



P B DEVELOPMENT COMPANY LIMITED

(Company Number: 97813)

DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS

31 MARCH 2003

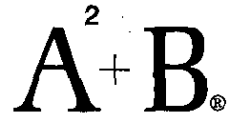
Anderson Anderson & Brown

Chartered Accountants



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COMPANIES HOUSE 30/01/04

P B DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT



Directors: J Clarkson
S A Clarkson

Secretaries: Paull & Williamsons

Registered office: Investment House, 6 Union Row, Aberdeen

The directors submit their report and the audited accounts of the company for the period ended 31 March 2003.

RESULTS AND DIVIDENDS

The loss for the period after taxation, amounting to £189,511 (2002 – £8,112) has been dealt with as shown in the profit and loss account. A dividend of £13,889 per share has been proposed during the period (2002 - £12,778 per share paid).

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 disappointed with the results for the period, however following the refit of one of the licensed establishments, they are satisfied that post period end trading suggests a return to profitability in the forthcoming year.

FUTURE DEVELOPMENTS

The directors plan to commence the development of a bar/diner facility following the granting of planning permission for the building which was formerly the Langstane Kirk. Planning permission has been granted for a casino within this property.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the period ended 31 March 2003 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 period were as follows:

Ordinary shares of £1 each
2003 & 2002

J Clarkson	1
S A Clarkson	9

P B DEVELOPMENT COMPANY LIMITED
DIRECTORS' REPORT (continued)

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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 series of loops and a long horizontal stroke extending to the right.

Director

P B DEVELOPMENT COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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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 United Kingdom 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.

**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 20 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the period ended 31 March 2003.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 period ended 31 March 2003 and the abbreviated accounts on pages 5 to 20 have been properly prepared in accordance therewith.

Anderson Anderson & Brown

Anderson Anderson & Brown
Chartered Accountants
Registered Auditors
Aberdeen

P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2003

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	Note	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
OPERATING (LOSS)/PROFIT	2	(192,915)	28,730
Interest receivable		(2,165)	16,191
Interest payable and similar charges	5	(35,918)	(51,639)
LOSS BEFORE TAXATION		(230,998)	(6,718)
Taxation	6	(41,487)	1,394
LOSS AFTER TAXATION		(189,511)	(8,112)
Dividends	7	138,889	127,778
ACCUMULATED LOSS FOR PERIOD		<u>£ (328,400)</u>	<u>£ (135,890)</u>

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

Movements on reserves are as set in Note 18.

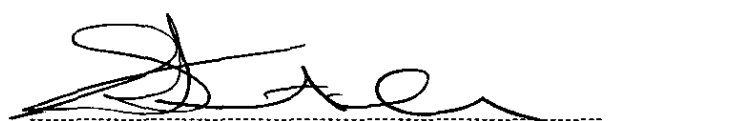
P B DEVELOPMENT COMPANY LIMITED
ABBREVIATED BALANCE SHEET – 31 MARCH 2003

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	Note	31 March 2003 £	30 June 2002 £
FIXED ASSETS			
Tangible assets	8	2,075,686	2,218,813
Investments	9	-	1,100
		<u>2,075,686</u>	<u>2,219,913</u>
CURRENT ASSETS			
Stocks	10	17,279	20,369
Debtors	11	215,151	167,242
Cash at bank and in hand		153,782	316,141
		<u>386,212</u>	<u>503,752</u>
CREDITORS: amounts falling due within one year	12	<u>647,722</u>	<u>783,449</u>
NET CURRENT LIABILITIES		<u>(261,510)</u>	<u>(279,697)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,814,176</u>	<u>1,940,216</u>
CREDITORS: amounts falling due after more than one year	13	581,413	342,566
PROVISION FOR LIABILITIES AND CHARGES	16	57,513	94,000
		<u>£ 1,175,250</u>	<u>£ 1,503,650</u>
CAPITAL AND RESERVES			
Called up share capital	17	10	10
Profit and loss account	18	1,175,240	1,503,640
SHAREHOLDERS' FUNDS	18	<u>£ 1,175,250</u>	<u>£ 1,503,650</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

