

**BOURTREE INVESTMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**30 NOVEMBER 2003**



**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 2003**

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| <b>CONTENTS</b>                                  | <b>PAGE</b> |
|--------------------------------------------------|-------------|
| Officers and professional advisers               | 1           |
| The directors' report                            | 2           |
| Statement of directors' responsibilities         | 4           |
| Independent auditors' report to the shareholders | 5           |
| Profit and loss account                          | 7           |
| Balance sheet                                    | 8           |
| Cash flow statement                              | 9           |
| Notes to the financial statements                | 11          |

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**BOURTREE INVESTMENTS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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|                               |                                                                                                                                                       |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The board of directors</b> | Gordon Hutcheon<br>Lorraine Hutcheon<br>Norman Morrice<br>William Roberts<br>Martin Leiper<br>Gary Campbell                                           |
| <b>Company secretary</b>      | Lorraine Hutcheon                                                                                                                                     |
| <b>Registered office</b>      | Bourtree House<br>Minto Drive<br>Altens Industrial Estate<br>Aberdeen<br>AB12 3LW                                                                     |
| <b>Auditors</b>               | Dand Carnegie & Co.<br>Chartered Accountants<br>& Registered Auditors<br>Stannergate House<br>41 Dundee Road West<br>Broughty Ferry<br>Dundee DD5 1NB |
| <b>Bankers</b>                | Royal Bank of Scotland plc<br>12 Golden Square<br>Aberdeen<br>AB9 8DU                                                                                 |
| <b>Solicitors</b>             | Paull & Williamsons<br>Investment House<br>6 Union Row<br>Aberdeen<br>AB10 1DQ                                                                        |

# **BOURTREE INVESTMENTS LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 NOVEMBER 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2003.

### **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 recommended the following dividends:

|                                   | <b>2003</b>   | <b>2002</b> |
|-----------------------------------|---------------|-------------|
|                                   | <b>£</b>      | <b>£</b>    |
| Dividends paid on ordinary shares | <u>50,600</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, including family holdings, in the shares of the company were as follows:

|                   |                       | <b>At</b>               | <b>At</b>              |
|-------------------|-----------------------|-------------------------|------------------------|
|                   | <b>Class of share</b> | <b>30 November 2003</b> | <b>1 December 2002</b> |
| 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              | <u>9,910</u>            | <u>9,910</u>           |

### **POST BALANCE SHEET EVENT**

In April 2004, the whole of the company's issued share capital was acquired by HSB Holdings Limited. Certain of the directors noted above are also directors and shareholders in HSB Holdings Limited.

# **BOURTREE INVESTMENTS LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30 NOVEMBER 2003**

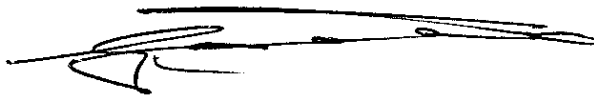
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### **AUDITORS**

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 HUTCHISON  
Director

Approved by the directors on 9 June 2004

**BOURTREE INVESTMENTS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 30 NOVEMBER 2003**

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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 pages 11 to 12, 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 2003**



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We have audited the financial statements on pages 7 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

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 DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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.

### **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 2003**



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**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 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



DAND CARNEGIE & CO.  
Chartered Accountants  
& Registered Auditors

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

9 June 2004

**BOURTREE INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2003**

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|                                                      | Note     | 2003<br>£ | 2002<br>£ |
|------------------------------------------------------|----------|-----------|-----------|
| <b>TURNOVER</b>                                      | <b>2</b> | 795,624   | 562,537   |
| Administrative expenses                              |          | 599,847   | 438,893   |
| <b>OPERATING PROFIT</b>                              | <b>3</b> | 195,777   | 123,644   |
| Interest payable                                     | <b>6</b> | 2,826     | 8,623     |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | 192,951   | 115,021   |
| Tax on profit on ordinary activities                 | <b>7</b> | 50,783    | 28,134    |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |          | 142,168   | 86,887    |
| Dividends                                            | <b>8</b> | 50,600    | —         |
| <b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>        |          | 91,568    | 86,887    |
| Balance brought forward                              |          | 211,722   | 124,835   |
| Balance carried forward                              |          | 303,290   | 211,722   |

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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 17 form part of these financial statements.

