

**ADAM PURVES GALASHIELS LIMITED**

**ABBREVIATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2002**

REGISTERED NUMBER: SCO194613

**HOGG & THORBURN CA  
PURV02A**



**ADAM PURVES GALASHIELS LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002**

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**ADAM PURVES GALASHIELS LIMITED**

**COMPANY INFORMATION  
AT 31 MARCH 2002**

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**DIRECTORS**

Ian E Purves  
Margaret O Purves  
Andrew A Purves

**SECRETARY**

Margaret O Purves

**REGISTERED OFFICE**

Wilderhaugh  
Galashiels  
TD1 1PW

**BUSINESS ADDRESS**

Wilderhaugh  
Galashiels  
TD1 1PW

**AUDITORS**

Hogg & Thorburn CA  
Registered Auditors and Chartered Accountants

Moat House  
14 Gala Park  
Galashiels  
TD1 1EX

**SOLICITORS**

Pike & Chapman  
36 Bank Street  
Galashiels  
TD1 1ER

**PRINCIPAL BANKERS**

Royal Bank of Scotland plc  
35 Bank Street  
Galashiels  
TD1 1EP

## **ADAM PURVES GALASHIELS LIMITED**

### **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the company for the year ended 31 March 2002.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were that of garage operators including forecourt, shop and car wash facilities as well as selling vehicles.

#### **REVIEW OF THE BUSINESS**

The net profit after providing for taxation amounted to £91,309.

A review of the operations of the company during the financial year and the results of those operations are as follows:

During the year the company entered into a Retail Business Agreement with Shell U.K. Oil Products Limited to operate the Nothern Gateway site at Berwick.

The company now operate as Mitsubishi Motor Dealers based in Melrose.

Turnover and gross profit has increased mainly due to the above activities.

Other operating and administrative costs have also risen from 2001. The company has shown an increase in the profit before taxation from that of 2001.

#### **DIRECTORS AND THEIR INTERESTS**

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

|                   |                            | <b>Number of Shares</b> |             |
|-------------------|----------------------------|-------------------------|-------------|
|                   |                            | <b>2002</b>             | <b>2001</b> |
| Ian E Purves      | Ordinary shares of £1 each | 184,850                 | 184,850     |
| Margaret O Purves | Ordinary shares of £1 each | 162,050                 | 162,050     |
| Andrew A Purves   |                            | -                       | -           |

## **ADAM PURVES GALASHIELS LIMITED**

### **DIRECTORS' REPORT**

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#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

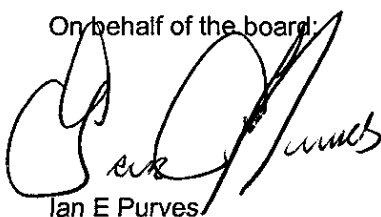
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

Hogg & Thorburn CA were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985 are willing to be re-appointed.

On behalf of the board:

A handwritten signature in black ink, appearing to read 'Ian E Purves', is written over a horizontal line.

Ian E Purves  
Director

Date: 30 August 2002

**ADAM PURVES GALASHIELS LIMITED**

**AUDITORS' REPORT TO THE COMPANY  
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts on pages 5 to 16 together with the full financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2002.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

**BASIS OF OPINION**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**OPINION**

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 A(3) of the Companies Act 1985 and the abbreviated accounts on pages 5 to 16 have been properly prepared in accordance with that provision.

*Hogg & Thorburn*  
.....  
**Hogg & Thorburn CA**  
**Registered Auditors and Chartered Accountants**

**Moat House  
14 Gala Park  
Galashiels  
TD1 1EX**

Date: 4 SEPTEMBER 2002

**ADAM PURVES GALASHIELS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2002**

|                                                      | Notes | 2002<br>£ | 2001<br>£ |
|------------------------------------------------------|-------|-----------|-----------|
| <b>GROSS PROFIT</b>                                  |       | 596,200   | 430,761   |
| Administrative expenses                              |       | 431,218   | 304,467   |
| <b>OPERATING PROFIT</b>                              | 2     | 164,982   | 126,294   |
| Investment income and interest receivable            |       | 3,008     | 7,115     |
| Interest payable and similar charges                 | 3     | (28,129)  | (27,076)  |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 139,861   | 106,333   |
| Tax on profit on ordinary activities                 | 6     | (48,552)  | (20,144)  |
| <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |       | 91,309    | 86,189    |

**Total recognised gains and losses**

The company has no recognised gains or losses other than the profit for the above two financial years.