26/1/04 Date

P B DEVELOPMENT COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2003

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	Note	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
Net cash (outflow)/inflow from operating activities	19	(201,074)	612,337
Returns on investments and servicing of finance	20	(38,083)	(35,448)
Taxation	20	-	(50,899)
Capital transactions	20	(33,067)	37,860
Equity dividends – paid		-	(294,445)
Cash (outflow)/inflow before financing		(272,224)	269,405
Financing – (decrease)/increase in debt	20	(82,862)	158,548
(Decrease)/increase in cash in period		£ (355,086)	£ 427,953

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Note	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
(Decrease)/increase in cash in period		(355,086)	427,953
Cash outflow/(inflow) from (decrease)/increase in debt and lease financing		82,862	(158,548)
Change in net debt resulting from cash flows		(272,224)	269,405
New finance leases and hire purchase agreements		-	(96,570)
Movements in net debt in period		(272,224)	172,835
Net debt at 30 June 2002	21	(461,336)	(634,171)
Net debt at 31 March 2003	21	£ (733,560)	£ (461,336)

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 – 31 MARCH 2003

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1. ACCOUNTING POLICIES (continued)

(g) *Turnover*

Turnover represents the sales value of food, drink and services provided and is stated net of value added tax.

2 OPERATING (LOSS)/PROFIT *is stated after charging:*

	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
Operating lease rentals - plant and machinery	2,270	3,400
- land and buildings	1,867	2,658
Auditors' remuneration	6,500	7,000

3. EMOLUMENTS OF DIRECTORS

The directors received remuneration of £161,744, including pension contributions and benefits in kind, during the period (2002 - £209,472).

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

The amounts in respect of the highest paid director are as follows:

	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
Emoluments (including benefits in kind)	£ 113,124	£ 136,760
Company contributions paid to personal pension schemes	£ 3,399	£ 4,532

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**4 STAFF NUMBERS**

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

	9 month period ended 31 March 2003 No	Year ended 30 June 2002 No
Management and administration	8	8
Bar/Restaurant – full time	14	13
Bar/Restaurant – part time	31	40
	<u>53</u>	<u>61</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
Bank overdraft and loan	24,434	35,409
Other loan interest	6,214	4,626
Hire purchase charges	3,706	10,381
Other interest	1,564	1,223
	<u>£ 35,918</u>	<u>£ 51,639</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

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

	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
Corporation tax	(5,796)	5,000
Transfer from deferred taxation	(36,487)	(3,094)
Prior period adjustment	796	(512)
	<u>£ (41,487)</u>	<u>£ 1,394</u>

The corporation tax credit for the period is restricted by the amount of prior year profits against which the tax losses can be offset. The balance of losses have been carried forward, and adjusted for in the deferred taxation provision, resulting in the credit to the profit and loss account in the current period.

7. DIVIDENDS

	9 month period ended 31 March 2003 £	Year ended 30 June 2002 £
£13,889 per ordinary share – proposed	138,889	-
£12,778 per ordinary share – paid	-	127,778
	<u>£ 138,889</u>	<u>£ 127,778</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**8. TANGIBLE FIXED ASSETS**

	Heritable property & tenants improvements £	Furniture, fixtures, fittings & equipment £	Motor vehicles £	Base stock, cutlery & glassware £	Total £
COST					
At 1 July 2002	2,114,678	427,202	170,206	23,422	2,735,508
Additions	28,092	4,975	-	-	33,067
Disposals	(21,260)	(258,864)	-	(15,059)	(295,183)
At 31 March 2003	<u>2,121,510</u>	<u>173,313</u>	<u>170,206</u>	<u>8,363</u>	<u>2,473,392</u>
DEPRECIATION					
At 1 July 2002	180,909	289,200	46,586	-	516,695
Charge for period	23,559	42,003	26,067	-	91,629
Relating to disposals	(1,594)	(209,024)	-	-	(210,618)
At 31 March 2003	<u>202,874</u>	<u>122,179</u>	<u>72,653</u>	<u>-</u>	<u>397,706</u>
Net book amounts at:					
31 March 2003	<u>£ 1,918,636</u>	<u>£ 51,134</u>	<u>£ 97,553</u>	<u>£ 8,363</u>	<u>£ 2,075,686</u>
30 June 2002	<u>£ 1,933,769</u>	<u>£ 138,002</u>	<u>£ 123,620</u>	<u>£ 23,422</u>	<u>£ 2,218,813</u>

The net book value of motor vehicles includes £75,703 (2002 - £96,513) 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 £583,389, which is also not depreciated.

