

COMPANY REGISTRATION NUMBER 108824

ATHOLL SCOTT FINANCIAL SERVICES LIMITED
FINANCIAL STATEMENTS
FOR
31 DECEMBER 2003



WILLIAMSON & DUNN
Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

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ATHOLL SCOTT FINANCIAL SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

D A Scott
A M Scott
D E Mitchell

Company secretary

Burnett & Company

Registered office

Victoria House
13 Victoria Street
Aberdeen
AB10 1XB

Auditors

Williamson & Dunn
Chartered Accountants
& Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year was the provision of regulated financial services.

The results for the year and financial position of the company are as shown in the annexed financial statements. The directors are hopeful that the current level of activity will continue in the forthcoming year.

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:

	2003	2002
	£	£
Dividends paid on ordinary shares	<u>17,100</u>	<u>26,500</u>

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At	At
	31 December 2003	1 January 2003
D A Scott	1,000	1,000
A M Scott	2,000	2,000
D E Mitchell	<u>—</u>	<u>—</u>

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 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 10 to 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2003

DONATIONS

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	—	427

AUDITORS

A resolution to re-appoint Williamson & Dunn 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:
Victoria House
13 Victoria Street
Aberdeen
AB10 1XB

Signed on behalf of the directors



A M Scott
Director

Approved by the directors on 5 October 2004

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATHOLL SCOTT FINANCIAL SERVICES LIMITED

YEAR ENDED 31 DECEMBER 2003

We have audited the financial statements on pages 6 to 15 which have been prepared under the historical cost convention and 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 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.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATHOLL SCOTT FINANCIAL SERVICES LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2003

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Williamson & Dunn CA

WILLIAMSON & DUNN
Chartered Accountants & Registered Auditors
3 West Craibstone Street
Aberdeen
AB11 6YW

5-10-2004

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	217,961	216,355
Administrative expenses		191,682	187,188
Other operating income		—	(2,968)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,279	32,135
Tax on profit on ordinary activities	6	4,085	4,898
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		22,194	27,237
Dividends	7	17,100	26,500
RETAINED PROFIT FOR THE FINANCIAL YEAR		5,094	737
Balance brought forward		21,840	21,103
Balance carried forward		<u>26,934</u>	<u>21,840</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 15 form part of these financial statements.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

BALANCE SHEET

31 DECEMBER 2003

	Note	2003 £	£	2002 £	£
FIXED ASSETS					
Tangible assets	8		6,029		7,510
CURRENT ASSETS					
Debtors	9	26,428		6,477	
Cash at bank		<u>12,537</u>		<u>27,232</u>	
		38,965		33,709	
CREDITORS: Amounts falling due within one year	10	<u>13,060</u>		<u>14,379</u>	
NET CURRENT ASSETS			<u>25,905</u>		<u>19,330</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,934</u>		<u>26,840</u>
CAPITAL AND RESERVES					
Called-up equity share capital	12		3,000		3,000
Other reserves	13		2,000		2,000
Profit and loss account			<u>26,934</u>		<u>21,840</u>
SHAREHOLDERS' FUNDS	14		<u>31,934</u>		<u>26,840</u>

These financial statements were approved by the directors on the ~~5 October 2004~~ and are signed on their behalf by:

A M Scott
Director



D A Scott
Director



The notes on pages 10 to 15 form part of these financial statements.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2003

	2003	2002
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	7,832	45,221
TAXATION	(4,896)	(16,113)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(531)	(2,695)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(531)	(2,695)
EQUITY DIVIDENDS PAID	(17,100)	(26,500)
DECREASE IN CASH	<u>(14,695)</u>	<u>(87)</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2003	2002
	£	£
Operating profit	26,279	32,135
Depreciation	2,012	2,504
(Increase)/decrease in debtors	(19,951)	11,251
Decrease in creditors	(508)	(669)
Net cash inflow from operating activities	<u>7,832</u>	<u>45,221</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
	2003	2002
	£	£
Decrease in cash in the period	(14,695)	(87)
Movement in net funds in the period	<u>(14,695)</u>	<u>(87)</u>
Net funds at 1 January 2003	<u>27,232</u>	<u>27,319</u>
Net funds at 31 December 2003	<u>12,537</u>	<u>27,232</u>

