

BOURTREE INVESTMENTS LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2007



FOURM

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

BOURTREE INVESTMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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BOURTREE INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Gregor Robb
Norman Morrice
William Roberts
Martin Leiper
Gary Campbell

Company secretary

Gregor Robb

Registered office

Bourtree House
Minto Drive
Altens Industrial Estate
Aberdeen
AB12 3LW

Auditor

FourM
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

Iain Smith & Company
18 20 Queen's Road
Aberdeen
AB15 4ZT

BOURTREE INVESTMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2007.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year were the provision of management services to its subsidiary company. The principal activities of the company's subsidiary, Hutcheon Services Limited, are 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 profit for the year, after taxation, amounted to £119,564. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

Gregor Robb
Norman Morrice
William Roberts
Martin Leiper
Gary Campbell
Gordon Hutcheon

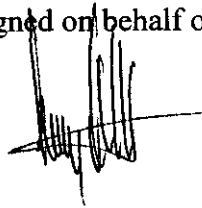
(Retired 29 December 2006)

AUDITOR

A resolution to re-appoint FourM 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.
Bourtrees House
Minto Drive
Altens Industrial Estate
Aberdeen
AB12 3LW

Signed on behalf of the directors



GARY CAMPBELL
Director

Approved by the directors on 22 August 2008

BOURTREE INVESTMENTS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 30 NOVEMBER 2007

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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 that disclose with reasonable accuracy at any time the financial position of the company and 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

In so far as the directors are aware:

there is no relevant audit information of which the company's auditor is unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

BOURTREE INVESTMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BOURTREE INVESTMENTS LIMITED
YEAR ENDED 30 NOVEMBER 2007

We have audited the financial statements of Bourtree Investments Limited for the year ended 30 November 2007 on pages 6 to 16, which have been prepared on the basis of the accounting policies set out on pages 10 to 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 auditor's 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 AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF
BOURTREE INVESTMENTS LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2007

OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements

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

22 August 2008

Four M

FOURM
Chartered Accountants
& Registered Auditors

BOURTREE INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 NOVEMBER 2007**

		2007	2006
	Note	£	£
TURNOVER	2	640,881	643,749
Administrative expenses		473,004	530,438
OPERATING PROFIT	3	167,877	113,311
Interest payable and similar charges	5	11,246	7,853
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		156,631	105,458
Tax on profit on ordinary activities	6	37,067	17,655
PROFIT FOR THE FINANCIAL YEAR		119,564	87,803
Balance brought forward		514,962	427,159
Balance carried forward		<u>634,526</u>	<u>514,962</u>

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 10 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED**BALANCE SHEET****30 NOVEMBER 2007**

	Note	2007 £	2006 £
FIXED ASSETS			
Intangible assets	7	718	901
Tangible assets	8	345,966	343,890
Investments	9	100,200	100,200
		<u>446,884</u>	<u>444,991</u>
CURRENT ASSETS			
Debtors	10	620,735	315,782
Cash at bank		31,782	50,204
		<u>652,517</u>	<u>365,986</u>
CREDITORS: Amounts falling due within one year	11	272,551	117,559
NET CURRENT ASSETS		<u>379,966</u>	<u>248,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		826,850	693,418
CREDITORS: Amounts falling due after more than one year	12	92,124	78,256
		<u>734,726</u>	<u>615,162</u>
CAPITAL AND RESERVES			
Called up equity share capital	16	100,200	100,200
Profit and loss account		634,526	514,962
SHAREHOLDERS' FUNDS	17	<u>734,726</u>	<u>615,162</u>

These financial statements were approved by the directors and authorised for issue on 22 August 2008, and are signed on their behalf by.