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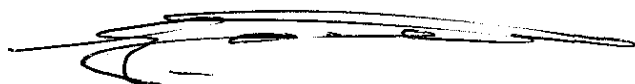
# BOURTREE INVESTMENTS LIMITED

## BALANCE SHEET

30 NOVEMBER 2003

|                                                                | Note | 2003<br>£       | 2002<br>£      |
|----------------------------------------------------------------|------|-----------------|----------------|
| <b>FIXED ASSETS</b>                                            |      |                 |                |
| Intangible assets                                              | 9    | 1,450           | 1,631          |
| Tangible assets                                                | 10   | 332,734         | 189,886        |
| Investments                                                    | 11   | 100,200         | 100,200        |
|                                                                |      | <u>434,384</u>  | <u>291,717</u> |
| <b>CURRENT ASSETS</b>                                          |      |                 |                |
| Debtors                                                        | 12   | 52,620          | 109,217        |
| Cash at bank                                                   |      | 15,211          | 37,453         |
|                                                                |      | <u>67,831</u>   | <u>146,670</u> |
| <b>CREDITORS: Amounts falling due within one year</b>          | 13   | 81,122          | 107,924        |
| <b>NET CURRENT (LIABILITIES)/ASSETS</b>                        |      | <u>(13,291)</u> | <u>38,746</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | 421,093         | 330,463        |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 14   | 17,603          | 18,541         |
|                                                                |      | <u>403,490</u>  | <u>311,922</u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                 |                |
| Called-up equity share capital                                 | 17   | 100,200         | 100,200        |
| Profit and loss account                                        |      | 303,290         | 211,722        |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 18   | <u>403,490</u>  | <u>311,922</u> |

These financial statements were approved by the directors on the 9 June 2004 and are signed on their behalf by:



GORDON HUTCHEON  
Director

The notes on pages 11 to 17 form part of these financial statements.

**BOURTREE INVESTMENTS LIMITED****CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 2003**

|                                                                                        | <b>2003</b>      | <b>2002</b>     |
|----------------------------------------------------------------------------------------|------------------|-----------------|
|                                                                                        | <b>£</b>         | <b>£</b>        |
| <b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>                                       | <b>313,500</b>   | <b>120,108</b>  |
| <b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>                                 |                  |                 |
| Interest paid                                                                          | –                | (86)            |
| Interest element of hire purchase                                                      | (2,826)          | (8,537)         |
| <b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>           | <b>(2,826)</b>   | <b>(8,623)</b>  |
| <b>TAXATION</b>                                                                        | <b>(25,021)</b>  | <b>(12,873)</b> |
| <b>CAPITAL EXPENDITURE</b>                                                             |                  |                 |
| Payments to acquire tangible fixed assets                                              | (235,849)        | (83,151)        |
| Receipts from sale of fixed assets                                                     | –                | 10,750          |
| <b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>                                       | <b>(235,849)</b> | <b>(72,401)</b> |
| <b>EQUITY DIVIDENDS PAID</b>                                                           | <b>(50,600)</b>  | <b>–</b>        |
| <b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>                                          | <b>(796)</b>     | <b>26,211</b>   |
| <b>FINANCING</b>                                                                       |                  |                 |
| Capital element of hire purchase                                                       | (21,446)         | (67,095)        |
| <b>NET CASH OUTFLOW FROM FINANCING</b>                                                 | <b>(21,446)</b>  | <b>(67,095)</b> |
| <b>DECREASE IN CASH</b>                                                                | <b>(22,242)</b>  | <b>(40,884)</b> |
| <b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b> |                  |                 |
|                                                                                        | <b>2003</b>      | <b>2002</b>     |
|                                                                                        | <b>£</b>         | <b>£</b>        |
| Operating profit                                                                       | 195,777          | 123,644         |
| Amortisation                                                                           | 181              | 181             |
| Depreciation                                                                           | 93,001           | 60,438          |
| Profit on disposal of fixed assets                                                     | –                | (2,909)         |
| Decrease in debtors                                                                    | 56,597           | 34,097          |
| Decrease in creditors                                                                  | (32,056)         | (95,343)        |
| <b>Net cash inflow from operating activities</b>                                       | <b>313,500</b>   | <b>120,108</b>  |

The notes on pages 11 to 17 form part of these financial statements.

