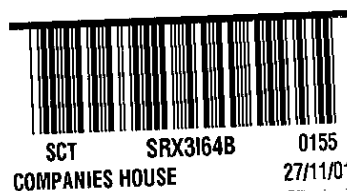


Sc125259

**SKIBO LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**for the year ended**  
**31 December 2000**

~



# SKIBO LIMITED

## COMPANY INFORMATION

---

Directors	P J de Savary M A Lutyens W H Walton S Fitzgerald P Kazilionis
Secretaries	P K Fox J Keefe
Company Number	125259 (Scotland)
Registered Office	Skibo Castle Dornoch Sutherland IV25 3RQ
Auditors	MacKenzie Kerr Chartered Accountants and Registered Auditors Redwood 19 Culduthel Road Inverness IV2 4AA
Bankers	Royal Bank of Scotland plc 29 Harbour Road Inverness IV1 1NU
Solicitors	Shepherd & Wedderburn Saltire Court 20 Castle Terrace Edinburgh EH1 2ET  Arthur & Carmichael Cathedral Square Dornoch Sutherland IV25 3SW

---

**SKIBO LIMITED**

**INDEX TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000

---

	<b>Page</b>
Directors' Report	<b>1 - 2</b>
Auditors' Report	<b>3</b>
Profit and Loss Account	<b>4</b>
Balance Sheet	<b>5</b>
Cash Flow Statement	<b>6</b>
Notes to the Financial Statements	<b>7 - 17</b>

---

# SKIBO LIMITED

## DIRECTORS' REPORT

for the year ended 31 December 2000

---

The directors present their report and the financial statements for the year ended 31 December 2000.

### Principal activities and review of the business

The principal activities of the company during the year continued to be the running of an international residential golf and sporting club with accommodation and extensive leisure facilities.

The directors are pleased with the improvement in the business and the operational results for the year. The directors remain fully confident in the business and the assets and look to the future with healthy optimism.

The subsidiary companies, Skibo Golf Limited and Skibo Contracting Limited, did not trade during the year.

### Results and dividends

The profit for the year amounted to £192,250 and is dealt with as shown in note 19. No dividends were either paid or proposed during the financial year.

### Fixed assets

The significant changes in tangible fixed assets arose principally from movements in land and buildings and motor vehicles. Details of the company's fixed assets are in notes 9 and 10 of the financial statements.

### Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2000	1999
P J de Savary	-	-
M A Lutyens	-	-
W H Walton	-	-
S Fitzgerald	-	-
P Kazilionis	-	-
	<hr/>	<hr/>

The directors have no interest in the share capital of any other group company.

### Charitable contributions

During the year the company made various charitable contributions totalling £4,336.

## **SKIBO LIMITED**

### **DIRECTORS' REPORT**

for the year ended 31 December 2000

---

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

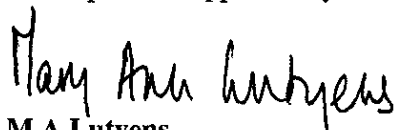
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

#### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that MacKenzie Kerr be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 27 April 2001 and signed on its behalf by



**M A Lutyens**  
**Director**

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF SKIBO LIMITED**

for the year ended 31 December 2000

---

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 8.

## **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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.

## **Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the availability of overdraft facilities. We consider that the above should be drawn to your attention but our opinion is not qualified in this regard.

## **Qualified opinion arising from non standard accounting treatment**

As explained in note 2, no provision has been made for the depreciation of freehold buildings. Fixtures and fittings are dealt with as described in note 9. This is not in accordance with the requirements of Financial Reporting Standard 15 and of Schedule 4 of the Companies Act 1985. It is not practicable for us to quantify the effect of this non provision.

With the exception of the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*MacKenzie Kerr*

**MacKenzie Kerr**

Chartered Accountants and Registered Auditors

Redwood

19 Culduthel Road

Inverness

IV2 4AA

30 April 2001

---

**SKIBO LIMITED****PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 2000

---

	Notes	2000 £	1999 £
<b>Turnover</b>	<b>3</b>	5,421,846	4,682,607
Cost of sales		(944,605)	(756,003)
<b>Gross profit</b>		<u>4,477,241</u>	<u>3,926,604</u>
Administrative expenses		(3,803,425)	(3,521,271)
Other operating income		36,791	77,572
<b>Operating profit</b>	<b>4</b>	<u>710,607</u>	<u>482,905</u>
Interest receivable and similar income	<b>5</b>	11,230	5,444
Interest payable and similar charges	<b>6</b>	(517,922)	(507,362)
<b>Profit/(Loss) on ordinary activities before taxation</b>		<u>203,915</u>	<u>(19,013)</u>
Tax on profit on ordinary activities	<b>8</b>	(11,665)	(6,237)
<b>Profit/(Loss) on ordinary activities after taxation</b>	<b>19</b>	<u><u>192,250</u></u>	<u><u>(25,250)</u></u>

