

BOURTREE INVESTMENTS LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2000

Company Registration Number 190868

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DAND CARNEGIE & CO.
Chartered Accountants & Registered Auditors
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

BOURTREE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

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BOURTREE INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr G Hutcheon Mrs L Hutcheon Mr N Morrice Mr W Roberts Mr M Leiper Mr G Campbell
Company secretary	Mrs L Hutcheon
Registered office	Bourtree House Minto Drive Altens Industrial Estate Aberdeen AB12 3LW
Auditors	Dand Carnegie & Co. Chartered Accountants & Registered Auditors Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	Royal Bank of Scotland plc 12 Golden Square Aberdeen AB9 8DU
Solicitors	Paull & Williamsons Investment House 6 Union Row Aberdeen AB10 1DQ

BOURTREE INVESTMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the provision of management services. The company also leases motor vehicles to its subsidiary company.

The principle activities of the company's subsidiary, Hutcheon Services Limited, were those of general electrical and plumbing contractors and sheet metal workers.

The directors are satisfied with the results for the year, and the prospects for the company.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2000 £	1999 £
Dividends paid on ordinary shares	<u>6,000</u>	<u>-</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		At 30 November 2000	At 1 December 1999
Mr G Hutcheon	Ordinary	30,750	50,570
Mrs L Hutcheon	'A' Ordinary	800	800
	'B' Ordinary	80	80
Mr N Morrice	Ordinary	19,841	19,841
Mr W Roberts	Ordinary	4,955	-
Mr M Leiper	Ordinary	4,955	-
Mr G Campbell	Ordinary	<u>9,910</u>	<u>-</u>

Mr J Mutch retired as a director on 27 December 1999.

BOURTREE INVESTMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

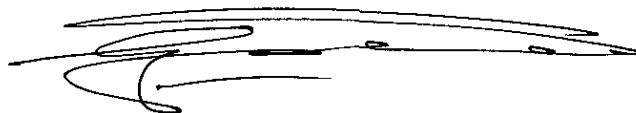
YEAR ENDED 30 NOVEMBER 2000

AUDITORS

A resolution to re-appoint Dand Carnegie & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Bourtree House
Minto Drive
Altens Industrial Estate
Aberdeen
AB12 3LW

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'MR G HUTCHEON', written over a horizontal line.

MR G HUTCHEON

Approved by the directors on 26 April 2001

BOURTREE INVESTMENTS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 NOVEMBER 2000

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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. The directors 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.

BOURTREE INVESTMENTS LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30 NOVEMBER 2000



We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 4, the company's directors are responsible for the preparation of the 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 30 November 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee DD5 1NB

26 April 2001

DAND CARNEGIE & CO.
Chartered Accountants
& Registered Auditors

BOURTREE INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2000**

	Note	2000 £	1999 £
TURNOVER	2	649,013	265,386
Administrative expenses		600,561	202,629
OPERATING PROFIT	3	48,452	62,757
Interest payable	6	2,980	16
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,472	62,741
Tax on profit on ordinary activities	7	(13,469)	(11,171)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		32,003	51,570
Dividends	8	6,000	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		26,003	51,570
Balance brought forward		51,570	-
Balance carried forward		77,573	51,570

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

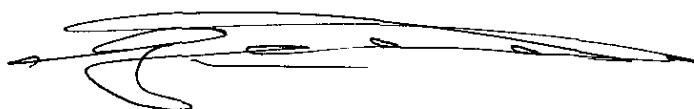
The notes on pages 10 to 15 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED**BALANCE SHEET****30 NOVEMBER 2000**