**BOURTREE INVESTMENTS LIMITED****CASH FLOW STATEMENT** *(continued)***YEAR ENDED 30 NOVEMBER 2003****RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|                                                     | <b>2003</b>     | <b>2002</b>     |
|-----------------------------------------------------|-----------------|-----------------|
|                                                     | <b>£</b>        | <b>£</b>        |
| Decrease in cash in the period                      | (22,242)        | (40,884)        |
| Cash outflow in respect of hire purchase            | 21,446          | 67,095          |
| <b>Change in net debt resulting from cash flows</b> | <b>(796)</b>    | <b>26,211</b>   |
| New finance leases                                  | —               | (12,420)        |
| Movement in net debt in the period                  | (796)           | 13,791          |
| <b>Net debt at 1 December 2002</b>                  | <b>(22,392)</b> | <b>(36,183)</b> |
| <b>Net debt at 30 November 2003</b>                 | <b>(23,188)</b> | <b>(22,392)</b> |

**ANALYSIS OF CHANGES IN NET DEBT**

|                          | <b>At</b>         |                   | <b>At</b>          |
|--------------------------|-------------------|-------------------|--------------------|
|                          | <b>1 Dec 2002</b> | <b>Cash flows</b> | <b>30 Nov 2003</b> |
|                          | <b>£</b>          | <b>£</b>          | <b>£</b>           |
| Net cash:                |                   |                   |                    |
| Cash in hand and at bank | 37,453            | (22,242)          | 15,211             |
| Debt:                    |                   |                   |                    |
| Hire purchase agreements | (59,845)          | 21,446            | (38,399)           |
| <b>Net debt</b>          | <b>(22,392)</b>   | <b>(796)</b>      | <b>(23,188)</b>    |

The notes on pages 11 to 17 form part of these financial statements.

# **BOURTREE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2003**

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### **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:

Vehicle Registration Plates                      -    10% straight line

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **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

#### **Investment properties**

The investment property is held for long term investment. In accordance with the Financial Reporting Standard 8, no depreciation is provided in respect of investment properties. This represents a departure from the Companies Act 1985 requirements to provide for a systematic annual depreciation of fixed assets. However the directors consider that, since this property is held for investment, rather than consumption, adoption of this policy is necessary to give a true and fair view.

#### **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.

# BOURTREE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2003

### 1. ACCOUNTING POLICIES *(continued)*

#### 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:

|                | 2003           | 2002           |
|----------------|----------------|----------------|
|                | £              | £              |
| United Kingdom | <u>795,624</u> | <u>562,537</u> |

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

|                                                            | 2003         | 2002         |
|------------------------------------------------------------|--------------|--------------|
|                                                            | £            | £            |
| Directors' emoluments                                      | 165,722      | 117,250      |
| Amortisation                                               | 181          | 181          |
| Depreciation of owned fixed assets                         | 4,107        | —            |
| Depreciation of assets held under hire purchase agreements | 88,894       | 60,438       |
| 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:

|                                | 2003     | 2002     |
|--------------------------------|----------|----------|
|                                | No       | No       |
| Number of administrative staff | <u>6</u> | <u>6</u> |

The aggregate payroll costs of the above were:

|                       | 2003           | 2002           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 147,216        | 100,067        |
| Social security costs | 16,485         | 9,403          |
| Other pension costs   | 3,000          | —              |
|                       | <u>166,701</u> | <u>109,470</u> |

**BOURTREE INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2003****5. DIRECTORS' EMOLUMENTS**

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

|                                                                  | 2003<br>£      | 2002<br>£      |
|------------------------------------------------------------------|----------------|----------------|
| Emoluments receivable                                            | 165,722        | 117,250        |
| Value of company pension contributions to money purchase schemes | 3,000          | —              |
|                                                                  | <u>168,722</u> | <u>117,250</u> |

