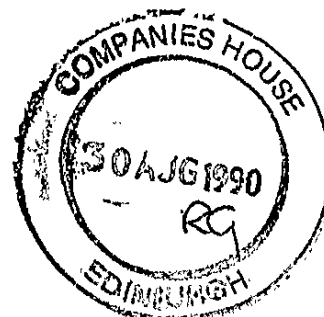


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NORTH WEST CASTLE HOTEL STRANRAER LIMITED.

MODIFIED ACCOUNTS
FOR THE YEAR ENDED 31st MAY, 1990.

WILLIAM DUNCAN & COMPANY
CHARTERED ACCOUNTANTS
DALBLAIR ARCADE, 42 ALLOWAY STREET
AYR, KA7 1SG



NORTH WEST CASTLE HOTEL STRANRAER LIMITED.

1.

DIRECTORS' REPORT.

The Directors submit their Report and Modified Accounts for the year ended 31st May, 1990.

Results and Dividends

The Trading Profit for the year, after taxation, amounted to £86,087.21. The Directors recommend a dividend of 10% per share on the issued Share Capital of 459,200 Ordinary £1 Shares.

Review of the Business

The Company's Principal Activity during the year was that of Hoteliers. Turnover amounted to £2,734,777, an increase of 16.2% over the previous year.

Fixed Assets

The changes in Fixed Assets are summarised in the Notes to the Accounts.

Future Developments

Improvements of facilities in the hotel continues to be a priority and will continue in the same vein for the current year.

Directors and their Interests

The Directors at 31st May, 1990, and their interests in the Share Capital of the Company were as follows:-

	<u>At 31/5/90</u>	<u>At 31/5/89</u>
	<u>Ord. Shares</u>	<u>Ord. Shares</u>
Hamilton Coats McMillan (Chairman)	256,134	256,134
Janet Douglas McMillan	203,066	203,066

Mr Hamilton Coats McMillan and Mrs Janet Douglas McMillan continue to serve on the Board, no Director falling to retire at this time.

Political & Charitable Contributions

During the year the Company made no Political Contributions.

Auditors

A resolution to re-appoint as Auditors, Messrs. William Duncan & Co., will be put to the Members at the Annual General Meeting.

ON BEHALF OF THE BOARD,

H C McMillan,
Chairman.

Ayr, 9th August, 1990.

NORTH WEST CASTLE HOTEL STRANRAER LIMITED.

2.

MODIFIED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MAY, 1990.

		<u>1990</u>	<u>1989</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<u>GROSS PROFIT</u>		<u>2,071,892.09</u>	<u>1,780,277.47</u>
<u>Staff Costs</u>	2	<u>1,073,748.73</u>	<u>837,421.10</u>
		998,143.36	942,856.37
<u>Depreciation</u>		<u>87,150.44</u>	<u>80,025.00</u>
		910,992.92	862,831.37
<u>Other Operating Charges</u>		<u>724,489.15</u>	<u>686,369.51</u>
<u>Operating Profit</u>	3	<u>186,503.77</u>	<u>176,461.86</u>
<u>Interest Payable</u>	4	<u>62,712.81</u>	<u>78,644.27</u>
<u>Profit on Ordinary Activities</u> <u>before taxation</u>		<u>123,790.96</u>	<u>97,817.59</u>
<u>Tax on Profit on Ordinary Activities</u>	5	<u>36,204.75</u>	<u>43,246.45</u>
<u>Profit on Ordinary Activities</u> <u>after taxation</u>		<u>87,586.21</u>	<u>54,571.14</u>
<u>Extraordinary Item</u>	5a	<u>-</u>	<u>4,418.68</u>
		87,586.21	58,989.82
<u>Taxation underprovision in Previous Year</u>		<u>1,499.00</u>	<u>6,418.23</u>
<u>Profit for the Financial Year</u>		<u>86,087.21</u>	<u>52,571.59</u>
<u>Dividend</u>		<u>45,920.00</u>	<u>34,440.00</u>
		40,167.21	18,131.59
<u>Retained Profit brought forward</u>		<u>120,460.29</u>	<u>102,328.70</u>
<u>Retained Profit carried forward</u>		<u>160,627.50</u>	<u>120,460.29</u>

The Notes on Pages 4 to 6 form part of these Modified Accounts.

BALANCE SHEET AS AT 31st MAY, 1990.

