

DELNABO ESTATE LIMITED

FINANCIAL STATEMENTS

31 JANUARY 1998

Saffery Champness

CHARTERED ACCOUNTANTS



DELNABO ESTATE LIMITED

FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1998

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COMPANY INFORMATION

DIRECTORS

B A Yeowart
Mrs V I Yeowart

SECRETARY

Mrs V I Yeowart

REGISTERED OFFICE

15 Atholl Crescent
Edinburgh
EH3 8HA

REGISTERED NUMBER

SC126621

SOLICITORS

Brodies WS
15 Atholl Crescent
Edinburgh
EH3 8HA

BANKERS

Bank of Scotland
1 The Square
Grantown on Spey
PH26 3HG

DIRECTORS' REPORT

The directors submit their report and the financial statements of Delnabo Estate Limited for the year ended 31 January 1998.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, was £21,730 (1997 £19,081).

The directors do not recommend the payment of a dividend for this year.

REVIEW OF THE BUSINESS

The company's principal activities during the year was the management of Delnabo Estate.

DIRECTORS AND THEIR INTERESTS

The directors of the company who held office at 31 January 1998 had the following interests in the shares of the company:

	31 January 1998		1 February 1997	
	Ordinary	Redeemable Preference	Ordinary	Redeemable Preference
B A Yeowart	1	-	1	-
Mrs V I Yeowart	1	-	1	400,000

SMALL COMPANY EXEMPTIONS

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



Mrs V I Yeowart
Secretary

3rd. November 1998

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1998

	Note	1998	1997
TURNOVER	1	55,054	61,434
Cost of sales		(53,238)	(53,920)
GROSS PROFIT		1,816	7,514
Operating expenses		(23,645)	(26,595)
OPERATING (LOSS)		(21,829)	(19,081)
Interest receivable		99	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(21,730)	(19,081)
Taxation	4	-	-
RETAINED LOSS FOR THE YEAR		<u>£(21,730)</u>	<u>£(19,081)</u>

The notes on pages 7 to 11 form part of these financial statements.

All gains or losses arising in the year have been recognised in the profit and loss account and arise from continuing operations.

A reconciliation of movements in shareholders' funds is shown in note 13 to the financial statements.

BALANCE SHEET
31 JANUARY 1998

	Notes	1998	1997
FIXED ASSETS			
Tangible assets	5	1,874,447	1,875,260
CURRENT ASSETS			
Stock	6	9,888	9,701
Debtors	7	4,436	9,788
Cash at bank and in hand		6,319	5,302
		<u>20,643</u>	<u>24,791</u>
CREDITORS			
Amounts falling due within one year	8	(4,603)	(3,834)
NET CURRENT ASSETS		<u>16,040</u>	<u>20,957</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,890,487</u>	<u>1,896,217</u>
CREDITORS			
Amounts falling due after more than one year	9	(210,839)	(444,839)
		<u>£1,679,648</u>	<u>£1,451,378</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,950,000	1,700,000
Profit and loss account	12	(270,352)	(248,622)
SHAREHOLDERS' FUNDS	13	<u>£1,679,648</u>	<u>£1,451,378</u>

The notes on pages 6 to 11 form part of these financial statements.

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

BALANCE SHEET
31 JANUARY 1998

-
- 1 The company was entitled to exemption from audit for the year ended 31 January 1998 under Section 249A(1).
 - 2 No notice has been deposited under Section 249B(2) of the Act in relation to these accounts.
 - 3 The directors acknowledge their responsibilities for:
 - (a) ensuring that the company keeps accounting records which comply with Section 221 of the Act, and
 - (b) preparing accounts which give a true and fair view of the state of affairs of the company as at 31 January 1998 and of its profit or loss for the year then ended in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the board on 3rd November 1998


..... Mrs V I Yeowart)
)
) Directors
)

B A Yeowart)

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover represents the invoiced amounts of goods sold net of Value Added Tax.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets, except land and buildings, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Furniture and fittings	- 15% pa on the reducing balance basis
Motor vehicles	- 25% pa on the reducing balance basis
Plant and equipment	- 25% pa on the reducing balance basis

No depreciation is provided on land and buildings as the directors are of the opinion that the assets are maintained in such condition that their residual value is in excess of the net book value.

GOVERNMENT GRANTS

Grants of a revenue nature are credited to income in the period to which they relate.

STOCKS

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

Cost means purchase price including transport and handling costs, less trade discounts, calculated on a first in first out basis.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

DEFERRED TAXATION

Provision is made, using the liability method, for taxation in respect of items where there is a timing difference between their treatment for accounts and taxation purposes if, in the opinion of the directors, it is probable that a material tax liability will crystallise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1998

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The whole of the company's results relate to continuing operations in the United Kingdom.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998	1997
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of, and amounts written off, assets:		
Charge for the year		
- tangible fixed assets	£10,292	£11,835
Auditors' remuneration	£-	£1,300
	<u> </u>	<u> </u>

3 DIRECTORS' REMUNERATION

Directors remuneration during the year was nil.