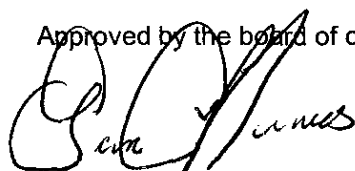
The notes on pages 8 to 16 form part of these financial statements.

**ADAM PURVES GALASHIELS LIMITED****ABBREVIATED BALANCE SHEET  
AT 31 MARCH 2002**

|                                                                | Notes | £                | 2002<br>£        | £                | 2001<br>£        |
|----------------------------------------------------------------|-------|------------------|------------------|------------------|------------------|
| <b>FIXED ASSETS</b>                                            |       |                  |                  |                  |                  |
| Tangible assets                                                | 7     |                  | 1,148,576        |                  | 1,106,716        |
| <b>CURRENT ASSETS</b>                                          |       |                  |                  |                  |                  |
| Stocks                                                         |       | 345,962          |                  | 284,908          |                  |
| Debtors                                                        | 8     | 260,944          |                  | 140,653          |                  |
| Cash at bank and in hand                                       |       | 19,437           |                  | 127,661          |                  |
|                                                                |       | <u>626,343</u>   |                  | <u>553,222</u>   |                  |
| <b>CREDITORS: amounts falling due within one year</b>          | 9     | <u>(508,804)</u> |                  | <u>(431,898)</u> |                  |
| <b>NET CURRENT ASSETS</b>                                      |       |                  | 117,539          |                  | 121,324          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  | <u>1,266,115</u> |                  | <u>1,228,040</u> |
| <b>CREDITORS: amounts falling due after more than one year</b> | 10    |                  | (272,013)        |                  | (340,860)        |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>                  | 13    |                  | (18,613)         |                  | -                |
| <b>ACCRUALS AND DEFERRED INCOME</b>                            |       |                  |                  |                  |                  |
| Deferred grants                                                | 14    |                  | <u>(4,000)</u>   |                  | <u>(7,000)</u>   |
| <b>NET ASSETS</b>                                              |       |                  | <u>971,489</u>   |                  | <u>880,180</u>   |
| <b>CAPITAL AND RESERVES</b>                                    |       |                  |                  |                  |                  |
| Called up share capital                                        | 15    |                  | 500,000          |                  | 500,000          |
| Share premium account                                          | 16    |                  | 202,125          |                  | 202,125          |
| Profit and loss account                                        |       |                  | <u>269,364</u>   |                  | <u>178,055</u>   |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>                               |       |                  | <u>971,489</u>   |                  | <u>880,180</u>   |

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the board of directors on 30 August 2002 and signed on its behalf by:



Ian E Purves  
Director

The notes on pages 8 to 16 form part of these financial statements.

**ADAM PURVES GALASHIELS LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2002**

|                                                           | Notes | 2002<br>£        | 2001<br>£       |
|-----------------------------------------------------------|-------|------------------|-----------------|
| Net cash inflow from operating activities                 | 2     | 83,578           | 151,010         |
| Returns on investments and servicing of finance           | 19    | (25,121)         | (19,961)        |
| Taxation                                                  | 19    | (20,186)         | (25,348)        |
| Capital expenditure                                       | 19    | (93,220)         | (332,419)       |
| Cash outflow before use of liquid resources and financing |       | (54,949)         | (226,718)       |
| Financing                                                 | 19    | (68,646)         | 192,055         |
| <b>DECREASE IN CASH IN THE YEAR</b>                       |       | <b>(123,595)</b> | <b>(34,663)</b> |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET DEBT**

