

Company Registration No. SC126621 (Scotland)

DELNABO ESTATE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000



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Saffery Champness
CHARTERED ACCOUNTANTS

DELNABO ESTATE LIMITED

COMPANY INFORMATION

Directors	B A Yeowart V I Yeowart
Secretary	V I Yeowart
Company number	SC126621
Registered office	15 Atholl Crescent Edinburgh EH3 8HA
Auditors	Saffery Champness Kintail House Beechwood Park Inverness IV2 3BW
Business address	Estate Office Tomintoul Ballindalloch Banffshire AB37 9HT
Bankers	Bank of Scotland Teviot House 41 South Gyle Crescent Edinburgh EH12 9XD
Solicitors	Brodies WS 15 Atholl Crescent Edinburgh EH3 8HA

DELNABO ESTATE LIMITED

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DELNABO ESTATE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2000

The directors present their report and financial statements for the year ended 31 January 2000.

Principal activities

The principal activity of the company continued to be that of the management of Delnabo Estate.

Directors

The following directors have held office since 1 February 1999:

B A Yeowart

V I Yeowart

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 January 2000	1 February 1999
B A Yeowart	1	1
V I Yeowart	1	1

	Redeemable preference shares of £ 1 each	
	31 January 2000	1 February 1999
B A Yeowart	-	-
V I Yeowart	-	-

	Deferred shares of £ 1 each	
	31 January 2000	1 February 1999
B A Yeowart	-	-
V I Yeowart	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

DELNABO ESTATE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 31 JANUARY 2000

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.

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

On behalf of the board



V I Yeowart

Director

19 Nov 2000

DELNABO ESTATE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF DELNABO ESTATE LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Saffery Champness

Chartered Accountants
Registered Auditors

22 November 2000

Kintail House
Beechwood Park
Inverness
IV2 3BW

DELNABO ESTATE LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2000**

	Notes	2000 £	1999 £
Turnover		61,426	74,627
Cost of sales		(21,564)	(21,602)
Gross profit		39,862	53,025
Administrative expenses		(58,909)	(77,186)
Operating loss	2	(19,047)	(24,161)
Other interest receivable and similar income		153	346
Loss on ordinary activities before taxation		(18,894)	(23,815)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	10	(18,894)	(23,815)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements.

DELNABO ESTATE LIMITED

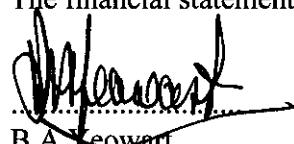
**BALANCE SHEET
AS AT 31 JANUARY 2000**

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	4	1,880,752	1,871,677
Current assets			
Stocks		12,184	10,215
Debtors	5	4,471	3,885
Cash at bank and in hand		10,025	5,553
		<u>26,680</u>	<u>19,653</u>
Creditors: amounts falling due within one year	6	<u>(9,654)</u>	<u>(9,658)</u>
Net current assets		17,026	9,995
Total assets less current liabilities		<u>1,897,778</u>	<u>1,881,672</u>
Creditors: amounts falling due after more than one year	7	<u>(260,839)</u>	<u>(225,839)</u>
		<u>1,636,939</u>	<u>1,655,833</u>
Capital and reserves			
Called up share capital	9	1,950,000	1,950,000
Profit and loss account	10	(313,061)	(294,167)
Shareholders' funds	11	<u>1,636,939</u>	<u>1,655,833</u>
Equity interests		986,939	1,005,833
Non-equity interests		650,000	650,000
		<u>1,636,939</u>	<u>1,655,833</u>

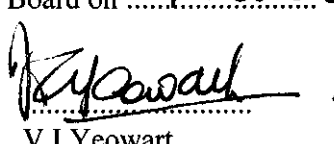
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 6 to 10 form part of these financial statements.

The financial statements were approved by the Board on 19 Nov. 2000.



B A Yeowart
Director



V I Yeowart
Director

DELNABO ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	nil
Plant and machinery	25% pa on the reducing balance basis
Fixtures, fittings & equipment	15% pa on the reducing balance basis
Motor vehicles	25% pa on the reducing balance basis

No depreciation is provided in respect of 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.

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating loss

	2000	1999
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	8,604	9,779
	<u> </u>	<u> </u>

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

DELNABO ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JANUARY 2000**

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 February 1999	1,834,083	124,525	1,958,608
Additions	12,697	5,774	18,471
Disposals	(793)	-	(793)
At 31 January 2000	1,845,987	130,299	1,976,286
Depreciation			
At 1 February 1999	-	86,931	86,931
Charge for the year	-	8,603	8,603
At 31 January 2000	-	95,534	95,534
Net book value			
At 31 January 2000	1,845,987	34,765	1,880,752
At 31 January 1999	1,834,083	37,594	1,871,677

5 Debtors

	2000	1999
	£	£
Trade debtors	200	1,081
Other debtors	4,271	2,804
	4,471	3,885

6 Creditors: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	8,133	7,178
Taxation and social security	303	612
Other creditors	1,218	1,868
	9,654	9,658

DELNABO ESTATE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JANUARY 2000**

7	Creditors: amounts falling due after more than one year	2000	1999
		£	£
	Other creditors	260,839	225,839
		<u>260,839</u>	<u>225,839</u>
	Analysis of loans		
	Wholly repayable within five years	260,839	225,839
		<u>260,839</u>	<u>225,839</u>
	Loan maturity analysis		
	Between two and five years	260,839	225,839
		<u>260,839</u>	<u>225,839</u>

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

8 Provisions for liabilities and charges

Deferred tax is provided at 21% (1999 - 21%) analysed over the following timing differences:

	Not provided		Provided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	-	2,784	-	-
	<u>-</u>	<u>2,784</u>	<u>-</u>	<u>-</u>

DELNABO ESTATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JANUARY 2000**

9 Share capital	2000	1999
	£	£
Authorised		
1,350,000 Ordinary shares of £ 1 each	1,350,000	1,350,000
400,000 Redeemable preference shares of £ 1 each	400,000	400,000
250,000 Deferred shares of £ 1 each	250,000	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	250,000
	<u>1,950,000</u>	<u>1,950,000</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 are required to be paid.

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.

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 1999	(294,167)
Retained loss for the year	(18,894)
Balance at 31 January 2000	<u>(313,061)</u>

11 Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Loss for the financial year	(18,894)	(23,815)
Opening shareholders' funds	1,655,833	1,679,648
Closing shareholders' funds	<u>1,636,939</u>	<u>1,655,833</u>

DELNABO ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JANUARY 2000

12 Transactions with directors

Included within Creditors: amounts due after more than one year, are loans made to the company by the Directors. The balance on these loans at 31 January 2000 and the maximum outstanding during the year were as follow:

Mr B A Yeowart £149,839 (1999 £119,839)

Mrs V I Yeowart £81,000 (1999 £76,000)

13 Control

The company is controlled by Breams Trustees Ltd.

14 Post balance sheet events

The company has increased its authorised share capital from £2,000,000 to £3,000,000 by the creation of 1,000,000 Deferred Shares of £1 each to rank pari passu with the existing Deferred Shares.

The loans made to the company by the Directors have been satisfied by their capitalisation and the allotment and issue of Deferred Shares of £1 each as follows:

Mr B A Yeowart 149,839

Mrs V I Yeowart 91,000