

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and accounts for the year ended 31 December 2000.

Activities

The principal activities of the Company are to operate an international conference centre and to develop the surrounding 10 acre site in Morrison Street and Lothian Road Edinburgh, known as The Exchange, in accordance with a development agreement between the Company and the City of Edinburgh Council.

Financial Matters

The loss for the period amounted to £717,830. The Directors do not recommend payment of a dividend for the year ended 31 December 2000.

Business Review

The year to 31 December 2000 proved to be the most successful year to date with regard to the operation of the Edinburgh International Conference Centre. In five out of the twelve calendar months during the year the Conference Centre recorded its highest revenue generation, for that specific month, since the facility opened in 1995.

The Conference Centre has continued to attract a cross section of International and National business from both the Association and Corporate markets. During the year 190 events were held at the Conference Centre, which equated to an occupancy level of 72%. Although the number of events held was very similar to the previous year many of the events were of a longer duration and achieved a higher rental. As a result there was a significant increase in the average revenue generated per event, compared with the previous year.

In the course of the year 75,502 delegates attended events of varying duration at the Conference Centre. These delegates, who came from many different countries, generated the equivalent of 137,710 delegate days during the year. It is estimated that delegates attending events at the Conference Centre contributed over £17 million to the economy of Edinburgh during the year.

The Conference Centre continues to attract new clients and investigate new business opportunities. It has an encouraging level of bookings for future years and holds confirmed bookings up to 2011.

The Company was a finalist in the small/medium enterprise category of the European Foundation of Quality Management awards 2000.

Conference Square infrastructural works were completed during the year and further progress has been made with regard to the development of the Exchange, by the year end. Third party construction works continued to make good progress as the development of the Exchange area nears completion.

Future Developments

The Directors intend to maintain the objectives and aims of the Company, which have resulted in notable achievements to date in both of the principal areas of the Company's operations. The Directors are of the opinion that the Company's success will continue in the year to 31 December 2001.

Fixed Assets

Movements in fixed assets are disclosed in note 8 to the accounts.



Directors and Directors' Interests

The Directors who served during the period were as follows:

M.M. Child
D. Crichton
J.A. Dawe
A. Fleming - Resigned 14 February 2001
L.M. Cameron
I. Perry
D.M.W. Sleight
P. Stillwell - Resigned 31 March 2000

None of the Directors had any interest in the shares of the company during the period.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 29 August 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By Order of the Board



MD Secretaries Limited.
8 October 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial period 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 then 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.

REPORT OF THE AUDITORS

to the shareholders of EDINBURGH INTERNATIONAL CONFERENCE CENTRE LIMITED.

We have audited the accounts on pages 5 to 16, which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors.

As described on page 3 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Edinburgh
8 October 2001

PROFIT & LOSS ACCOUNT
For the year ended 31 December 2000

	Note	31 December 2000 £	31 December 1999 £
Turnover	2	4,458,039	3,415,895
Cost of sales before exceptional items		(4,744,726)	(4,296,728)
Exceptional items	3	<u>-</u>	<u>(957,270)</u>
Cost of sales after exceptional items		<u>(4,744,726)</u>	<u>(5,253,998)</u>
Gross loss		(286,687)	(1,838,103)
Development expenses		(72,938)	(135,700)
Other administration expenses		<u>(406,296)</u>	<u>(409,810)</u>
		<u>(479,234)</u>	<u>(545,510)</u>
Operating loss	3	(765,921)	(2,383,613)
Revenue grant		-	2,676,143
Interest receivable	4	48,091	9,491
Interest payable and similar charges	5	<u>-</u>	<u>(2,676,143)</u>
Loss on ordinary activities		(717,830)	(2,374,122)
Retained loss brought forward		<u>(45,140,830)</u>	<u>(42,766,708)</u>
Retained loss carried forward		<u>(45,858,660)</u>	<u>(45,140,830)</u>

There are no recognised gains or losses, other than the loss on ordinary activities for the period of £717,830 (for the period to 31 December 1999 - £2,374,122)