The notes on pages 10 to 15 form part of these financial statements.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2003

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2003 £	Cash flows £	At 31 Dec 2003 £
Net cash:			
Cash in hand and at bank	<u>27,232</u>	<u>(14,695)</u>	<u>12,537</u>
Net funds	<u><u>27,232</u></u>	<u><u>(14,695)</u></u>	<u><u>12,537</u></u>

The notes on pages 10 to 15 form part of these financial statements.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

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:

Equipment - 15-25% reducing balance

Pension costs

The company operates a defined contribution pension scheme for its 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.

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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>217,961</u>	<u>216,355</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	2,012	2,504
Auditors' remuneration		
- as auditors	<u>1,821</u>	<u>1,880</u>

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

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	2	2
Number of investment staff	2	2
	<u>4</u>	<u>4</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	112,800	113,251
Social security costs	12,422	11,266
Staff pension contributions	4,056	3,852
Other pension costs	4,303	3,900
	<u>133,581</u>	<u>132,269</u>

5. DIRECTORS' EMOLUMENTS

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

	2003	2002
	£	£
Emoluments receivable	53,333	51,500
Value of company pension contributions to money purchase schemes	4,303	3,900
	<u>57,636</u>	<u>55,400</u>

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

	2003	2002
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	4,085	4,898
Total current tax	<u>4,085</u>	<u>4,898</u>

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(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 19% (2002 - 19%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>26,279</u>	<u>32,135</u>
Profit on ordinary activities @ 19%	4,993	6,106
Items disallowed for tax purposes	16	32
Depreciation in excess of capital allowances claimed	159	88
Adjustment re lower tax rates	(1,083)	(773)
Utilisation of tax losses	—	(555)
Total current tax (note 6(a))	<u>4,085</u>	<u>4,898</u>

7. DIVIDENDS

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

	2003 £	2002 £
Dividend paid on ordinary shares	<u>17,100</u>	<u>26,500</u>

8. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1 January 2003	19,123
Additions	<u>531</u>
At 31 December 2003	<u>19,654</u>
DEPRECIATION	
At 1 January 2003	11,613
Charge for the year	<u>2,012</u>
At 31 December 2003	<u>13,625</u>
NET BOOK VALUE	
At 31 December 2003	<u>6,029</u>
At 31 December 2002	<u>7,510</u>

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

9. DEBTORS

	2003	2002
	£	£
Trade debtors	24,489	5,550
Prepayments and accrued income	1,939	927
	<u>26,428</u>	<u>6,477</u>

10. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Other creditors including taxation and social security:		
Corporation tax	4,086	4,897
PAYE and social security	3,920	3,594
Other creditors	<u>5,054</u>	<u>5,888</u>
	<u>13,060</u>	<u>14,379</u>

11. RELATED PARTY TRANSACTIONS

Throughout the current and previous financial years, the company was under the control of Mr A M Scott, one of the company's directors.

Rent payable of £14,400 (2002 - £14,400) was charged to the company during the year on normal commercial terms from a partnership in which the majority of directors and shareholders are also partners. At the year end, £nil (2002 - £nil) was due to/from the partnership.

12. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

13. OTHER RESERVES

	2003	2002
	£	£
Capital redemption reserve	<u>2,000</u>	<u>2,000</u>

ATHOLL SCOTT FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2003

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	22,194	27,237
Dividends	(17,100)	(26,500)
	<u>5,094</u>	<u>737</u>
Opening shareholders' equity funds	26,840	26,103
Closing shareholders' equity funds	<u>31,934</u>	<u>26,840</u>