**Continuing operations**

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

**Total recognised gains and losses**

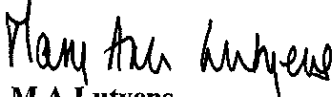
The company has no recognised gains or losses other than the profit or loss for the above two financial years.

**SKIBO LIMITED****BALANCE SHEET**

as at 31 December 2000

	Notes	2000		1999	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	9	27,212,962		27,133,486	
Investments	10		4		4
		27,212,966		27,133,490	
<b>Current Assets</b>					
Stocks	11	246,754		243,485	
Debtors	12	509,494		406,704	
Cash at bank and in hand		226,492		342,037	
		982,740		992,226	
<b>Creditors: amounts falling due within one year</b>	13	(2,101,222)		(1,842,041)	
<b>Net Current Liabilities</b>			(1,118,482)		(849,815)
<b>Total Assets Less Current Liabilities</b>			26,094,484		26,283,675
<b>Creditors: amounts falling due after more than one year</b>	14	(6,746,467)		(7,102,708)	
<b>Accruals and deferred income</b>	16	(1,219,217)		(1,244,417)	
<b>Net Assets</b>			18,128,800		17,936,550
<b>Capital and Reserves</b>					
Called up share capital	17	6,720,744		6,720,744	
Revaluation reserve	18	14,280,715		14,280,715	
Profit and loss account	19	(2,872,659)		(3,064,909)	
<b>Equity Shareholders' Funds</b>	20	18,128,800		17,936,550	

The financial statements were approved by the Board on 27 April 2001 and signed on its behalf by



**M A Lutyens**  
**Director**

**SKIBO LIMITED****CASH FLOW STATEMENT**

for the year ended 31 December 2000

	Notes	2000 £	1999 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		710,607	482,905
Depreciation		96,619	96,000
Deferred income released		(25,200)	(63,461)
Gain on disposal of fixed assets		(6,757)	(14,094)
(Increase)/decrease in stocks		(3,269)	12,246
(Increase)/decrease in debtors		(102,790)	104,224
Increase in trade and other creditors		349,133	185,915
<b>Net cash inflow from operating activities</b>		<u>1,018,343</u>	<u>803,735</u>
<b>CASH FLOW STATEMENT</b>			
Net cash inflow from operating activities		1,018,343	803,735
Returns on investments and servicing of finance	24	(506,692)	(501,918)
Taxation		(11,665)	(6,237)
Capital expenditure	24	(169,338)	(202,044)
		<u>330,648</u>	<u>93,536</u>
Financing	24	(338,386)	70,347
<b>Increase in cash in the year</b>		<u>(7,738)</u>	<u>163,883</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 25)</b>			
Increase in cash in the year		(7,738)	163,883
Increase in new loan		338,386	(70,347)
Cash used to repay creditors		(349,133)	(185,915)
<b>Movement in net funds in the year</b>		<u>(18,485)</u>	<u>(92,379)</u>
<b>Net debt at 1 January 2000</b>		<u>(8,602,712)</u>	<u>(8,510,333)</u>
<b>Net debt at 31 December 2000</b>		<u>(8,621,197)</u>	<u>(8,602,712)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000

---

**1. Fundamental accounting concept**

The company meets its day to day working capital requirements through operational trading and a temporary overdraft facility which is arranged as and when required and which is repayable on demand.

The nature of the company's business is such that there can be seasonal variation in cash inflows. The directors have prepared projected forecasted monthly management accounts and cash flow projections to December 2001. On the basis of this cash flow information and discussions with the company's bankers, the directors consider that the company will be able to operate within the facilities which the bank has indicated will be available if required.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

**2. Accounting Policies**

The financial statements have been prepared in accordance with applicable accounting standards (except as indicated in note 9).