|                                                                   |    |                  |                  |
|-------------------------------------------------------------------|----|------------------|------------------|
|                                                                   | 21 |                  |                  |
| <b>DECREASE IN CASH IN THE YEAR</b>                               |    | (123,595)        | (34,663)         |
| Cash (outflow) / inflow from movement in debt and lease financing |    | 68,646           | (192,055)        |
| Change in net debt resulting from cash flows                      |    | (54,949)         | (226,718)        |
| Movement in debt in the year                                      |    | (54,949)         | (226,718)        |
| Net debt at 1 April 2001                                          |    | (278,070)        | (51,352)         |
| Net debt at 31 March 2002                                         |    | <u>(333,019)</u> | <u>(278,070)</u> |

The notes on pages 8 to 16 form part of these financial statements.

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002**

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**1. STATEMENT OF ACCOUNTING POLICIES**

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

**Turnover**

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

**Depreciation of tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

|                     |                          |
|---------------------|--------------------------|
| Plant and machinery | 10% to 25% straight line |
| Motor vehicles      | 25% straight line        |

No depreciation is charged on freehold and long leasehold land.

**Where zero depreciation of freehold buildings is appropriate**

Freehold buildings are depreciated to write down the cost less estimated residual value over their remaining useful life by equal annual instalments. Where buildings are maintained to such a standard that their residual value is not less than their cost or valuation, no depreciation is charged as it is not material.

**Grants**

Grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant fixed assets. The grants shown in the balance sheet represent the total grants receivable to date less the amount so far credited to the profit and loss account.

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

**Deferred taxation**

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

**Pension costs**

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****2. OPERATING PROFIT**

|                                                                                                |                   |                   |
|------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Operating profit is stated</b>                                                              | <b>2002</b>       | <b>2001</b>       |
|                                                                                                | <b>£</b>          | <b>£</b>          |
| <b>After charging:</b>                                                                         |                   |                   |
| Depreciation of fixed assets                                                                   | 39,195            | 32,830            |
| Loss on disposal of tangible assets                                                            | 12,165            | 1                 |
| Auditors' remuneration                                                                         | 2,273             | 3,006             |
|                                                                                                | <u>          </u> | <u>          </u> |
| <b>After crediting:</b>                                                                        |                   |                   |
| Rent received                                                                                  | 50,914            | 41,773            |
| Deferred grant released                                                                        | 3,000             | 3,000             |
|                                                                                                | <u>          </u> | <u>          </u> |
| <br><b>Reconciliation of operating profit to<br/>net cash inflow from operating activities</b> |                   |                   |
|                                                                                                | <b>2002</b>       | <b>2001</b>       |
|                                                                                                | <b>£</b>          | <b>£</b>          |
| Operating profit                                                                               | 164,982           | 126,295           |
| Government grants released                                                                     | (3,000)           | (3,000)           |
| Depreciation                                                                                   | 39,195            | 32,830            |
| Loss on disposal of fixed assets                                                               | 12,165            | 1                 |
| Increase in stocks                                                                             | (61,054)          | (31,339)          |
| Increase in debtors                                                                            | (120,291)         | (11,559)          |
| Increase in creditors                                                                          | 51,581            | 37,782            |
|                                                                                                | <u>          </u> | <u>          </u> |
| <b>Net cash inflow from operating activities</b>                                               | <b>83,578</b>     | <b>151,010</b>    |

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

|                                                  |                   |                   |
|--------------------------------------------------|-------------------|-------------------|
|                                                  | <b>2002</b>       | <b>2001</b>       |
|                                                  | <b>£</b>          | <b>£</b>          |
| On bank loans and overdrafts                     | 17,988            | 13,387            |
| On other loans                                   | 9,302             | 12,410            |
| Lease finance charges and hire purchase interest | 839               | 1,279             |
|                                                  | <u>          </u> | <u>          </u> |
|                                                  | <b>28,129</b>     | <b>27,076</b>     |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****4. INFORMATION ON DIRECTORS AND EMPLOYEES**