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**9. INVESTMENTS**

	£	
COST AND NET BOOK VALUE		
At 1 July 2002		1,100
Disposals		(1,100)
At 31 March 2003		£ -
	31 March 2003	30 June 2002
Unlisted investments	£ -	£ 1,100

10. STOCKS

	31 March 2003	30 June 2002
Goods for resale	£ 17,279	£ 20,369

11. DEBTORS

	31 March 2003	30 June 2002
	£	£
Trade debtors	13,481	30,265
Prepayments and accrued income	26,944	35,118
Amounts due by related parties (Note 24)	51,582	88,740
Directors' loan accounts (Note 24)	116,775	12,546
Corporation tax	6,369	573
	£ 215,151	£ 167,242

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**12. CREDITORS: *amounts falling due within one year***

	31 March 2003 £	30 June 2002 £
Bank overdraft	192,727	-
Bank loans (Note 14)	47,784	386,111
Other loan (Note 14)	30,000	30,000
Trade creditors	122,460	135,609
Amounts owed to related parties (Note 23)	-	103,351
Corporation tax	5,796	5,000
Social security	10,446	12,867
Value added tax	26,184	24,841
Accruals and deferred income	38,018	66,870
Obligations under finance leases and hire purchase contracts (Note 15)	35,418	18,800
Proposed dividend	138,889	-
	<u>£ 647,722</u>	<u>£ 783,449</u>

The bank overdraft and bank loans are secured by standard securities over some of the company's properties.

The other loan is secured by a standard security over one of the company's properties and a floating charge over the company's assets and undertakings.

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

	31 March 2003 £	30 June 2002 £
Bank loans (Note 14)	318,750	22,193
Other loan (Note 14)	239,597	264,597
Obligations under finance leases and hire purchase contracts (Note 15)	23,066	55,776
	<u>£ 581,413</u>	<u>£ 342,566</u>

P B DEVELOPMENT COMPANY LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

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14. LOANS

	31 March 2003 £	30 June 2002 £
Bank term loan at 2% over base rate repayable in quarterly instalments of variable amounts commencing 28 May 1997	21,534	33,304
Libor related loan repayable in monthly instalments commencing 1 July 2002	345,000	375,000
Brewery loan at 1% below base rate repayable in monthly instalments commencing March 2002, to be settled by March 2007	269,597	294,597
	<u>£ 636,131</u>	<u>£ 702,901</u>
<i>Amounts repayable by instalments:</i>		
Within one year	77,784	416,111
Between one and two years	75,750	41,111
Between two and five years	317,597	245,679
Over five years	165,000	-
	<u>636,131</u>	<u>702,901</u>
Included in creditors: <i>amounts falling due within one year</i>	<u>(77,784)</u>	<u>(416,111)</u>
Included in creditors: <i>amounts falling due after more than one year</i>	<u>£ 558,347</u>	<u>£ 286,790</u>

15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	31 March 2003 £	30 June 2002 £
<i>Amounts payable:</i>		
Within one year	37,415	23,372
Within two to five years	25,535	59,375
	<u>62,950</u>	<u>82,747</u>
Less: finance charges allocated to future periods	<u>(4,466)</u>	<u>(8,171)</u>
	<u>£ 58,484</u>	<u>£ 74,576</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**
(continued)

Finance leases and hire purchase contracts are analysed as follows:

	31 March 2003 £	30 June 2002 £
Current obligations (Note 12)	35,418	18,800
Non-current obligations (Note 13)	23,066	55,776
	<u>£ 58,484</u>	<u>£ 74,576</u>

16. PROVISION FOR LIABILITIES AND CHARGES

	31 March 2003 £	30 June 2002 £
<i>Deferred taxation:</i>		
Provision at 30 June 2002	94,000	97,094
Transfer to profit and loss account	(36,487)	(3,094)
Provision at 30 June 2003	<u>£ 57,513</u>	<u>£ 94,000</u>
<i>Deferred taxation provided is attributable to:</i>		
Accelerated capital allowances	69,278	94,500
Other timing differences	-	(500)
Tax losses carried forward	(11,765)	-
	<u>£ 57,513</u>	<u>£ 94,000</u>

No provision has been made for the potential tax charge of £50,000 which would arise if certain properties were disposed of at their book values and rollover relief was disallowed.

A further claim to rollover gains has been made, and this is subject to satisfying Inland Revenue requirements for re-investment. No provision has been made for the potential tax charge of £60,000 which would arise if the claim was disallowed.

