

BOURTREE INVESTMENTS LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2002

Company Registration Number 190868



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 2002

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BOURTREE INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Gordon Hutcheon Lorraine Hutcheon Norman Morrice William Roberts Martin Leiper Gary Campbell
Company secretary	Lorraine 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	Paul & Williamsons Investment House 6 Union Row Aberdeen AB10 1DQ

BOURTREE INVESTMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2002.

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 principal 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 and of its subsidiary.

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 not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

		At 30 November 2002	At 1 December 2001
Gordon Hutcheon	Ordinary	40,639	40,639
Lorraine Hutcheon	'A' Ordinary	800	800
	'B' Ordinary	80	80
	Ordinary	18,800	18,800
Norman Morrice	Ordinary	19,841	19,841
	'A' Ordinary	200	200
	'B' Ordinary	20	20
William Roberts	Ordinary	4,955	4,955
Martin Leiper	Ordinary	4,955	4,955
Gary Campbell	Ordinary	9,910	9,910

BOURTREE INVESTMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

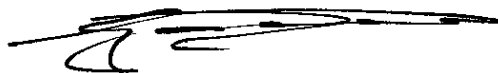
YEAR ENDED 30 NOVEMBER 2002

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



GORDON HUTCHEON
Director

Approved by the directors on 16 May 2003

BOURTREE INVESTMENTS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 NOVEMBER 2002

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 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 NOVEMBER 2002



We have audited the financial statements on pages 7 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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.

BOURTREE INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

(continued)

YEAR ENDED 30 NOVEMBER 2002

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 2002 and of its profit 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

16 May 2003



DAND CARNEGIE & CO.
Chartered Accountants
& Registered Auditors

BOURTREE INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2002**

	Note	2002 £	2001 £
TURNOVER	2	562,537	536,702
Administrative expenses		438,893	472,623
OPERATING PROFIT	3	123,644	64,079
Interest payable	6	8,623	6,721
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		115,021	57,358
Tax on profit on ordinary activities	7	28,134	10,096
RETAINED PROFIT FOR THE FINANCIAL YEAR		86,887	47,262
Balance brought forward		124,835	77,573
Balance carried forward		211,722	124,835

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

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

The notes on pages 11 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED

BALANCE SHEET

30 NOVEMBER 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	8	1,631	1,812
Tangible assets	9	189,886	162,594
Investments	10	100,200	100,200
		<u>291,717</u>	<u>264,606</u>
CURRENT ASSETS			
Debtors	11	109,217	143,314
Cash at bank		37,453	78,337
		<u>146,670</u>	<u>221,651</u>
CREDITORS: Amounts falling due within one year	12	107,924	209,123
NET CURRENT ASSETS		<u>38,746</u>	<u>12,528</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		330,463	277,134
CREDITORS: Amounts falling due after more than one year	13	18,541	52,099
		<u>311,922</u>	<u>225,035</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	100,200	100,200
Profit and Loss Account		211,722	124,835
SHAREHOLDERS' FUNDS	17	<u>311,922</u>	<u>225,035</u>

These financial statements were approved by the directors on the 16 May 2003 and are signed on their behalf by:



GORDON HUTCHEON
Director

The notes on pages 11 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 2002**

	2002	2001
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	120,108	5,550
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(86)	(115)
Interest element of hire purchase	(8,537)	(6,606)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(8,623)	(6,721)
TAXATION	(12,873)	(11,667)
CAPITAL EXPENDITURE		
Payments to acquire intangible fixed assets	—	(1,830)
Payments to acquire tangible fixed assets	(83,151)	(29,500)
Receipts from sale of fixed assets	10,750	—
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(72,401)	(31,330)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING	26,211	(44,168)
FINANCING		
Capital element of hire purchase	(67,095)	(63,976)
NET CASH OUTFLOW FROM FINANCING	(67,095)	(63,976)
DECREASE IN CASH	(40,884)	(108,144)
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2002	2001
	£	£
Operating profit	123,644	64,079
Amortisation	181	18
Depreciation	60,438	40,531
Profit on disposal of fixed assets	(2,909)	—
Decrease in debtors	34,097	21,580
Decrease in creditors	(95,343)	(120,658)
Net cash inflow from operating activities	120,108	5,550