|                                                                        | 2002<br>£      | 2001<br>£      |
|------------------------------------------------------------------------|----------------|----------------|
| <b>Staff costs</b>                                                     |                |                |
| Wages and salaries                                                     | 371,846        | 279,598        |
| Social security costs                                                  | 28,560         | 19,917         |
| Other pension costs                                                    | 16,606         | 10,406         |
|                                                                        | <u>417,012</u> | <u>309,921</u> |
|                                                                        | 2002<br>£      | 2001<br>£      |
| <b>Directors' emoluments</b>                                           |                |                |
| Emoluments                                                             | 66,131         | 43,867         |
| Pension contributions to money purchase (defined contribution) schemes | 16,606         | 10,406         |
|                                                                        | <u>82,737</u>  | <u>54,273</u>  |

**5. PENSION COSTS****Money purchase (defined contribution) pension scheme**

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £16,606 (2001: £10,406).

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

|                                                      | 2002<br>£     | 2001<br>£     |
|------------------------------------------------------|---------------|---------------|
| The taxation charge comprises:                       |               |               |
| Corporation tax at 20% (2001 - 20%)                  | 29,939        | 19,162        |
| Transfer from deferred tax - current year            | (392)         | -             |
| Deferred tax adjustment in respect of prior years    | 19,005        | -             |
| Corporation tax adjustment in respect of prior years | -             | 982           |
|                                                      | <u>48,552</u> | <u>20,144</u> |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****7. TANGIBLE FIXED ASSETS**

|                        | <b>Land and<br/>buildings<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|-------------------------------------|--------------------------------------|---------------------------------|--------------------|
| <b>Cost:</b>           |                                     |                                      |                                 |                    |
| At 1 April 2001        | 916,892                             | 249,839                              | 2,674                           | 1,169,405          |
| Additions              | 56,016                              | 35,084                               | 2,100                           | 93,200             |
| Disposals              | (8,392)                             | (3,917)                              | -                               | (12,309)           |
| At 31 March 2002       | <u>964,516</u>                      | <u>281,006</u>                       | <u>4,774</u>                    | <u>1,250,296</u>   |
| <b>Depreciation:</b>   |                                     |                                      |                                 |                    |
| At 1 April 2001        | 6,956                               | 54,508                               | 1,225                           | 62,689             |
| Charge for year        | -                                   | 38,227                               | 968                             | 39,195             |
| On disposals           | -                                   | (164)                                | -                               | (164)              |
| At 31 March 2002       | <u>6,956</u>                        | <u>92,571</u>                        | <u>2,193</u>                    | <u>101,720</u>     |
| <b>Net book value:</b> |                                     |                                      |                                 |                    |
| At 31 March 2002       | <u>957,560</u>                      | <u>188,435</u>                       | <u>2,581</u>                    | <u>1,148,576</u>   |
| At 31 March 2001       | <u>909,936</u>                      | <u>195,331</u>                       | <u>1,449</u>                    | <u>1,106,716</u>   |

**Analysis of net book value of land and buildings:**

|                | <b>2002<br/>£</b> | <b>2001<br/>£</b> |
|----------------|-------------------|-------------------|
| Freehold       | 944,635           | 909,936           |
| Long leasehold | <u>12,925</u>     | <u>-</u>          |
|                | <u>957,560</u>    | <u>909,936</u>    |

**Included above are assets held under finance leases  
or hire purchase contracts as follows:**

|                     | <b>2002<br/>£</b> | <b>2001<br/>£</b> |
|---------------------|-------------------|-------------------|
| Net book values:    |                   |                   |
| Plant and machinery | <u>15,583</u>     | <u>20,483</u>     |

**8. DEBTORS**

|               | <b>2002<br/>£</b> | <b>2001<br/>£</b> |
|---------------|-------------------|-------------------|
| Trade debtors | 191,599           | 119,629           |
| Other debtors | <u>69,345</u>     | <u>21,024</u>     |
|               | <u>260,944</u>    | <u>140,653</u>    |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****9. CREDITORS: amounts falling due within one year**

|                              | <b>2002</b>    | <b>2001</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts    | 36,032         | 20,461         |
| Trade creditors              | 337,069        | 293,094        |
| Taxation and social security | 63,830         | 45,954         |
| Other creditors              | 71,872         | 72,388         |
|                              | <u>508,803</u> | <u>431,897</u> |