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

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17. CALLED UP SHARE CAPITAL

31 March 2003
& 30 June 2002

Authorised: Ordinary shares of £1 each	<u>£ 1,000</u>
Allotted, called up and fully paid: Ordinary shares of £1 each	<u>£ 10</u>

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 30 June 2001	10	1,639,530	1,639,540
Loss for the year	-	(8,112)	(8,112)
Dividends	-	(127,778)	(127,778)
At 30 June 2002	10	1,503,640	1,503,650
Loss for the period	-	(189,511)	(189,511)
Dividends	-	(138,889)	(138,889)
At 31 March 2003	<u>£ 10</u>	<u>£ 1,175,240</u>	<u>£ 1,175,250</u>

19. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Period ended 31 March 2003 £	Year ended 30 June 2002 £
Operating (loss)/profit	(192,915)	28,730
Loss/(gain) on sale of fixed assets	84,565	(22,421)
Investment written off	1,100	-
Depreciation	91,629	125,478
Decrease in stock	3,090	3,268
(Increase)/decrease in debtors	(42,113)	403,044
(Decrease)/increase in creditors	(146,430)	74,238
	<u>£ (201,074)</u>	<u>£ 612,337</u>

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

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

	Period ended 31 March 2003 £	Year ended 30 June 2002 £
Returns on investments and servicing of finance		
Interest receivable	(2,165)	16,191
Interest paid	(32,212)	(41,258)
Interest element of hire purchase rental payments	(3,706)	(10,381)
Net cash outflow from returns on investments and servicing of finance	£ (38,083)	£ (35,448)
Taxation		
UK corporation tax paid	£ -	£ (50,899)
Capital transactions		
Purchase of tangible fixed assets	(33,067)	(53,340)
Sale of tangible fixed asset	-	91,200
	£ (33,067)	£ 37,860
Financing		
Repayment of loan	(364,000)	(22,340)
Capital element of hire purchase rental payments	(16,092)	(120,356)
New secured loans	297,230	301,244
	£ (82,862)	£ 158,548

21. ANALYSIS OF NET DEBT

	At 30 June 2001 £	Cash flow £	At 30 June 2002 £	Cash flow £	At 31 March 2003 £
Cash at bank and in hand	31,263	284,878	316,141	(162,359)	153,782
Bank overdraft	(143,075)	143,075	-	(192,727)	(192,727)
Hire purchase agreements	(98,362)	23,786	(74,576)	16,092	(58,484)
Term loan	(48,997)	15,693	(33,304)	11,770	(21,534)
Other loan	-	(294,597)	(294,597)	25,000	(269,597)
Libor related loan	(375,000)	-	(375,000)	30,000	(345,000)
	£ (634,171)	£ 172,835	£ (461,336)	£ (272,224)	£ (733,560)

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**22. CAPITAL COMMITMENTS**

	31 March 2003	30 June 2002
Contracted for, but not provided	<u>£ 217,823</u>	<u>£ -</u>

23. LEASE COMMITMENTS

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

	Land and buildings			Other
	2003	2002	2003	2002
	£	£	£	£
<i>Operating leases which expire:</i>				
In less than one year	-	-	570	1,130
Between one and five years	<u>2,500</u>	<u>2,500</u>	<u>-</u>	<u>1,140</u>
	<u>£ 2,500</u>	<u>£ 2,500</u>	<u>£ 570</u>	<u>£ 2,270</u>

24. RELATED PARTIES**Control**

Throughout the period 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.

P B DEVELOPMENT COMPANY LIMITED

NOTES ON THE ABBREVIATED ACCOUNTS – 31 MARCH 2003

A²+B[®]**25. RELATED PARTIES (*continued*)****Transactions**

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

Related party	Transaction	Movement in period £	Balance at period end £
Cotton House (an entity in which both directors are partners)	Loan	84,313	4,427
Queen's Road Property Development (a company in which S Clarkson is a director)	Loan	(40,000)	
	Management and administration fees	196,612	
	Interest	(6,106)	47,155
PB Development Company Ltd Employee Benefit Trust	Rent	1,867	-
J Clarkson, director	Loan	14,236	(3,336)
The maximum balance outstanding on the loan during the period was £18,171	Proposed dividend	13,889	(13,889)
S Clarkson, director	Loan	120,111	120,111
The maximum balance outstanding on the loan during the period was £127,207	Proposed dividend	125,000	(125,000)