The notes on pages 11 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED**CASH FLOW STATEMENT** *(continued)***YEAR ENDED 30 NOVEMBER 2002****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2002	2001
	£	£
Decrease in cash in the period	(40,884)	(108,144)
Cash outflow in respect of hire purchase	67,095	63,976
Change in net debt resulting from cash flows	26,211	(44,168)
New finance leases	(12,420)	(98,200)
Movement in net debt in the period	13,791	(142,368)
Net debt at 1 December 2001	(36,183)	106,185
Net debt at 30 November 2002	(22,392)	(36,183)

ANALYSIS OF CHANGES IN NET DEBT

	At		Other	At
	1 Dec 2001	Cash flows	changes	30 Nov 2002
	£	£	£	£
Net cash:				
Cash in hand and at bank	78,337	(40,884)	—	37,453
Debt:				
Hire purchase agreements	(114,520)	67,095	(12,420)	(59,845)
Net debt	(36,183)	26,211	(12,420)	(22,392)

The notes on pages 11 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting

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

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.

Amortisation

Amortisation 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:

Registration Plates - 10% straight line

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:

Fixtures & Fittings - 25% reducing balance

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.

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

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:

	2002 £	2001 £
United Kingdom	<u>562,537</u>	<u>536,702</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Amortisation	181	18
Depreciation	60,438	40,531
Profit on disposal of fixed assets	(2,909)	—
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:

	2002 No	2001 No
Number of administrative staff	<u>6</u>	<u>7</u>

The aggregate payroll costs of the above were:

	2002 £	2001 £
Wages and salaries	100,067	129,905
Social security costs	9,403	10,661
Other pension costs	—	14,310
	<u>109,470</u>	<u>154,876</u>

5. DIRECTORS' EMOLUMENTS

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

	2002 £	2001 £
Emoluments receivable	<u>117,250</u>	<u>120,899</u>

6. INTEREST PAYABLE

	2002 £	2001 £
Interest payable on bank borrowing	86	115
Finance charges	8,537	6,606
	<u>8,623</u>	<u>6,721</u>

BOURTREE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2002****7. TAX ON PROFIT ON ORDINARY ACTIVITIES****(a) Analysis of charge in the year**

	2002	2001
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 21.30% (2001 - 20%)	25,020	9,759
Over/under provision in prior year	3,114	337
Total current tax	<u>28,134</u>	<u>10,096</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2001 - 20%).

	2002	2001
	£	£
Profit on ordinary activities before taxation	<u>115,021</u>	<u>57,358</u>
Profit/(loss) on ordinary activities by rate of tax	24,499	11,472
Movement in deferred tax	471	(903)
Disallowable expenses	50	(136)
Under/over provision in previous year	3,114	(337)
Total current tax (note 7(a))	<u>28,134</u>	<u>10,096</u>

8. INTANGIBLE FIXED ASSETS

	Registration Plates
	£
COST	
At 1 December 2001 and 30 November 2002	<u>1,830</u>
AMORTISATION	
At 1 December 2001	18
Charge for the year	181
At 30 November 2002	<u>199</u>
NET BOOK VALUE	
At 30 November 2002	<u>1,631</u>
At 30 November 2001	<u>1,812</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Total £
COST			
At 1 December 2001	—	243,567	243,567
Additions	21,901	73,670	95,571
Disposals	—	(13,940)	(13,940)
At 30 November 2002	<u>21,901</u>	<u>303,297</u>	<u>325,198</u>
DEPRECIATION			
At 1 December 2001	—	80,973	80,973
Charge for the year	5,475	54,963	60,438
On disposals	—	(6,099)	(6,099)
At 30 November 2002	<u>5,475</u>	<u>129,837</u>	<u>135,312</u>
NET BOOK VALUE			
At 30 November 2002	<u>16,426</u>	<u>173,460</u>	<u>189,886</u>
At 30 November 2001	<u>—</u>	<u>162,594</u>	<u>162,594</u>