		<u>1990</u>	<u>1989</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>			
Intangible Assets	6	60,000.00	60,000.00
Tangible Assets	7		
Land and Buildings		1,267,775.00	1,141,292.12
Plant and Machinery		272,089.00	258,597.00
Motor Vehicles		117,408.00	102,116.00
		<u>1,717,272.00</u>	<u>1,562,005.12</u>
<u>CURRENT ASSETS</u>			
Stocks	8	32,699.88	28,895.00
Debtors	9	153,732.04	135,489.07
Advance Corporation Tax		11,480.00	7,653.33
Cash at Bank and on Hand		129,814.27	114,967.03
		<u>327,726.19</u>	<u>287,004.43</u>
<u>CREDITORS</u>			
<u>Amounts falling due within one year</u>			
Current Instalments due on Bank Loan		38,000.00	38,000.00
Bank Overdraft		293,751.01	343,908.24
Obligations under Hire Purchase Contracts		43,678.32	32,508.92
Payments Received on Account		65,478.27	57,250.23
Trade Creditors		200,050.99	195,338.92
Other Taxes and Social Security Costs		72,611.42	50,911.84
Current Corporation Tax		36,204.75	43,246.45
Other Creditors		33,887.23	7,559.86
Accruals		33,615.21	47,062.56
Proposed Dividend		45,920.00	34,440.00
		<u>863,197.20</u>	<u>850,227.02</u>
<u>NET CURRENT LIABILITIES</u>		<u>(535,471.01)</u>	<u>(563,222.59)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>1,181,800.99</u>	<u>998,782.53</u>
<u>CREDITORS</u>			
<u>Amounts falling due after more than one year</u>			
Bank Loan	10	47,500.00	85,500.00
Other Loans		482,464.67	297,221.06
Obligations under Hire Purchase Contracts		32,008.82	36,401.18
		<u>619,827.50</u>	<u>579,660.29</u>
<u>Represented by:-</u>			
<u>CAPITAL & RESERVES</u>			
Called Up Share Capital	11	459,200.00	459,200.00
Profit & Loss Account		160,627.50	120,460.29
		<u>619,827.50</u>	<u>579,660.29</u>

In preparing these Modified Accounts:-

- We have relied upon the exemptions for individual accounts under Schedule 8 of the Companies Act 1985.
- We have done so on the grounds that the Company is entitled to the benefit of these exemptions as a medium-sized company.
- The Accounts were approved by the Board of Directors on 9th August, 1990.

H. C. McMillan
H C McMillan,
Director.

Janet McMillan
J D McMillan,
Director.

The Notes on Pages 4 to 6 form part of these Modified Accounts.

NOTES TO THE MODIFIED ACCOUNTS.NOTE 1 - Accounting Policiesa) Accounting Convention

The Accounts are prepared under the historical cost convention.

b) Depreciation

Depreciation is provided on all Tangible Fixed Assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life.

c) Stocks

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

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
<u>NOTE 2 - Staff Costs</u>		
Wages & Salaries	927,236.83	710,606.36
Social Security Costs	73,550.15	56,484.53
Other Pension Costs	<u>72,961.75</u>	<u>70,330.21</u>
	<u>1,073,748.73</u>	<u>837,421.10</u>

The average weekly number of employees during the year was 187 made up as follows:-

	<u>No</u>	<u>No</u>
Office & Management	24	23
Others	<u>163</u>	<u>137</u>
	<u>187</u>	<u>160</u>

NOTE 3 - Operating Profit

This is stated after charging:-

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Directors' Remuneration	<u>48,000.00</u>	<u>48,000.00</u>
Hire of Plant & Machinery	<u>11,390.74</u>	<u>14,137.73</u>
Auditors' Remuneration	<u>6,500.00</u>	<u>6,200.00</u>

Directors' Remuneration consists of:-

Salaries	<u>48,000.00</u>	<u>48,000.00</u>
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NOTES TO THE ACCOUNTS. (Cont.)

<u>NOTE 4</u>	<u>1990</u>	<u>1989</u>
<u>Interest Payable</u>	<u>£</u>	<u>£</u>
Bank Loans & Overdrafts	25,309.83	39,010.11
Other Loans wholly repayable within 5 years	26,434.56	31,743.05
Other Loans not wholly repayable within 5 years	-	-
Hire Purchase	10,968.42	7,891.11
	<u>62,712.81</u>	<u>78,644.27</u>

<u>NOTE 5 - Tax on Profit on Ordinary Activities</u>	<u>£</u>	<u>£</u>
Based on the Profit for the Year:-	<u>36,204.75</u>	<u>43,246.45</u>