**2.1. Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of land and buildings, including fixtures and fittings.

**2.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

**2.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Tools and equipment	-	20% Reducing balance
Motor vehicles	-	25% Reducing balance
Office equipment	-	25% Reducing balance

No depreciation is provided for on freehold buildings, including fixtures and fittings, which represents a departure from Financial Reporting Standard 15. Fixtures and fittings are dealt with as described in note 9.

**2.4. Leasing and hire purchase**

Assets held under lease purchase agreements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the related obligations is included in creditors. The interest element of the lease purchase obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Rentals in respect of all other leases are charged to the profit and loss account as incurred.

# SKIBO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000 (continued)

### 2.5. Investments

Investments held as fixed assets are stated at cost.

### 2.6. Stock

Stock is valued at the lower of cost and net realisable value.

### 2.7. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are taken into account in arriving at the operating profit.

### 2.8. Deferred government grants

Regional development 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.

Grants of a revenue nature are credited to income in the period to which they relate.

These grants have been received to encourage the company to invest in Skibo Castle thereby creating jobs and stimulating the local economy. The grants are not repayable except in the limited circumstances described in note 21 and the directors consider the possibility of this happening to be extremely remote.

## 3. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

## 4. Operating profit

Operating profit is stated after charging:

Depreciation

Auditors' remuneration

2000

£

96,619

8,500

1999

£

96,000

7,000

## 5. Interest receivable

Bank interest receivable

2000

£

11,230

1999

£

5,444

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

---

<b>6. Interest payable</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Bank loan interest	256,389	249,507
Other loan interest	261,533	257,855
	<u>517,922</u>	<u>507,362</u>

**7. Staff costs****Number of employees**

The average weekly numbers of employees during the year was as follows:-

	<b>2000</b>		<b>1999</b>	
	<b>Number</b>		<b>Number</b>	
	<b>F/T</b>	<b>P/T</b>	<b>F/T</b>	<b>P/T</b>
Management and administration	22	3	22	3
Castle	29	31	28	35
Golf course	10	4	10	3
General estate	22	4	20	1
	<u>83</u>	<u>42</u>	<u>80</u>	<u>42</u>

**Employment costs**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,488,041	1,407,439
Social security costs	109,536	106,208
Other staff costs	125,573	103,525
	<u>1,723,150</u>	<u>1,617,172</u>

**8. Taxation**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>UK current year taxation</b>		
UK Corporation Tax	<u>11,665</u>	<u>6,237</u>

---

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

**9. Tangible fixed assets**

	<b>Freehold Land and Buildings inc Fixtures and Fittings £</b>	<b>Tools and Equipment £</b>	<b>Motor Vehicles £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost/revaluation</b>					
At 1 January 2000	26,795,512	245,141	446,662	-	27,487,315
Additions	49,282	28,246	114,241	3,231	195,000
Transfers	(58,809)	-	-	58,809	-
Disposals	(10,517)	-	(26,750)	-	(37,267)
At 31 December 2000	26,775,468	273,387	534,153	62,040	27,645,048
<b>Depreciation</b>					
At 1 January 2000	-	163,561	190,268	-	353,829
Charge for the year	-	28,110	67,701	808	96,619
On disposals	-	-	(18,362)	-	(18,362)
At 31 December 2000	-	191,671	239,607	808	432,086
<b>Net book values</b>					
At 31 December 2000	26,775,468	81,716	294,546	61,232	27,212,962
At 31 December 1999	26,795,512	81,580	256,394	-	27,133,486

As explained in note 2, depreciation has not been provided for on freehold buildings, including fixtures and fittings. The company follows a programme of continual refurbishment and maintenance of its freehold property, including fixtures and fittings, which includes the reinstatement of the fabric of the buildings, where necessary, in order to maintain them to a high standard.

Land and buildings, including fixtures and fittings, were revalued in 1994 at an open market value of £24,000,000 on the assumption that the property had reached a trading maturity in accordance with the published business plan, as at the valuation date. Having reviewed the company's achievements to date and its future prospects, the directors are of the opinion that the value of the company's freehold land and buildings at 31 December 2000 is stated at a fair value of £26,775,468.

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

**9. Tangible fixed assets (continued)**

Included above are assets held under finance lease contracts as follows:

Asset description	2000		1999	
	Net Book Value	Depreciation Charge	Net Book Value	Depreciation Charge
	£	£	£	£
Fixtures and fittings	8,500	-	8,500	-
Motor vehicles	146,602	32,863	80,174	18,501
	<u>155,102</u>	<u>32,863</u>	<u>88,674</u>	<u>18,501</u>

**10. Fixed Asset Investments**

	2000	1999
	£	£
Subsidiary undertakings	<u>4</u>	<u>4</u>

The company's investment in its subsidiary companies represents the cost of the acquisition of all of the unpaid ordinary share capital (100%) of Skibo Golf Limited and Skibo Contracting Limited, companies registered in Scotland.

