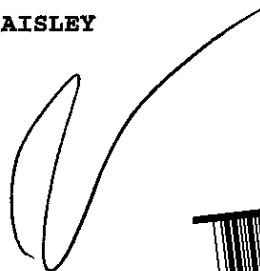


BURNS HOWFF LIMITED  
ABBREVIATED FINANCIAL STATEMENTS  
30TH APRIL, 2001

Registered number: 153311

MILNE, CRAIG & CORSON  
CHARTERED ACCOUNTANTS  
PAISLEY



BURNS HOWFF LIMITED  
ABBREVIATED FINANCIAL STATEMENTS  
for the year ended 30th April, 2001

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BURNS HOWFF LIMITED

COMPANY INFORMATION

30TH APRIL, 2001

INCORPORATED	Scotland
NUMBER	153311
DIRECTORS	John Waterson Paul Davide Waterson Josephine Elizabeth Waterson
SECRETARY	Paul Waterson
REGISTERED OFFICE	Abercorn House 79 Renfrew Road Paisley PA3 4DA
BANKERS	Royal Bank of Scotland plc 10 Gordon Street Glasgow G1 3PL
AUDITORS	Milne, Craig & Corson Chartered Accountants Abercorn House 79 Renfrew Road PAISLEY PA3 4DA

## BURNS HOWFF LIMITED

## DIRECTORS' REPORT

30th April, 2001

The directors present their report and the abbreviated financial statements for the year ended 30th April, 2001.

**Principal activity**

The principal activity of the company was that of hoteliers.

**Business review**

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £1,197,955.

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

**Directors**

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30th April, 2001 Ordinary shares	1st May, 2000 Ordinary shares
John Waterson	1	1
Paul Davide Waterson	-	-
Josephine Elizabeth Waterson	-	-

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BURNS HOWFF LIMITED

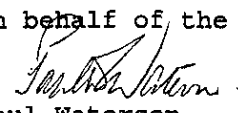
DIRECTORS' REPORT  
(continued)

30th April, 2001

**Auditors**

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Milne, Craig & Corson will continue in office.

On behalf of the board

  
Paul Waterson  
Secretary

Abercorn House  
79 Renfrew Road  
Paisley  
PA3 4DA

12th December, 2001

**BURNS HOWFF LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

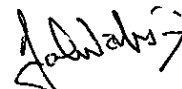
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the directors are required to:

- select suitable accounting policies and 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 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.

12th December, 2001

On behalf of the board



John Waterson  
Director

**BURNS HOWFF LIMITED**

**Auditors' report to the directors  
Burns Howff Limited  
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 5 to 16, together with the financial statements of the company for the year ended 30th April, 2001 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions 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 financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 16 are properly prepared in accordance with those provisions.

PAISLEY  
12th December, 2001

  
Milne, Craig & Corson  
REGISTERED AUDITORS  
Chartered Accountants

## BURNS HOWFF LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 30th April, 2001

	Note	2001 £	2000 £
Gross profit		380,438	983,805
Net operating expenses			
Administrative expenses		(344,120)	(854,583)
Other operating income		699,225	453
Operating profit	3	735,543	129,675
Interest payable	5	(37,148)	(67,576)
Profit on ordinary activities before taxation		698,395	62,099
Taxation	6	(76,746)	(11,900)
Profit on ordinary activities after taxation		621,649	50,199
retained for the year	17		

Movements in reserves are shown in note 17.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 2001 or 2000 other than the profit for the year.



## BURNS HOWFF LIMITED

## ABBREVIATED BALANCE SHEET

at 30th April, 2001

	Note	2001		2000	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		-		1,908,822
<b>Current assets</b>					
Stocks	9	-		18,413	
Debtors	10	1,071		45,971	
Cash at bank and in hand		1,986,840		21,340	
		<u>1,987,911</u>		<u>85,724</u>	
<b>Creditors: amounts falling due within one year</b>	11	(789,956)		(400,811)	
<b>Net current assets/(liabilities)</b>		<u>1,197,955</u>		<u>(315,087)</u>	
<b>Total assets less current liabilities</b>		<u>1,197,955</u>		<u>1,593,735</u>	
<b>Creditors: amounts falling due after more than one year</b>	12		-		(993,629)
<b>Provision for liabilities and charges</b>	13		-		(23,800)
		<u>1,197,955</u>		<u>576,306</u>	
<b>Capital and reserves</b>					
Called up share capital	16	10,000		10,000	
Profit and loss account	17	1,187,955		566,306	
<b>Total shareholders' funds</b>	15	<u>1,197,955</u>		<u>576,306</u>	