4 TAXATION

	1998	1997
UK Corporation tax at 21/24% on the loss for the year:	-	-
	<u> </u>	<u> </u>

There will be no liability to corporation tax on the results for the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JANUARY 1998

5 TANGIBLE FIXED ASSETS

	Heritable Property	Furniture & Fittings	Motor Vehicles	Plant & Equipment	Total
Cost:					
1 February 1997	1,825,768	65,897	15,552	35,750	1,942,967
Additions	17,423	590	2,885	705	21,603
Disposals	-	-	(1,000)	-	(1,000)
Grants received	(11,971)	-	-	-	(11,971)
31 January 1998	<u>1,831,220</u>	<u>66,487</u>	<u>17,437</u>	<u>36,455</u>	<u>1,951,599</u>
Depreciation:					
1 February 1997	-	35,335	10,090	22,282	67,707
Charge for the year	-	4,671	1,327	4,294	10,292
Eliminated in respect of disposals	-	-	(847)	-	(847)
31 January 1998	<u>-</u>	<u>40,006</u>	<u>10,570</u>	<u>26,576</u>	<u>77,152</u>
Net book value 31 January 1998	<u>£1,831,220</u>	<u>£26,481</u>	<u>£6,867</u>	<u>£9,879</u>	<u>£1,874,447</u>
Net book value 31 January 1997	<u>£1,825,768</u>	<u>£30,562</u>	<u>£5,462</u>	<u>£13,468</u>	<u>£1,875,260</u>

6 STOCKS

	1998	1997
The main categories are:		
Livestock and other	7,916	7,232
Finished goods and goods for resale	1,972	2,469
	<u>£9,888</u>	<u>£9,701</u>

7 DEBTORS

	1998	1997
Due within one year:		
Trade debtors	1,681	3,836
Other debtors	2,755	5,952
	<u>£4,436</u>	<u>£9,788</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JANUARY 1998

8 CREDITORS

	1998	1997
Amounts falling due within one year:		
Trade creditors	2,590	1,861
Other taxation and social security costs	279	267
Other creditors	1,734	1,706
	<u>£4,603</u>	<u>£3,834</u>

9 CREDITORS

	1998	1997
Amounts falling due after more than one year:		
Directors' loan	180,839	414,839
Shareholders' loan	30,000	30,000
	<u>£210,839</u>	<u>£444,839</u>

The loans are unsecured, interest free and have no fixed terms of repayment.

10 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation

Deferred taxation provided in the financial statements and the total potential liability, including the amounts for which provision has been made are as follows:

	Amount provided		Total potential liability	
	1998	1997	1998	1997
Tax effect of timing differences due to:				
Excess of tax allowances over depreciation	<u>-</u>	<u>-</u>	<u>£-</u>	<u>£3,456</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JANUARY 1998

11 SHARE CAPITAL

	1998	1997
Authorised:		
1,350,000 Ordinary shares of £1 each	1,350,000	1,600,000
400,000 Redeemable preference shares of £1 each	400,000	400,000
250,000 Deferred shares of £1 each	250,000	-
	<u>£2,000,000</u>	<u>£2,000,000</u>
Allotted, called up and fully paid:		
1,300,000 Ordinary shares of £1 each	1,300,000	1,300,000
400,000 Redeemable preference shares of £1 each	400,000	400,000
250,000 Deferred shares of £1 each	250,000	-
	<u>£1,950,000</u>	<u>£1,700,000</u>

Redemption of the redeemable preference shares requires that the holders be given 6 months written notice of the intention to redeem all or part of the shares which have been issued. The shares are to be redeemed at par plus a premium of £0.07 per share. In the event of a redemption all declared but unpaid dividends require to be paid.

During the year 250,000 of the authorised but unissued ordinary shares were redesignated as deferred shares of £1 each.

The deferred shares rank after the redeemable preference shares and ordinary shares on a winding up or other return of capital. The deferred shares carry no voting or dividend entitlements. On 31 January 2007 each deferred share will automatically be redesignated as one ordinary share.

12 RESERVES

	<u>Total</u>
PROFIT AND LOSS ACCOUNT	
1 February 1997	(248,622)
Retained loss for the year	<u>(21,730)</u>
31 January 1998	<u>£(270,352)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 JANUARY 1998

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
Loss for the financial year	(21,730)	(19,081)
Other recognised gains and losses for year:		
Issue of deferred shares	250,000	-
Net increase/(decrease) in shareholders' funds	228,270	(19,081)
Opening shareholders' funds	1,451,378	1,470,459
Closing shareholders' funds	<u>£1,679,648</u>	<u>£1,451,378</u>

14 CAPITAL COMMITMENTS

The company had no capital commitments outstanding as at 31 January 1998 (1997 - nil).

15 TRANSACTIONS WITH DIRECTORS

There were no material related party transactions during the year.