GREGOR ROBB
Director

The notes on pages 10 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED**CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 2007**

	2007	2006
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	117,041	132,313
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest element of hire purchase	(11,246)	(7,853)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(11,246)	(7,853)
TAXATION	(21,230)	(14,290)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(177,045)	(119,440)
Receipts from sale of fixed assets	45,136	25,200
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(131,909)	(94,240)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(47,344)	15,930
FINANCING		
Capital element of hire purchase	28,922	18,218
NET CASH INFLOW FROM FINANCING	28,922	18,218
(DECREASE)/INCREASE IN CASH	(18,422)	34,148
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2007	2006
	£	£
Operating profit	167,877	113,311
Amortisation	183	183
Depreciation	98,788	98,097
Loss/(Profit) on disposal of fixed assets	31,045	(3,485)
Increase in debtors	(304,953)	(12,304)
(Decrease)/Increase in creditors	124,101	(63,489)
Net cash inflow from operating activities	<u>117,041</u>	<u>132,313</u>

The notes on pages 10 to 16 form part of these financial statements

BOURTREE INVESTMENTS LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 NOVEMBER 2007

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007	2006
	£	£
(Decrease)/increase in cash in the period	(18,422)	34,148
Cash outflow in respect of hire purchase	(28,922)	(18,218)
	<u>(47,344)</u>	<u>15,930</u>
Change in net debt	(47,344)	15,930
Net debt at 1 December 2006	(114,779)	(130,709)
Net debt at 30 November 2007	<u>(162,123)</u>	<u>(114,779)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At		At
	1 Dec 2006	Cash flows	30 Nov 2007
	£	£	£
Net cash			
Cash in hand and at bank	50,204	(18,422)	31,782
Debt			
Hire purchase agreements	(164,983)	(28,922)	(193,905)
Net debt	<u>(114,779)</u>	<u>(47,344)</u>	<u>(162,123)</u>

The notes on pages 10 to 16 form part of these financial statements.

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

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
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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 Statement of Standard Accounting Practice 19, 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.

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

1. ACCOUNTING POLICIES *(continued)*

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

Fixed asset investments

The fixed asset investments are recorded at cost less any provision for the reduction in the value of the stated investment

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the company. Turnover was generated 100% in the United Kingdom (2006 100%).

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2007 £	2006 £
Directors' emoluments	—	—
Amortisation	183	183
Depreciation of owned fixed assets	5,821	33,156
Depreciation of assets held under hire purchase agreements	92,967	64,941
Loss/(Profit) on disposal of fixed assets	31,045	(3,485)
Auditor's remuneration as auditor	<u>2,300</u>	<u>2,500</u>

4. PARTICULARS OF EMPLOYEES

No salaries or wages have been paid to employees, including the directors, during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Finance charges	<u>11,246</u>	<u>7,853</u>

BOURTREE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 NOVEMBER 2007****6. TAXATION ON ORDINARY ACTIVITIES****(a) Analysis of charge in the year**

	2007	2006
	£	£
Current tax		
UK Corporation tax based on the results for the year at 24 16% (2006 19 90%)	37,067	21,231
Under/(over) provision in prior years		(3,576)
Total current tax	<u>37,067</u>	<u>17,655</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24 16% (2006 19 90%)

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>156,631</u>	<u>105,458</u>
Profit on ordinary activities by rate of tax	37,842	20,986
Movement in deferred tax	(826)	(34)
Disallowable expenses	51	276
Under/over provision in previous year		(3,573)
Total current tax (note 6(a))	<u>37,067</u>	<u>17,655</u>

7. INTANGIBLE FIXED ASSETS

	Registration Plates
	£
COST	
At 1 December 2006 and 30 November 2007	<u>1,830</u>
AMORTISATION	
At 1 December 2006	929
Charge for the year	183
At 30 November 2007	<u>1,112</u>
NET BOOK VALUE	
At 30 November 2007	<u>718</u>
At 30 November 2006	<u>901</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

8. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
COST				
At 1 December 2006	49,600	49,793	594,831	694,224
Additions	—	—	177,045	177,045
Disposals	—	—	(205,598)	(205,598)
At 30 November 2007	<u>49,600</u>	<u>49,793</u>	<u>566,278</u>	<u>665,671</u>
DEPRECIATION				
At 1 December 2006	—	28,907	321,427	350,334
Charge for the year	—	5,221	93,567	98,788
On disposals	—	—	(129,417)	(129,417)
At 30 November 2007	<u>—</u>	<u>34,128</u>	<u>285,577</u>	<u>319,705</u>
NET BOOK VALUE				
At 30 November 2007	<u>49,600</u>	<u>15,665</u>	<u>280,701</u>	<u>345,966</u>
At 30 November 2006	<u>49,600</u>	<u>20,886</u>	<u>273,404</u>	<u>343,890</u>

Operating lease agreements

Included in motor vehicles above are assets held for the purpose of letting under operating leases. At 30 November 2007 the cost of these assets was £566,278 (2006 £594,831) and the accumulated depreciation was £285,577 (2006 £321,427)

Hire purchase agreements

Included within the net book value of £345,966 is £278,900 (2006 £194,823) 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 £92,967 (2006 £64,941).

9. INVESTMENTS

	Investments in Subsidiary Undertakings £
COST	
At 1 December 2006 and 30 November 2007	<u>100,200</u>
NET BOOK VALUE	
At 30 November 2007	<u>100,200</u>
At 30 November 2006	<u>100,200</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

9. INVESTMENTS *(continued)*

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

At 30 November 2007, Hutcheon Services Limited had aggregate capital and reserves of £797,946 (2006 £726,273) and its retained profit for that year was £71,673 (2006 £81,966)

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.

10. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	610,735	315,782
Other debtors	10,000	—
	<u>620,735</u>	<u>315,782</u>

11. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	124,127	—
Corporation tax	37,067	21,230
PAYE and social security	7,376	7,602
Hire purchase agreements	101,781	86,727
Accruals and deferred income	2,200	2,000
	<u>272,551</u>	<u>117,559</u>

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

	2007 £	2006 £
Hire purchase agreements	<u>92,124</u>	<u>78,256</u>

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2007 £	2006 £
Amounts payable within 1 year	101,781	86,727
Amounts payable between 2 to 5 years	92,124	78,256
	<u>193,905</u>	<u>164,983</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

14. CONTINGENCIES

The company guarantees the bank borrowings of its holding company, HSB Holdings Limited, to a maximum of £400,000 and this guarantee is supported by a bond and floating charge. The amount due to the bank by HSB Holdings Limited at 30 November 2007 was £130,846.

The company also guarantees the bank borrowings of its subsidiary company, Hutcheon Services Limited and this guarantee is supported by a bond and floating charge. The amount due to the bank by Hutcheon Services Limited at 30 November 2007 was £Nil.

15. RELATED PARTY TRANSACTIONS

Bourtree Investments Limited provided management services, computer hire and car/van rental services during the year to Hutcheon Services Limited, a wholly owned subsidiary, to a value of £634,873 (2006 £643,748).

Amounts due to Hutcheon Services Limited at 30 November 2007 amounted to £124,127 (2006, amounts due from Hutcheon Services Limited £71,098).

Bourtree Investments Limited make banks loan repayments on behalf of HSB Holdings Limited. Loan repayments made in the year amounted to £91,628 (2006 £91,628). It also met payroll costs on behalf of HSB Holdings Limited amounting to £212,422 (2006 £193,284). The company was provided with management services to a value of £220,000 (2006 £290,000) by HSB Holdings Limited.

At 30 November 2007, the amount due from HSB Holdings Limited was £610,736 (2006 £244,684).

16. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
100,200 Ordinary shares of £1 each	<u>100,200</u>	<u>100,200</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>	<u>100,200</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007	2006
	£	£
Profit for the financial year	119,564	87,803
Opening shareholders' funds	<u>615,162</u>	<u>527,359</u>
Closing shareholders' funds	<u>734,726</u>	<u>615,162</u>

BOURTREE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2007

18. ULTIMATE PARENT COMPANY

The ultimate parent company is HSB Holdings Limited, a company incorporated in Scotland