<u>NOTE 5(a) - Extraordinary Item</u>	<u>£</u>	<u>£</u>
Repayment of Corporation Tax, including Supplement	<u>- .</u>	<u>4,418.68</u>

<u>NOTE 6 - Intangible Fixed Assets</u>	<u>£</u>	<u>£</u>
Cally Palace Hotel - Goodwill at Cost	<u>60,000.00</u>	<u>60,000.00</u>

<u>NOTE 7</u>	<u>Freehold Land & Buildings</u>	<u>Plant & Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Tangible Fixed Assets</u>				
Cost at 1/6/89	£1,141,292.12	617,535.59	147,367.43	1,906,195.14
Additions	126,482.88	61,505.59	89,910.85	277,899.32
Disposals	<u>- .</u>	<u>- .</u>	<u>(58,522.22)</u>	<u>(58,522.22)</u>
At 31/5/90	<u>£1,267,775.00</u>	<u>679,041.18</u>	<u>178,756.06</u>	<u>2,125,572.24</u>
<u>Depreciation</u>				
At 1/6/89	£ -	358,938.59	45,251.43	404,190.02
Provided during Year	-	48,013.59	39,136.85	87,150.44
Disposals	<u>- .</u>	<u>- .</u>	<u>(23,040.22)</u>	<u>(23,040.22)</u>
At 31/5/90	<u>£ - .</u>	<u>406,952.18</u>	<u>61,348.06</u>	<u>468,300.24</u>
Net Book Value - 31/5/90	<u>£1,267,775.00</u>	<u>272,089.00</u>	<u>117,408.00</u>	<u>1,657,272.00</u>
Net Book Value - 31/5/89	<u>£1,141,292.12</u>	<u>258,597.00</u>	<u>102,116.00</u>	<u>1,502,005.12</u>

<u>NOTE 8</u>	<u>1990</u>	<u>1989</u>
<u>Stocks on Hand</u>	<u>£</u>	<u>£</u>
Raw Materials and Consumables	<u>32,699.88</u>	<u>28,895.00</u>

NOTES TO THE ACCOUNTS. (Cont.)

<u>NOTE 9</u>	<u>1990</u>	<u>1989</u>
<u>Debtors</u>	<u>£</u>	<u>£</u>
Trade Debtors	49,812.96	43,079.69
Unexpired Charges	85,474.34	73,116.41
Other Debtors	<u>18,444.74</u>	<u>19,292.97</u>
	<u>153,732.04</u>	<u>135,489.07</u>

<u>NOTE 10 - Bank Loan</u>	<u>£</u>	<u>£</u>
Repayable within 5 Years	47,500.00	85,500.00
Repayable after 5 Years	<u>- .</u>	<u>- .</u>
	<u>47,500.00</u>	<u>85,500.00</u>

The Bank of Scotland hold Standard Securities over North West Castle Hotel, Stranraer and Cally Palace Hotel, Gatehouse-of-Fleet, in security of all the Company's Bank borrowing.

	<u>Authorised</u>		<u>Allotted, Issued & Fully Paid</u>	
<u>NOTE 11</u>	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
<u>Share Capital</u>	<u>No.</u>	<u>No.</u>	<u>£</u>	<u>£</u>
Ord. Shares of £1 each	<u>459,200</u>	<u>500,000</u>	<u>459,200</u>	<u>459,200</u>

NOTE 12 - Pension Commitments

The Company has effected certain pension arrangements for its present Directors and selected Employees.

AUDITORS' REPORT.

To the Directors of North West Castle Hotel Stranraer Limited, under Paragraph 10 of Schedule 8 Part I of the Companies Act 1985.

We have examined the Accounts on Pages 1 to 6 which have been modified, in the manner permitted for a medium-sized company, from the Accounts of the Company prepared for its Members for the year ended 31st May, 1990.

In our opinion, the Company satisfied the requirements for exemption applicable to a medium-sized company in respect of the year ended 31st May, 1990, and the modified accounts attached have been properly prepared in the manner permitted by Paragraphs 7 and 8 of Schedule 8 Part I of the Companies Act 1985.

We set out below the text of our report dated 9th August, 1990, to the Members on the unmodified Accounts for the year ended 31st May, 1990.

"We have audited the financial statements on Pages 4 to 12 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the Historical Cost Convention, give a true and fair view of the state of the Company's affairs at 31st May, 1990, and of its Profit and Source and Application of Funds for the year then ended and comply with the Companies Act 1985."

WILLIAM DUNCAN & COMPANY,
CHARTERED ACCOUNTANTS.

Ayr, 9th August, 1990.