The number of directors who are accruing benefits under company pension schemes was as follows:

|                        | 2003<br>No | 2002<br>No |
|------------------------|------------|------------|
| Money purchase schemes | <u>2</u>   | <u>—</u>   |

**6. INTEREST PAYABLE**

|                                    | 2003<br>£    | 2002<br>£    |
|------------------------------------|--------------|--------------|
| Interest payable on bank borrowing | —            | 86           |
| Finance charges                    | 2,826        | 8,537        |
|                                    | <u>2,826</u> | <u>8,623</u> |

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES****(a) Analysis of charge in the year**

|                                                                             | 2003<br>£     | 2002<br>£     |
|-----------------------------------------------------------------------------|---------------|---------------|
| Current tax:                                                                |               |               |
| UK Corporation tax based on the results for the year at 26% (2002 - 21.30%) | 50,783        | 25,020        |
| Over/under provision in prior year                                          | —             | 3,114         |
| Total current tax                                                           | <u>50,783</u> | <u>28,134</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 26% (2002 - 21.30%).

|                                                     | 2003<br>£      | 2002<br>£      |
|-----------------------------------------------------|----------------|----------------|
| Profit on ordinary activities before taxation       | <u>192,951</u> | <u>115,021</u> |
| Profit/(loss) on ordinary activities by rate of tax | 50,167         | 24,499         |
| Movement in deferred tax                            | 575            | 471            |
| Disallowable expenses                               | 41             | 50             |
| Under/over provision in previous year               | —              | 3,114          |
| Total current tax (note 7(a))                       | <u>50,783</u>  | <u>28,134</u>  |

# BOURTREE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2003

### 8. DIVIDENDS

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

|                                  | 2003<br>£     | 2002<br>£ |
|----------------------------------|---------------|-----------|
| Dividend paid on ordinary shares | <u>50,600</u> | <u>—</u>  |

### 9. INTANGIBLE FIXED ASSETS

|                                         | Vehicle<br>Registration Plates<br>£ |
|-----------------------------------------|-------------------------------------|
| <b>COST</b>                             |                                     |
| At 1 December 2002 and 30 November 2003 | <u>1,830</u>                        |
| <b>AMORTISATION</b>                     |                                     |
| At 1 December 2002                      | 199                                 |
| Charge for the year                     | 181                                 |
| At 30 November 2003                     | <u>380</u>                          |
| <b>NET BOOK VALUE</b>                   |                                     |
| At 30 November 2003                     | <u>1,450</u>                        |
| At 30 November 2002                     | <u>1,631</u>                        |

### 10. TANGIBLE FIXED ASSETS

|                       | Freehold<br>Property<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|-----------------------|---------------------------|-----------------------------|------------------------|----------------|
| <b>COST</b>           |                           |                             |                        |                |
| At 1 December 2002    | —                         | 21,901                      | 303,297                | 325,198        |
| Additions             | 49,600                    | —                           | 186,249                | 235,849        |
| At 30 November 2003   | <u>49,600</u>             | <u>21,901</u>               | <u>489,546</u>         | <u>561,047</u> |
| <b>DEPRECIATION</b>   |                           |                             |                        |                |
| At 1 December 2002    | —                         | 5,475                       | 129,837                | 135,312        |
| Charge for the year   | —                         | 4,107                       | 88,894                 | 93,001         |
| At 30 November 2003   | <u>—</u>                  | <u>9,582</u>                | <u>218,731</u>         | <u>228,313</u> |
| <b>NET BOOK VALUE</b> |                           |                             |                        |                |
| At 30 November 2003   | <u>49,600</u>             | <u>12,319</u>               | <u>270,815</u>         | <u>332,734</u> |
| At 30 November 2002   | <u>—</u>                  | <u>16,426</u>               | <u>173,460</u>         | <u>189,886</u> |

#### Operating lease agreements

Included in motor vehicles above are assets held for the purpose of letting under operating leases. At 30 November 2003 the cost of these assets was £489,546 (2002 - £303,297) and the accumulated depreciation was £218,731 (2002 - £129,837).