BALANCE SHEET
At 31 December 2000

	Notes	31 December 2000 £	31 December 1999 £
Fixed assets			
Tangible assets	8	19,123,991	18,285,426
Current assets			
Debtors	9	1,708,639	8,336,281
Investments	10	174,279	165,417
Cash		<u>1,206,164</u>	<u>21,318</u>
		3,089,082	8,523,016
Creditors: Amounts falling due within one year	11	<u>(1,625,967)</u>	<u>(7,346,862)</u>
Net current assets		<u>1,463,115</u>	<u>1,176,154</u>
Total assets less current liabilities		<u>20,587,106</u>	<u>19,461,580</u>
Creditors: Amounts falling due after more than one year			
Loan	12	2,046,162	2,046,162
Loan stock	12	54,099,801	52,027,361
Obligations under finance leases	13	<u>-</u>	<u>-</u>
		56,145,963	54,073,523
Accruals & deferred income	14	<u>10,299,740</u>	<u>10,528,824</u>
		66,445,703	64,602,347
Capital & reserves			
Called up share capital	15	63	63
Profit & loss account		<u>(45,858,660)</u>	<u>(45,140,830)</u>
Shareholders' funds	16	<u>(45,858,597)</u>	<u>(45,140,767)</u>
		<u>20,587,106</u>	<u>19,461,580</u>

Councillor Lezley M Cameron

Director:

Lezley M Cameron

Councillor Daphne Sleight

Director:

Daphne M Sleight

8 October 2001

CASH FLOW STATEMENT
For the year ended 31 December 2000

	Notes	31 December 2000 £	31 December 1999 £
Net cash inflow from operating activities	3b	7,264,095	37,100,191
Returns on investments and servicing of finance			
Interest received		48,091	9,491
Interest paid on finance rental payments		—	(2,676,143)
Net cash inflow/(outflow) from returns on investment and servicing of finance		48,091	(2,666,652)
Capital expenditure			
Payments to acquire tangible fixed assets		(2,383,295)	(2,769,418)
Capital grants received		<u>61,234</u>	<u>1,050,389</u>
Net cash outflow from capital expenditure		(2,322,061)	(1,719,029)
Financing			
Net movement on loan stock		2,167,266	2,017,613
Capital element of finance lease rental payments		—	(40,931,866)
Net cash inflow/(outflow) from financing		2,167,266	(38,914,253)
Increase/(Decrease) in cash		<u>7,157,391</u>	<u>(6,199,743)</u>
Reconciliation of net cash flow to movement in net debt			
Increase/(Decrease) in cash in the period		7,157,391	(6,199,743)
Cash outflow from increase in debt and lease financing		(2,167,266)	(2,017,613)
Cash inflow from lease rental payments (capital)		—	<u>40,931,866</u>
Change in net debt arising from cash flows		4,990,125	32,714,510
Movement in loan stock debtor		94,827	(175,811)
Unpaid finance charge on finance lease accrued in period		—	—
Movement in net debt during the period		5,084,952	32,538,699
Net debt at 1 January 2000		<u>(60,415,473)</u>	<u>(92,954,172)</u>
Net debt at 31 December 2000	3c	<u>(55,330,521)</u>	<u>(60,415,473)</u>

NOTES

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's accounts.

Basis of Preparation

The accounts have been prepared under the historical cost convention.

Fixed Assets

Fixed assets have been recorded at cost, less accumulated depreciation.

Depreciation

Fixed tangible assets are stated at historical cost less accumulated depreciation. The cost of fixed assets is written off by equal annual instalments over the expected useful lives of the assets as follows:-

Leasehold Land and Buildings: 50 years. Plant & Machinery: 3 to 15 years. Furniture & Fittings: 3 to 10 years. Infrastructural works: 2 to 20 years.

When an impairment loss on a fixed asset is recognised, as required by FRS 11 Impairment of Fixed Assets and Goodwill, the revised carrying amount is depreciated over the revised estimate of the remaining useful economic life.

Capital Grants

Grants in respect of capital expenditure are credited to deferred income and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. In accordance with the provisions of the overall sale and leaseback transaction, any increment in the funds held in trust (see note 10) in the course of the year, over and above that required to offset the lease interest payments and the finance costs, are credited to deferred income. The City of Edinburgh Council has title to interest receivable on the funds held in trust, however an agreement is in place for the trust to obtain an equal amount in the form of a grant from the City of Edinburgh Council. This is intended to provide a capital contribution towards the designated construction works and will be released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments.