**10. CREDITORS: amounts falling due after more than one year**

|                                                                  | <b>2002</b>    | <b>2001</b>    |
|------------------------------------------------------------------|----------------|----------------|
|                                                                  | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts                                        | 208,126        | 230,012        |
| Other creditors                                                  | 59,409         | 101,810        |
| Net obligations under finance leases and hire purchase contracts | 4,478          | 9,038          |
|                                                                  | <u>272,013</u> | <u>340,860</u> |

**11. BORROWINGS**

|                                                          | <b>2002</b>    | <b>2001</b>    |
|----------------------------------------------------------|----------------|----------------|
|                                                          | <b>£</b>       | <b>£</b>       |
| <b>The company's borrowings are repayable as follows</b> |                |                |
| Up to one year and on demand                             | 76,033         | 60,461         |
| Between one and two years                                | 62,198         | 60,665         |
| Between two and five years                               | 127,005        | 121,678        |
| After five years                                         | 108,923        | 137,669        |
|                                                          | <u>374,159</u> | <u>380,473</u> |
| <br>Wholly repayable within five years                   | <u>265,236</u> | <u>242,804</u> |
| <br>Included in current liabilities                      | <u>76,033</u>  | <u>60,461</u>  |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****12. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

|                                                                      | 2002<br>£    | 2001<br>£     |
|----------------------------------------------------------------------|--------------|---------------|
| <b>The company's obligations are repayable as follows:</b>           |              |               |
| <b>Net obligations analysed as follows:</b>                          |              |               |
| Included in creditors - amounts falling due within one year          | 4,410        | 4,410         |
| Included in creditors - amounts falling due after more than one year | 4,478        | 9,038         |
|                                                                      | <u>8,888</u> | <u>13,448</u> |

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

|                                                    | 2002<br>£     | 2001<br>£ |
|----------------------------------------------------|---------------|-----------|
| <b>Deferred taxation (see below)</b>               |               |           |
| Transferred to profit and loss account             | 18,613        | -         |
| <b>Total provision for liabilities and charges</b> | <u>18,613</u> | <u>-</u>  |

|                                                                                                | 2002<br>£ | Not provided<br>2001<br>£ | 2002<br>£     | Provided<br>2001<br>£ |
|------------------------------------------------------------------------------------------------|-----------|---------------------------|---------------|-----------------------|
| Deferred tax is calculated at 20% (2001 - 20%) analysed over the following timing differences: |           |                           |               |                       |
| On the excess of capital allowances over depreciation                                          | -         | 19,005                    | 18,613        | -                     |
|                                                                                                | <u>-</u>  | <u>19,005</u>             | <u>18,613</u> | <u>-</u>              |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****14. DEFERRED GRANT - SHELL UK**

|                          | 2002<br>£ | 2001<br>£ |
|--------------------------|-----------|-----------|
| <b>Cost:</b>             |           |           |
| At 1 April 2001          | 7,000     | 10,000    |
| <b>Amortisation:</b>     |           |           |
| Released during the year | 3,000     | 3,000     |
| <b>Net book value:</b>   | 4,000     | 7,000     |

A grant of £15,000 was obtained towards the cost of an Edacom machine which was taken over by the company from Shell UK.

The grant is being released to the profit and loss account over 5 years, which is the length of the agreement.

**15. SHARE CAPITAL**

|                                            | 2002<br>£ | 2001<br>£ |
|--------------------------------------------|-----------|-----------|
| <b>Authorised:</b>                         |           |           |
| <b>Equity interests:</b>                   |           |           |
| 500,000 Ordinary shares of £1 each         | 500,000   | 500,000   |
| <b>Allotted, called up and fully paid:</b> |           |           |
| <b>Equity interests:</b>                   |           |           |
| 500,000 Ordinary shares of £1 each         | 500,000   | 500,000   |

**16. SHARE PREMIUM ACCOUNT**

|                              | 2002<br>£ | 2001<br>£ |
|------------------------------|-----------|-----------|
| <b>Equity interests:</b>     |           |           |
| Balance at beginning of year | 202,125   | 202,125   |
| Movements during the year    | -         | -         |
| Balance at year end          | 202,125   | 202,125   |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****17. RELATED PARTY DISCLOSURES**

Transactions between Adam Purves Galashiels Limited and Adam Purves and Son Limited were as follows:

Rents received in the year - £6,000 (2001 - £6,000).

