,248)	£ 617,690
Financing		
Repayment of loan	(15,693)	(730,341)
Capital element of hire purchase rental payments	(91,085)	(37,899)
New secured loans	-	375,000
	£ (106,778)	£ (393,240)

P B DEVELOPMENT COMPANY LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A² + B

22. ANALYSIS OF NET DEBT

	At 30 June 1999 £	Cash flow £	At 30 June 2000 £	Cash flow £	At 30 June 2001 £
Cash at bank and in hand	26,114	(8,127)	17,987	13,276	31,263
Bank overdraft	(53,260)	(17,622)	(70,882)	(72,193)	(143,075)
Hire purchase agreements	(68,499)	(40,619)	(109,118)	10,756	(98,362)
Term loan	(80,384)	15,694	(64,690)	15,693	(48,997)
Business variable loan	(714,647)	714,647	-	-	-
Libor related loan	-	(375,000)	(375,000)	-	(375,000)
	<u>£ (890,676)</u>	<u>£ 288,973</u>	<u>£ (601,703)</u>	<u>£ (32,468)</u>	<u>£ (634,171)</u>

23. LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings			Other
	2001	2000	2001	2000
	£	£	£	£
<i>Operating leases which expire:</i>				
Between two and five years	-	-	3,400	-
In more than five years	2,500	-	-	-
	<u>£ 2,500</u>	<u>£ -</u>	<u>£ 3,400</u>	<u>£ -</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 30 JUNE 2001

A²+B**24. RELATED PARTIES****Control**

Throughout the year the company was controlled by the directors. Details of the directors' interests in the company's share capital are set out in the directors' report.

Transactions

During the year the company had the following transactions with related parties:

Related party	Transaction	Movement In year £	Balance at year end £
Cotton House (an entity in which both directors are partners)	Loan	(76,421)	9,538
Queen's Road Property Development (a company in which S Clarkson is a director)	Loan	123,332	378,757
	Management and administration fees	41,000	
	Interest	6,106	
SAS Ltd (a company in which S Clarkson is a director)	Loan	(6,410)	-
PB Development Company Ltd	Payment to Trust	10,000	-
Employee Benefit Trust	Rent	2,500	1,500
J Clarkson, director	Loan	34,019	7,176
The maximum balance outstanding during the year was £7,176			
S Clarkson, director	Loan	170,202	122,152
The maximum balance outstanding during the year was £127,207			