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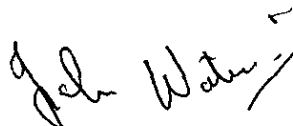
BURNS HOWFF LIMITED

ABBREVIATED BALANCE SHEET  
(continued)

at 30th April, 2001

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 16 were approved by the board of directors on 12th December, 2001 and signed on its behalf by:

A handwritten signature in dark ink, appearing to read 'John Waterson', with a horizontal line extending from the end of the signature.

John Waterson  
Director

## BURNS HOWFF LIMITED

## CASH FLOW STATEMENT

for the year ended 30th April, 2001

	Note	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	19	132,287		217,244	
Returns on investments and servicing of finance					
Interest paid		(37,148)		(67,576)	
Taxation					
Corporation tax paid		(21,046)		(9,718)	
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(2,650)		(4,222)	
Sale of tangible fixed assets		2,536,800		21,355	
		<u>2,534,150</u>		<u>17,133</u>	
		2,608,243		157,083	
Financing					
Debt due within a year:					
Bank loan repayments		(138,900)		(138,900)	
Debt due beyond a year:					
Bank loan repayments		(486,050)		-	
		<u>(624,950)</u>		<u>(138,900)</u>	
Increase in cash		<u>1,983,293</u>		<u>18,183</u>	

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

**1 Accounting policies****Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

**Turnover**

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

**Tangible fixed assets**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	Nil
Freehold buildings	Nil
Motor vehicles	33 1/3% straight line
Fixtures and fittings	15% straight line

**Leases and hire purchase contracts**

Rentals paid under operating leases are charged to income as incurred.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**Pensions****Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**2 Turnover**

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

## 3 Operating profit

	2001 £	2000 £
Operating profit is stated after crediting:		
Interest receivable	46,402	453
Profit on sale of assets	652,823	258
	<u>          </u>	<u>          </u>
and after charging:		
Staff costs (note 4)	171,674	431,149
Auditors' remuneration	-	6,000
Operating leases:		
Hire of assets other than plant & machin	8,762	16,414
	<u>          </u>	<u>          </u>
Depreciation of tangible fixed assets (note 7):		
Owned assets	27,495	111,131
	<u>          </u>	<u>          </u>

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

## 4 Directors and employees

	2001 £	2000 £
Staff costs including directors' emoluments		
Wages and salaries	167,894	427,369
Pension costs	3,780	3,780
	<u>171,674</u>	<u>431,149</u>
Average monthly number employed including executive directors:	Number	Number
Services	53	53
Administration staff	11	11
	<u>64</u>	<u>64</u>
Directors	£	£
Emoluments	17,238	47,600
Company contributions to money purchase pension schemes	3,780	3,780
	<u>21,018</u>	<u>51,380</u>
During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Money purchase pension schemes	1	1

**Defined contribution pension scheme**

The company operates a defined contribution 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 £3,780 (2000 £3,780). No contributions were payable to the fund at 30th April, 2001 (2000 -£nil).

## 5 Interest payable

	2001 £	2000 £
Bank interest	862	1,720
Bank loan interest	36,286	65,856
	<u>37,148</u>	<u>67,576</u>

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

## 6 Taxation

	2001 £	2000 £
Corporation tax on profit on ordinary activities at 30% (2000 21%)	100,500	21,000
Deferred taxation	(23,800)	(9,100)
	<hr/> 76,700	<hr/> 11,900
Under provision in earlier years	46	-
	<hr/> 76,746	<hr/> 11,900

## 7 Tangible fixed assets

	Motor Vehicles £	Fixtures and Fittings £	Land and Buildings £	Total £
Cost				
1st May, 2000	61,318	702,751	1,564,245	2,328,314
Additions	-	2,650	-	2,650
Disposals	(61,318)	(705,401)	(1,564,245)	(2,330,964)
	<hr/> -	<hr/> -	<hr/> -	<hr/> -
30th April, 2001	-	-	-	-
Depreciation				
1st May, 2000	34,591	384,902	-	419,493
Charge for the year	1,495	26,000	-	27,495
Disposals	(36,086)	(410,902)	-	(446,988)
	<hr/> -	<hr/> -	<hr/> -	<hr/> -
30th April, 2001	-	-	-	-
Net book amount				
30th April, 2001	<hr/> -	<hr/> -	<hr/> -	<hr/> -
1st May, 2000	<hr/> 26,727	<hr/> 317,850	<hr/> 1,564,245	<hr/> 1,908,822