At 31 December 2000, the aggregate of share capital and reserves in respect of the subsidiary undertakings, who have not traded since incorporation, consisted only of the allotted and unpaid share capital.

11. Stocks	2000	1999
	£	£
Stocks	<u>246,754</u>	<u>243,485</u>

12. Debtors	2000	1999
	£	£
Trade debtors	294,622	244,173
Sundry debtors	123,203	52,087
Prepayments and accrued income	91,669	110,444
	<u>509,494</u>	<u>406,704</u>

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

---

<b>13. Creditors: amounts falling due within one year</b>	<b>2000 £</b>	<b>1999 £</b>
Bank overdraft	-	107,807
Bank loan	400,000	400,000
Hire purchase contracts (secured)	35,494	17,639
Trade creditors	427,005	326,167
Other taxes and social security costs	175,499	165,264
Sundry creditors	136,202	193,939
Accruals	927,022	631,225
	<u>2,101,222</u>	<u>1,842,041</u>

The bank business term loan included above carries interest at bank base rate plus 1.75% per annum and is repayable in 10 annual instalments which commenced on 30 November 1997. The final payment is due on 30 November 2007.

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

---

<b>14. Creditors: amounts falling due after more than one year</b>	<b>2000 £</b>	<b>1999 £</b>
Loans wholly repayable within five years: Carnegie International BV loan at 6% per annum repayable 16 March 2003	4,250,000	4,250,000
Hire purchase contracts (secured)	96,467	52,708
Loans repayable outwith five years: Bank business term loan at bank base rate plus 1.75% per annum repayable in seven instalments of £400,000 with the final payment due on 30 November 2007.	2,400,000	2,800,000
	<u>6,746,467</u>	<u>7,102,708</u>
Amounts repayable by instalments:		
Within two to five years	1,696,467	1,652,708
After five years	800,000	1,200,000
	<u>2,496,467</u>	<u>2,852,708</u>
Amounts payable within five years other than by instalments	4,250,000	4,250,000
	<u>6,746,467</u>	<u>7,102,708</u>

The bank loan and overdraft and the Carnegie International BV loan are secured by a standard security over Skibo Castle and Estate and by a bond and floating charge over the whole of the assets of the company in accordance with the terms of a ranking agreement as follows:

1st - Royal Bank of Scotland plc, standard security for £3,533,927 plus interest and charges.

2nd - Carnegie International BV - unlimited.

3rd - Royal Bank of Scotland plc, standard security - unlimited on reversion.

4th - Royal Bank of Scotland plc, bond and floating charge - unlimited.

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

**15. Provisions for liabilities and charges**

No provision has been made in the financial statements for the following amounts as the directors have no intention at this time of selling the property in the foreseeable future. Disclosure is required in the financial statements to comply with Statement of Standard Accounting Practice No 15, Accounting for deferred tax.

	2000 £	1999 £
Potential deferred taxation not provided in the financial statements is as follows:		
Taxation on property valuation surplus	<u>3,400,000</u>	<u>4,400,000</u>

**16. Accruals and deferred income**

	2000 £	1999 £
<b>Deferred government grants</b>		
At 1 January 2000	1,244,417	1,307,878
Released in year	<u>(25,200)</u>	<u>(63,461)</u>
At 31 December 2000	<u>1,219,217</u>	<u>1,244,417</u>

The grants have been received to encourage the company to invest in Skibo Castle thereby creating jobs and stimulating the local economy. The grants are not repayable except in the limited circumstances referred to in note 21 and the directors consider the possibility of this happening to be extremely remote.

**17. Share capital**

	2000 £	1999 £
<b>Authorised</b>		
6,720,744 Ordinary shares of £1 each	<u>6,720,744</u>	<u>6,720,744</u>
<b>Allotted, called up and fully paid</b>		
6,720,744 Ordinary shares of £1 each	<u>6,720,744</u>	<u>6,720,744</u>

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

---

<b>18. Revaluation reserve</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2000 and at 31 December 2000	<u>14,280,715</u>	<u>14,280,715</u>

The revaluation reserve relates entirely to freehold land and buildings, including fixtures and fittings, which are not depreciated and represents the difference between the revaluation figure and historical cost.