**18. POST BALANCE SHEET EVENTS**

The company have developed their site at Melrose to create a retail outlet to sell antiques, artworks and gifts.

The total cost of the development is approximately £200,000 of which £39,000 has been incurred in the year to 31 March 2002.

The retail outlet opened on 20 August 2002.

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

|                                                                              | 2002<br>£       | 2001<br>£        |
|------------------------------------------------------------------------------|-----------------|------------------|
| <b>Returns on investments and servicing of finance</b>                       |                 |                  |
| Interest received                                                            | 3,008           | 7,115            |
| Interest paid                                                                | (27,290)        | (25,797)         |
| Interest element of hire purchase contracts                                  | (839)           | (1,279)          |
| <b>Net cash outflow from returns on investments and servicing of finance</b> | <u>(25,121)</u> | <u>(19,961)</u>  |
| <b>Taxation</b>                                                              |                 |                  |
| Corporation tax paid                                                         | (20,186)        | (25,348)         |
| <b>Net cash outflow from taxation</b>                                        | <u>(20,186)</u> | <u>(25,348)</u>  |
| <b>Capital expenditure</b>                                                   |                 |                  |
| Purchase of tangible fixed assets                                            | (93,200)        | (332,418)        |
| Receipts from sale of tangible fixed assets                                  | (20)            | (1)              |
| <b>Net cash outflow from capital expenditure</b>                             | <u>(93,220)</u> | <u>(332,419)</u> |
| <b>Financing</b>                                                             |                 |                  |
| New long-term loans                                                          | -               | 260,000          |
| Repayments of long term loans                                                | (64,087)        | (63,827)         |
| Capital element of hire purchase contract payments                           | (4,559)         | (4,118)          |
| <b>Net cash (outflow) / inflow from financing</b>                            | <u>(68,646)</u> | <u>192,055</u>   |

**ADAM PURVES GALASHIELS LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2002****20. CHANGES IN CASH AND CASH EQUIVALENTS**

Analysis of balances as shown in the balance sheet and changes during the current and previous years:

|                          | 2002<br>£      | 2001<br>£      | Change in<br>year<br>£ |
|--------------------------|----------------|----------------|------------------------|
| Current year:            |                |                |                        |
| Cash at bank and in hand | 19,437         | 127,661        | (108,224)              |
| Bank overdraft           | (15,371)       | -              | (15,371)               |
|                          | <u>4,066</u>   | <u>127,661</u> | <u>(123,595)</u>       |
| Previous year:           |                |                |                        |
| Cash at bank and in hand | <u>127,661</u> | <u>162,324</u> | <u>(34,663)</u>        |

**21. ANALYSIS OF CHANGES IN NET DEBT**

|                                                         | 2001<br>£        | Cash flow<br>£   | Other<br>movements<br>£ | 2002<br>£        |
|---------------------------------------------------------|------------------|------------------|-------------------------|------------------|
| Cash at bank and in hand                                | 127,661          | (108,224)        | -                       | 19,437           |
| Bank overdraft                                          | -                | (15,371)         | -                       | (15,371)         |
|                                                         |                  | <u>(123,595)</u> |                         |                  |
| Debt due within one year                                | (60,461)         | -                | (201)                   | (60,662)         |
| Debt due after one year                                 | (331,822)        | 64,087           | 200                     | (267,535)        |
| Hire purchase contracts and<br>finance lease agreements | (13,448)         | 4,559            | -                       | (8,889)          |
|                                                         | <u>(278,070)</u> | <u>(54,949)</u>  | <u>(1)</u>              | <u>(333,020)</u> |