Operating lease agreements

Included in motor vehicles above are assets held for the purpose of letting under operating leases. At 30 November 2001 the cost of these assets was £303,297 (2001 - £243,567) and the accumulated depreciation was £129,837 (2001 - £80,973).

Hire purchase agreements

Included within the net book value of £189,886 is £173,460 (2001 - £162,594) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £54,963 (2001 - £40,531).

10. INVESTMENTS

	Investments in Subsidiary Undertakings £
COST	
At 1 December 2001 and 30 November 2002	<u>100,200</u>
NET BOOK VALUE	
At 30 November 2002	<u>100,200</u>
At 30 November 2001	<u>100,200</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

10. INVESTMENTS *(continued)*

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

At 30 November 2002, Hutcheon Services Limited had aggregate capital and reserves of £529,452 (2001 - £499,253) and its retained profit for that year was £30,198 (2001 - £30,435).

Under the provision of section 248 of the Companies Act 1985 the company 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

	2002 £	2001 £
Amounts owed by group undertakings	<u>109,217</u>	<u>143,314</u>

12. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Corporation tax	25,021	9,760
PAYE and social security	3,573	3,407
Hire purchase agreements	41,304	62,421
Other creditors	3,196	—
Amounts due from related party	33,830	51,830
Accruals and deferred income	1,000	81,705
	<u>107,924</u>	<u>209,123</u>

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

	2002 £	2001 £
Other creditors:		
Hire purchase agreements	<u>18,541</u>	<u>52,099</u>

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002 £	2001 £
Amounts payable within 1 year	47,010	70,308
Amounts payable between 2 to 5 years	19,760	58,185
	<u>66,770</u>	<u>128,493</u>
Less interest and finance charges relating to future periods	<u>(6,925)</u>	<u>(13,973)</u>
	<u>59,845</u>	<u>114,520</u>
Hire purchase agreements are analysed as follows:		
Current obligations	41,304	62,421
Non-current obligations	18,541	52,099
	<u>59,845</u>	<u>114,520</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

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, to a value of £562,537 (2001 - £516,453). Amounts due from Hutcheon Services Limited at 30 November 2002 amounted to £109,217 (2001 - £143,314) and are disclosed as Debtors above.

During the year, Bourtree Investments Limited paid management charges to Hutcheon Group Limited, a company under common control, amounting to £269,340 (2001 - £245,000). Amounts due to Hutcheon Group Limited at 30 November 2002 were £33,830 (2001 - £51,830) and are disclosed in Creditors above.

16. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
99,100 Ordinary shares of £1 each	99,100	99,100
1,000 'A' Ordinary shares of £1 each	1,000	1,000
100 'B' Ordinary shares of £1 each	100	100
	<u>100,200</u>	<u>100,200</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	99,100	99,100	99,100	99,100
'A' Ordinary shares of £1 each	1,000	1,000	1,000	1,000
'B' Ordinary shares of £1 each	100	100	100	100
	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>

The 'A' and 'B' shares have equal voting rights and dividends are at the discretion of the ordinary shareholders.

On a winding up of the company, the 'B' ordinary shareholders have prior rights to £50,000 of any available distributions plus the nominal subscription. The 'A' ordinary shareholders are then entitled to their nominal subscription price. Any remaining surplus is distributable pari passu to the 'B' ordinary, 'A' ordinary and ordinary shareholders in proportion to their shareholdings.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	86,887	47,262
Opening shareholders' equity funds	225,035	177,773
Closing shareholders' equity funds	<u>311,922</u>	<u>225,035</u>