<b>19. Profit and loss account</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Retained loss at 1 January 2000	(3,064,909)	(3,039,659)
Profit/(Loss) for the year	<u>192,250</u>	<u>(25,250)</u>
Retained loss at 31 December 2000	<u>(2,872,659)</u>	<u>(3,064,909)</u>

<b>20. Reconciliation of movements in shareholders' funds</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Profit/(Loss) for the year	192,250	(25,250)
Opening equity shareholders' funds	<u>17,936,550</u>	<u>17,961,800</u>
Closing equity shareholders' funds	<u>18,128,800</u>	<u>17,936,550</u>

**21. Contingent liabilities**

Over the last few years, the company has received grants from the Caithness and Sutherland Enterprise for grant assistance towards the cost of building and developing the golf course and refurbishing the castle.

There is a "period of obligation" applicable to all grants included in accruals and deferred income in the balance sheet, which is three years for development grants and five years for building grants. Default by the company on any of the terms and conditions attached to the payment of grants could lead to the repayment of the grants on a sliding scale basis. The directors consider the possibility of any default by the company to be extremely remote.

## **SKIBO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

---

#### **22. Related party transactions**

As a wholly owned subsidiary of Westbrook Carnegie Investments LLC, the company has taken advantage of the exemption from disclosure of transactions with group companies offered by Financial Reporting Standard No 8, Related Party Disclosures.

During the year, the following related party transactions took place:

a) Carnegie International BV, which is a member of Westbrook Carnegie Investments LLC has provided Skibo Limited with a £4,250,000 loan. The loan interest, which is paid monthly in arrears at the rate of 6% per annum, amounted to £254,291 during the year.

At the end of the financial period, the balance owed to Carnegie International BV amounted to £4,250,000. This amount comprises of the principal loan provided.

b) The company purchased consultancy services and operational overheads to the value of £211,587 (1999 - £102,736) from Carnegie Asset Management Limited (formerly Shilstone Limited), a company in which P J de Savary and Mrs L L de Savary are materially interested as shareholders.

c) The company purchased consultancy services to the value of £57,538 (1999 - £39,212) from Victrix Limited, a company in which M A Lutyens is materially interested as a shareholder. At the end of the financial period the amount owed by Victrix Limited amounted to £3,500.

d) Due to the timing differences between payments by the company on behalf of Peter de Savary and his subsequent repayment of these amounts, the maximum balance due by him to the company during the year amounted to £49,951. At the end of the financial period, the amount owed to the director amounted to £41 (1999 - £4,255).

All transactions were on an arms length basis.

#### **23. Ultimate controlling party**

The directors believe the ultimate controlling party to be Westbrook Partners LLC, a company incorporated in the United States of America.

The company's immediate parent undertaking is Westbrook Carnegie Investments LLC, a company registered in the United States of America.

**SKIBO LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2000 (continued)

24.	Gross Cash Flows	2000	1999	
		£	£	
	Returns on investments and servicing of finance			
	Interest received	(11,230)	(5,444)	
	Interest paid	517,922	507,362	
		<u>506,692</u>	<u>501,918</u>	
	Capital expenditure			
	Payments to acquire tangible assets	(195,000)	(248,199)	
	Receipts from sales of tangible assets	25,662	46,155	
		<u>(169,338)</u>	<u>(202,044)</u>	
	Financing			
	New lease purchase loan acquired during the year	89,275	81,694	
	Repaid capital element of lease purchase	(27,661)	(11,347)	
	Repaid bank term loan	(400,000)	-	
		<u>(338,386)</u>	<u>70,347</u>	
25.	Analysis of changes in net debt			
		Opening balance	Cash flows	Closing balance
		£	£	£
	Cash at bank and in hand	342,037	(115,545)	226,492
	Bank overdrafts	(107,807)	107,807	-
		<u>234,230</u>	<u>(7,738)</u>	<u>226,492</u>
	Debt due within one year	(1,734,234)	(366,988)	(2,101,222)
	Debt due after one year	(7,102,708)	356,241	(6,746,467)
		<u>(8,836,942)</u>	<u>(10,747)</u>	<u>(8,847,689)</u>
	Net debt	<u>(8,602,712)</u>	<u>(18,485)</u>	<u>(8,621,197)</u>