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	9	75,425	34,425
Investments	10	100,200	100,200
		<u>175,625</u>	<u>134,625</u>
CURRENT ASSETS			
Debtors	11	164,894	146,561
Cash at bank		186,481	-
		<u>351,375</u>	<u>146,561</u>
CREDITORS: Amounts falling due within one year	12	<u>(302,987)</u>	<u>(104,488)</u>
NET CURRENT ASSETS		48,388	42,073
TOTAL ASSETS LESS CURRENT LIABILITIES		224,013	176,698
CREDITORS: Amounts falling due after more than one year	13	<u>(46,240)</u>	<u>(24,928)</u>
		<u>177,773</u>	<u>151,770</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	100,200	100,200
Profit and Loss Account		77,573	51,570
SHAREHOLDERS' FUNDS	17	<u>177,773</u>	<u>151,770</u>

These financial statements were approved by the directors on the 26 April 2001 and are signed on their behalf by:

MR G HUTCHEON



The notes on pages 10 to 15 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 NOVEMBER 2000

	2000	1999
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	250,586	74,232
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(64)	(16)
Interest element of hire purchase	(2,916)	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(2,980)	(16)
TAXATION	(13,309)	(11,171)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(69,967)	(45,900)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(69,967)	(45,900)
EQUITY DIVIDENDS PAID	(6,000)	-
CASH INFLOW BEFORE FINANCING	158,330	17,145
FINANCING		
Issue of equity share capital	-	100,200
Capital element of hire purchase	40,296	-
NET CASH INFLOW FROM FINANCING	40,296	100,200
INCREASE IN CASH	198,626	117,345
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2000	1999
	£	£
Operating profit	48,452	62,757
Depreciation	28,967	11,475
Increase in debtors	(18,333)	-
Increase in creditors	191,500	-
Net cash inflow from operating activities	250,586	74,232

The notes on pages 10 to 15 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 NOVEMBER 2000

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2000	1999
	£	£
Increase in cash in the period	198,626	117,345
Net cash inflow in respect of hire purchase	(40,296)	-
	<u>158,330</u>	<u>117,345</u>
Change in net funds	158,330	117,345
Net debt at 1 December 1999	(52,145)	(52,145)
Net funds at 30 November 2000	<u>106,185</u>	<u>(52,145)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Dec 1999	Cash flows	At 30 Nov 2000
	£	£	£
Net cash:			
Cash in hand and at bank	-	186,481	186,481
Overdrafts	(12,145)	12,145	-
	<u>(12,145)</u>	<u>198,626</u>	<u>186,481</u>
Hire purchase agreements	(40,000)	(40,296)	(80,296)
Net funds	<u>(52,145)</u>	<u>158,330</u>	<u>106,185</u>

The notes on pages 10 to 15 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles - 25% reducing balance

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Assets held for rental to customers under operating leases are recorded as fixed assets and depreciated over their useful lives.

Rentals received or paid under operating leases are recognised in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2000	1999
	£	£
United Kingdom	<u>649,013</u>	<u>265,386</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

3. OPERATING PROFIT

Operating profit is stated after charging:

	2000	1999
	£	£
Depreciation	28,967	11,475
Auditors' remuneration - as auditors	<u>1,000</u>	<u>1,000</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2000	1999
	No.	No.
Number of administrative staff	<u>7</u>	<u>1</u>

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	139,027	29,000
Social security costs	9,306	2,739
Other pension costs	12,885	-
	<u>161,218</u>	<u>31,739</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2000	1999
	£	£
Emoluments receivable	<u>132,109</u>	<u>29,000</u>

6. INTEREST PAYABLE

	2000	1999
	£	£
Interest payable on bank borrowing	64	16
Finance charges	2,916	-
	<u>2,980</u>	<u>16</u>

BOURTREE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2000****7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2000	1999
	£	£
In respect of the year:		
Corporation Tax based on the results for the year at 20% (1999 - 20%)	11,331	11,171
Adjustment in respect of previous years:		
Corporation Tax	2,138	-
	<u>13,469</u>	<u>11,171</u>

8. DIVIDENDS

The following dividends have been paid in respect of the year:

	2000	1999
	£	£
Dividend paid on ordinary shares	<u>6,000</u>	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Motor Vehicles
	£
COST	
At 1 December 1999	45,900
Additions	69,967
At 30 November 2000	<u>115,867</u>
DEPRECIATION	
At 1 December 1999	11,475
Charge for the year	28,967
At 30 November 2000	<u>40,442</u>
NET BOOK VALUE	
At 30 November 2000	<u>75,425</u>
At 30 November 1999	<u>34,425</u>

Operating lease agreements

Included in motor vehicles above are assets held for the purpose of letting under operating leases. At 30 November 2000 the cost of these assets was £115,867 (1999 - £Nil) and the accumulated depreciation was £40,442 (1999 - £Nil).

Hire purchase agreements

Included within the net book value of £75,425 is £75,425 (1999 - £34,425) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £28,967 (1999 - £11,475).

BOURTREE INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2000

10. INVESTMENTS

	Investments in subsidiary undertakings £
COST	
At 1 December 1999 and 30 November 2000	<u>100,200</u>
NET BOOK VALUE	
At 30 November 2000	<u>100,200</u>
At 30 November 1999	<u>100,200</u>

Bourtree Investments Limited owns 100% of the issued share capital of Hutcheon Services Limited.

Aggregate capital and reserves

At 30 November 2000, Hutcheon Services Limited had capital and reserves of	468,818	468,599
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Profit and (loss) for the year

Hutcheon Services Limited's retained profit for the year was	219	25,460
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Under the provisions of section 248 of the Companies Act 1985 Bourtree Investments Limited is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

11. DEBTORS

	2000 £	1999 £
VAT recoverable	2,861	-
Other debtors	146,433	146,561
Prepayments and accrued income	15,600	-
	<u>164,894</u>	<u>146,561</u>

12. CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	-	12,145
Hire purchase agreements	34,056	15,072
Other creditors including taxation		
Corporation Tax	11,331	11,171
Other creditors	<u>15,600</u>	<u>65,100</u>
	26,931	76,271
Accruals and deferred income	242,000	1,000
	<u>302,987</u>	<u>104,488</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

12. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000	1999
	£	£
Bank loans and overdrafts	-	12,145

13. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Hire purchase agreements	46,240	24,928

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000	1999
	£	£
Amounts payable within 1 year	38,592	15,072
Amounts payable between 2 to 5 years	52,390	30,144
	90,982	45,216
Less interest and finance charges relating to future periods	(10,685)	(5,216)
	80,297	40,000

15. RELATED PARTY TRANSACTIONS

Bourtree Investments Limited provided management services and car/van rental services during the year to Hutcheon Services Limited, a wholly owned subsidiary, of £649,013 (1999 - £265,386) Amounts due from Hutcheon Services Limited at 30 November 2000 were £146,433 (1999 - £146,461).

During the year Bourtree Investments Limited paid management charges to Hutcheon Group Limited, a company under common control, amounting to £210,600 (1999 - £158,415). Amounts due to Hutcheon Group Limited at 30 November 2000 were £15,600 (1999 - £65,100).

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2000

16. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
99,100 Ordinary shares of £1.00 each	99,100	99,100
1,000 'A' Ordinary shares of £1.00 each	1,000	1,000
100 'B' Ordinary shares of £1.00 each	100	100
	<u>100,200</u>	<u>100,200</u>

Allotted, called up and fully paid:

	2000		1999	
	No.	£	No.	£
Ordinary shares	99,100	99,100	99,100	99,100
'A' Ordinary shares	1,000	1,000	1,000	1,000
'B' Ordinary shares	100	100	100	100
	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	32,003	51,570
Dividends	(6,000)	-
	<u>26,003</u>	<u>51,570</u>
New equity share capital subscribed	-	100,200
	<u>26,003</u>	<u>151,770</u>
Net addition to funds	26,003	151,770
Opening shareholders' equity funds	151,770	-
	<u>177,773</u>	<u>151,770</u>
Closing shareholders' equity funds	177,773	151,770