

BURNS HOWFF LIMITED

MODIFIED ACCOUNTS

30TH APRIL, 1995

REGISTRATION NO. 153311



Milne, Craig & Corson,
Chartered Accountants,
Ashtrees House,
9 Orr Square,
PAISLEY

BURNS HOWFF LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the period ended 30th April, 1995.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the accounts 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 accounts 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.

REGISTRATION DETAILS

The company was incorporated in Scotland on 28th September, 1994 and its registration number is 153311.

RESULTS AND DIVIDENDS

The company commenced trading on 14th October, 1994.

The results for the period are shown in the profit and loss account.

PRINCIPAL ACTIVITY

The company's principal activity during the period was that of hoteliers.

FIXED ASSETS

The movements in fixed assets during the period are set out in note 7 to the accounts.

BURNS HOWFF LIMITED

DIRECTORS' REPORT

CONTINUED

DIRECTORS AND THEIR INTERESTS

The directors and their interests in the share capital of the company were as follows:-

John Waterson	(appointed 28.9.94)
Paul Davide Waterson	(appointed 28.9.94)
Josephine Elizabeth Waterson	(appointed 28.9.94)

None of the directors holds any issued shares in the company which is the wholly owned subsidiary of Jean Armour Limited, incorporated in Scotland.

AUDITORS

A resolution to re-appoint as auditors, Milne, Craig & Corson, will be put to the members at the annual general meeting.

By Order of the Board

PAUL WATERSON

Secretary



7th June, 1995

AUDITORS' REPORT TO THE MEMBERS OF

BURNS HOWFF LIMITED

The accounts on pages 4 to 11 have been modified, in the manner permitted for a medium sized company from the accounts of the company prepared for its members for the period ended 30th April, 1995. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion, the company is entitled to deliver modified accounts for the period ended 30th April, 1995 and the modified accounts have been properly prepared in accordance with Part I of schedule 8 of the Companies, Act, 1985.

Our report dated 7th June, 1995 to the members on the accounts prepared under section 227 of the Companies Act, 1985 for the period ended 30th April, 1995 is as follows:-

We have audited the accounts which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on these accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

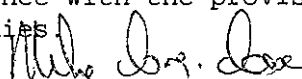
Matter of Emphasis

Without qualifying this report, we would draw attention to the fact that depreciation is not provided for on heritable property, which is not in accordance with the requirements of Statement of Standard Accounting Practice No.12.

The heritable property was purchased in October, 1994 at current market value therefore the non-provision of depreciation is not considered material.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th April, 1995 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act, 1985 applicable to medium sized companies.


MILNE, CRAIG & CORSON

CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Ashtrees House,
9 Orr Square,
PAISLEY

7th June, 1995

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BURNS HOWFF LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD FROM 14TH OCTOBER, 1994 TO 30TH APRIL, 1995

	Notes	£
GROSS PROFIT		534,974
Administrative expenses		398,337

OPERATING PROFIT	2	136,637
Interest receivable		2,784
Interest payable	5	(59,443)

PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		79,978
Taxation	6	21,250

Retained profit carried forward		58,728
		=====

There are no recognised gains and losses in 1995 other than the profit for the period.

The profit for the period calculated on a historical cost basis is not materially different to the profit shown.

The notes on pages 7 to 11 form part of these accounts.

BURNS HOWFF LIMITED

BALANCE SHEET AS AT 30TH APRIL, 1995

	Notes	£	£
FIXED ASSETS			
Tangible assets	7		1,901,937
CURRENT ASSETS			
Stocks	8	15,989	
Debtors	9	48,835	
Cash at bank and in hand		159,157	

		223,981	
CREDITORS: DUE WITHIN ONE YEAR	10	266,934	

NET CURRENT LIABILITIES			(42,953)

TOTAL ASSETS LESS CURRENT LIABILITIES			1,858,984
CREDITORS: DUE AFTER MORE THAN ONE YEAR	11		1,783,006

			75,978
PROVISIONS FOR LIABILITIES AND CHARGES	14		7,250

			68,728
			=====
CAPITAL AND RESERVES			
Called up share capital	15		10,000
Profit and loss account			58,728

			68,728
			=====

The directors have taken advantage of the exemptions conferred by Part I of schedule 8 to the Companies Act and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a medium sized company.

J. WATERSON *John Waterson*)
 P. WATERSON *Peter Waterson*) Directors

The notes on pages 7 to 11 form part of these accounts.