# BOURTREE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2003

### 10. TANGIBLE FIXED ASSETS *(continued)*

#### Hire purchase agreements

Included within the net book value of £332,734 is £270,815 (2002 - £189,886) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £88,894 (2002 - £60,438).

### 11. INVESTMENTS

|                                         | Investments in<br>Subsidiary<br>Undertakings<br>£ |
|-----------------------------------------|---------------------------------------------------|
| <b>COST</b>                             |                                                   |
| At 1 December 2002 and 30 November 2003 | <u>100,200</u>                                    |
| <b>NET BOOK VALUE</b>                   |                                                   |
| At 30 November 2003                     | <u>100,200</u>                                    |
| At 30 November 2002                     | <u>100,200</u>                                    |

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

At 30 November 2003, Hutcheon Services Limited had aggregate capital and reserves of £538,360 (2002 - £529,452) and its retained profit for that year was £8,908 (2002 - £30,198).

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.

### 12. DEBTORS

|                                    | 2003<br>£     | 2002<br>£      |
|------------------------------------|---------------|----------------|
| Amounts owed by group undertakings | 2,480         | 109,217        |
| Amounts due from related party     | 49,186        | —              |
| Prepayments and accrued income     | 954           | —              |
|                                    | <u>52,620</u> | <u>109,217</u> |

### 13. CREDITORS: Amounts falling due within one year

|                                | 2003<br>£     | 2002<br>£      |
|--------------------------------|---------------|----------------|
| Trade creditors                | 1,273         | —              |
| Corporation tax                | 50,783        | 25,021         |
| PAYE and social security       | 4,074         | 3,573          |
| Hire purchase agreements       | 20,796        | 41,304         |
| Other creditors                | 3,196         | 3,196          |
| Amounts due from related party | —             | 33,830         |
| Accruals and deferred income   | 1,000         | 1,000          |
|                                | <u>81,122</u> | <u>107,924</u> |

# BOURTREE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2003

### 14. CREDITORS: Amounts falling due after more than one year

|                          | 2003          | 2002          |
|--------------------------|---------------|---------------|
|                          | £             | £             |
| Hire purchase agreements | <u>17,603</u> | <u>18,541</u> |

### 15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

|                                      | 2003          | 2002          |
|--------------------------------------|---------------|---------------|
|                                      | £             | £             |
| Amounts payable within 1 year        | 20,796        | 41,304        |
| Amounts payable between 2 to 5 years | <u>17,603</u> | <u>18,541</u> |
|                                      | <u>38,399</u> | <u>59,845</u> |

### 16. 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 £795,624 (2002 - £562,537). Amounts due from Hutcheon Services Limited at 30 November 2003 amounted to £2,480 (2002 - £109,217) and are disclosed in Debtors above.

During the year, Bourtree Investments Limited paid management charges to Hutcheon Group Limited, a company under common control, amounting to £330,260 (2002 - £268,560). Amounts due from Hutcheon Group Limited at 30 November 2003 were £49,186 (2002 - due to Hutcheon Group Limited - £33,830) and are disclosed in Creditors above.

### 17. SHARE CAPITAL

#### Authorised share capital:

|                                      | 2003           | 2002           |
|--------------------------------------|----------------|----------------|
|                                      | £              | £              |
| 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:

|                                | 2003           |                | 2002           |                |
|--------------------------------|----------------|----------------|----------------|----------------|
|                                | 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.

# **BOURTREE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2003**

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### **18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                    | <b>2003</b>    | <b>2002</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>£</b>       | <b>£</b>       |
| Profit for the financial year      | 142,168        | 86,887         |
| Dividends                          | (50,600)       | —              |
|                                    | <u>91,568</u>  | <u>86,887</u>  |
| Opening shareholders' equity funds | 311,922        | 225,035        |
| Closing shareholders' equity funds | <u>403,490</u> | <u>311,922</u> |

### **19. POST BALANCE SHEET EVENTS**

In April 2004 the whole of the company's issued share capital was acquired by HSB Holdings Limited, a company incorporated in Scotland.