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

## 8 Land and buildings

	2001 £	2000 £
Freehold	-	1,564,245

## 9 Stocks

	2001 £	2000 £
Goods for resale	-	18,413

## 10 Debtors

	2001 £	2000 £
Amounts falling due within one year		
Trade debtors	1,071	28,497
Prepayments and accrued income	-	17,474
	1,071	45,971

## 11 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	-	156,693
Trade creditors	681	65,378
Amounts owed to group undertakings	506,042	-
Corporation tax	100,500	21,000
Other taxation and social security	-	58,392
Other creditors	179,733	-
Accruals and deferred income	3,000	87,342
Advance deposits	-	12,006
	789,956	400,811



## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

12 Creditors: amounts falling due  
after more than one year

	2001 £	2000 £
<b>Other liabilities</b>		
Bank loans	-	486,050
Amounts due to group undertakings	-	262,631
Other creditors	-	244,948
	<u>-</u>	<u>993,629</u>
<b>Maturity of debt</b>		
In one year or less, or on demand		
- see note 11	-	138,900
In more than two years but not more than five years	-	486,050
	<u>-</u>	<u>624,950</u>

## 13 Provision for liabilities and charges

	Deferred tax £
1st May, 2000	23,800
Profit and loss account	(23,800)
	<u>-</u>
30th April, 2001	<u>-</u>

## 14 Deferred taxation

	2001		2000	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by				
Capital allowances in excess of depreciation	-	-	-	23,800
	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,800</u>

Deferred taxation is based on a corporation tax rate of 30% (2000 21%).

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

## 15 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year representing a net addition to shareholders' funds	621,649	50,199
Opening shareholders' funds	576,306	526,107
Closing shareholders' funds	<u>1,197,955</u>	<u>576,306</u>

## 16 Called up share capital

	2001		2000	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

## 17 Profit and loss account

	2001 £
1st May, 2000	566,306
Retained profit for the year	621,649
30th April, 2001	<u>1,187,955</u>

## 18 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30th April, 2001

	2001 Plant & Other £	2000 Plant & Other £
Expiring Within two to five years	<u>-</u>	<u>7,300</u>

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

## 19 Notes to the cash flow statement

Reconciliation of operating profit  
to operating cash flows

	2001 £	2000 £
Operating profit	735,543	129,675
Depreciation charges	27,495	111,131
Profit on sale of fixed assets	(652,823)	(258)
Decrease/(increase) in stocks	18,413	(3,950)
Decrease in debtors	44,900	35,502
Decrease in creditors	(41,241)	(54,856)
<b>Net cash inflow from operating activities</b>	<b>132,287</b>	<b>217,244</b>

## 20 Notes to the cash flow statement (continued)

## Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	21,340	1,978,964	-	2,000,304
Bank overdrafts	(17,793)	4,329	-	(13,464)
		<u>1,983,293</u>		
Debt due within 1 year	(138,900)	138,900	-	-
Debt due after 1 year	(486,050)	486,050	-	-
		<u>624,950</u>		
<b>Total</b>	<b>(621,403)</b>	<b>2,608,243</b>	<b>-</b>	<b>1,986,840</b>

## Reconciliation of net cash flow to movement in net debt

	2001 £	2000 £
Increase in cash in the year	1,983,293	18,183
Cash outflow from decrease in debt and lease financing	624,950	138,900
<b>Change in net debt resulting from cash flows</b>	<b>2,608,243</b>	<b>157,083</b>
Net debt at 1st May, 2000	(621,403)	(778,486)
<b>Net debt at 30th April, 2001</b>	<b>1,986,840</b>	<b>(621,403)</b>

## BURNS HOWFF LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30TH APRIL, 2001

**21 Related parties**

The company is a wholly owned subsidiary of Jean Armour Limited, a company incorporated in Scotland. At 30th April, 2001 the company owed its holding company £506,042 (2000 - £262,631).

Two of the company's directors, John Waterson and Paul Davide Waterson had a combined loan account balance of £179,733 at 30th April, 2001 (2000 - £244,948). These amounts are included in other creditors in Note 11 to the accounts.