BURNS HOWFF LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD FROM 14TH OCTOBER, 1994 TO 30TH APRIL, 1995

	Notes	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	16		585,244
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2,784	
Interest paid		(59,443)	

NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(56,659)
INVESTING ACTIVITIES			
Payments to acquire fixed assets			(1,922,678)

NET CASH OUTFLOW BEFORE FINANCING			(1,394,093)
FINANCING			
Issue of share capital		10,000	
Loan from holding company		293,250	
Bank loan		1,250,000	

NET CASH INFLOW FROM FINANCING	19		1,553,250

INCREASE IN CASH AND CASH EQUIVALENTS	17		159,157
			=====

BURNS HOWFF LIMITED

NOTES TO THE MODIFIED ACCOUNTS AT 30TH APRIL, 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:-

Fittings and equipment	15%	straight line
Motor vehicles	33 1/3%	-do-

Stocks

Stocks represent consumable stocks and are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided only to the extent that it will become payable in the foreseeable future.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING PROFIT

	£
This is stated after charging:-	
Directors remuneration	14,250
Auditors remuneration	8,500
Depreciation	20,741
	=====

BURNS HOWFF LIMITED

NOTES TO THE MODIFIED ACCOUNTS AT 30TH APRIL, 1995

CONTINUED

3. DIRECTORS REMUNERATION

£

Fees

14,250
=====

Fees and other emoluments (excluding pension contributions) include amounts paid to:-

£

Highest paid director

14,250
=====

Remuneration of the other directors (excluding pension contributions) fell within the following ranges:-

Number

£ Nil - £ 5,000

2

4. EMPLOYEE COSTS

£

Wages and salaries

182,999

Social security costs

11,585

Other pension costs

209

194,793
=====

The average weekly number of employees (including directors) were as follows:-

Number

Services

60

Administration

5

65
=====

Of the 65 employees 42 are employed on a full time basis and 23 are employed on a part time basis.

5. INTEREST PAYABLE

£

Bank loans

59,443
=====

BURNS HOWFF LIMITED

NOTES TO THE MODIFIED ACCOUNTS AT 30TH APRIL, 1995

CONTINUED

6. TAXATION

	£
Corporation tax on results of the period	
at 25%	14,000
Transfer to deferred taxation	7,250

	21,250
	=====

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Fittings and equipment £	Motor vehicles £	Total £
Cost				
Additions	1,560,587	354,591	7,500	1,922,678
Depreciation				
Charge for period	-	19,839	902	20,741
	-----	-----	-----	-----
Net Book Value				
At 30th April, 1995	1,560,587	334,752	6,598	1,901,937
	=====	=====	=====	=====

8. STOCKS

	£
Goods for resale	15,989
	=====

9. DEBTORS

Due within one year:	
Trade debtors	36,967
Prepayments	11,868

	48,835
	=====

10. CREDITORS: DUE WITHIN ONE YEAR

Bank loan (Note 12)	60,000
Trade creditors	75,826
Corporation tax	14,000
Social security and other taxes	20,350
Accruals	84,915
Advance deposits	11,843

	266,934
	=====

BURNS HOWFF LIMITED

NOTES TO THE MODIFIED ACCOUNTS AT 30TH APRIL, 1995

CONTINUED

11. CREDITORS: DUE AFTER MORE THAN ONE YEAR

	£
Bank loan (Note 12)	1,190,000
Amount due to holding company	293,250
Director's loan	299,756

	1,783,006
	=====

12. BANK BORROWINGS

The bank borrowings are secured by a floating charge over the assets of the company and by a guarantee from the holding company.

13. LOANS

The bank loan is repayable as detailed:

Within one year	60,000
Between one and five years	240,000
After five years	950,000

	1,250,000
	=====

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Tax £
Accelerated capital allowances	7,250
	=====

There is no unprovided potential liability to deferred taxation.

15. CALLED UP SHARE CAPITAL

	£
Authorised:	
Ordinary shares of £1 each	100,000
	=====
Allotted, issued and fully paid:	
Ordinary shares of £1 each	10,000
	=====

10,000 ordinary shares of £1 each were allotted during the period as detailed:

Number of shares	Nominal value £	Consideration received £
10,000	1	10,000
=====	=====	=====

BURNS HOWFF LIMITED

NOTES TO THE MODIFIED ACCOUNTS AT 30TH APRIL, 1995

CONTINUED

16. RECONCILIATION OF OPERATING
PROFIT TO NET CASH INFLOW
FROM OPERATING ACTIVITIES

£

Operating profit	136,637
Depreciation	20,741
Increase in stocks	(15,989)
Increase in debtors	(48,835)
Increase in creditors	492,690

	585,244
	=====

17. ANALYSIS OF CHANGES IN CASH AND
CASH EQUIVALENTS DURING THE YEAR

Net cash inflow	159,157
	=====

18. ANALYSIS OF THE BALANCES OF CASH
AND CASH EQUIVALENTS AS SHOWN IN
THE BALANCE SHEET

Cash at bank and in hand	159,157
	=====

19. ANALYSIS OF CHANGES IN FINANCING
DURING THE YEAR

Share capital £	Loans £
Cash inflow from financing	1,543,250
=====	=====

20. CAPITAL COMMITMENTS

There were no significant capital commitments at 30th April, 1995.

21. PENSION OBLIGATION

The company operates a pension scheme for selected employees. The total pension cost for the period ended 30th April, 1995 was £209.

22. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS FUNDS

£

Shares issued	10,000
Profit for period	58,728

Closing shareholders' funds	68,728
	=====

23. HOLDING COMPANY

The company is a wholly owned subsidiary of Jean Armour Limited which is incorporated in Scotland.