Leasing and Hire Purchase Commitments

The lease of the Conference Centre was treated as a finance lease until 8 December 1999 (see note 13). A finance lease is a lease under which substantially all the risks and rewards of ownership of the asset pass to the lessee company, and the assets are capitalised in the lessee's balance sheet and depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the period of the lease and represent a constant proportion of the balance of capital repayments outstanding. The assets which were subject to the sale and leaseback transaction have been depreciated over their useful lives, rather than the period of the lease, as the substance of the transaction is effectively that of financing.

Revenue Grants

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Operating Lease Payments

Operating lease payments are charged in the profit and loss account on a straight line basis.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Pensions

The Company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover represents income arising from the letting of rooms and the charges levied in respect of additional facilities incurred by clients using the Conference Centre and income arising from the development of the Exchange, excluding value added tax. All turnover arises from continuing activities carried on within the United Kingdom. The Company operates in three principal areas of activity, that of the provision of conference and exhibition facilities, the letting of office space and facilitating the development of a previously derelict land site. The turnover of these activities is shown separately below:-

	31 December 2000	31 December 1999
	£	£
Conference facilities	3,873,459	2,895,914
Rental income from the letting of office space	565,269	413,120
Site development	<u>19,311</u>	<u>106,861</u>
	<u>4,458,039</u>	<u>3,415,895</u>

3. Operating Loss

(a) This is stated after charging/(crediting):

	£	£
Depreciation of fixed assets - owned	1,065,635	1,126,708
Depreciation of fixed assets - leased	-	-
Auditors' remuneration - audit services	18,000	18,000
Auditors' remuneration - non-audit services	10,900	28,750
Operating lease rentals - plant and machinery	-	50,907
Capital grants released	<u>(441,285)</u>	<u>(521,183)</u>

The exceptional item in 1999 relates to stamp duty in respect of the sale and leaseback transaction referred to in note 13.

3. Operating loss (continued)

	31 December 2000 £	31 December 1999 £
(b) Reconciliation of operating loss to net cash inflow/(outflow) from operating activities		
Operating (loss)/profit after revenue grant	(765,921)	292,530
Depreciation of tangible fixed assets	1,065,635	1,126,708
(Increase)/Decrease in investments	(8,862)	42,696,012
Decrease/(Increase) in operating debtors and prepayments	6,765,436	(6,229,119)
Increase/(Decrease) in operating creditors and accruals	511,776	(219,521)
Capital grants released in period	(441,285)	(521,183)
Increase/(Decrease) in deferred income	<u>137,316</u>	<u>(45,236)</u>
Net cash inflow from operating activities	<u>7,264,095</u>	<u>37,100,191</u>

(c) Reconciliation of net cash flow to movement in net debt

	Opening £	Cash Flow £	Other £	Closing £
Cash	21,318	1,184,846	-	1,206,164
Overdraft	(6,373,268)	5,972,546	-	(400,722)
		<u>7,157,392</u>		
Liquid resources	10,000	-	-	10,000
Short term loans	(2,046,162)	-	-	(2,046,162)
Finance lease obligations	-	-	-	-
Loan stock	<u>(52,027,361)</u>	<u>(2,167,266)</u>	<u>94,826</u>	<u>(54,099,801)</u>
Total	<u>(60,415,473)</u>	<u>4,990,126</u>	<u>94,826</u>	<u>(55,330,521)</u>

4. Interest Receivable

	£	£
Interest due on bank deposits	<u>48,091</u>	<u>9,491</u>

5. Interest Payable

	£	£
Finance charges payable under finance leases	<u>-</u>	<u>2,676,143</u>

6. Staff Costs

	31 December 2000 £	31 December 1999 £
Salaries	1,075,950	1,072,908
Social security costs	99,839	97,897
Pension costs	<u>39,578</u>	<u>41,202</u>
	<u>1,215,367</u>	<u>1,212,007</u>
The average number of staff employed during the year was	57	58

7. Directors' Emoluments

No Directors' emoluments were paid during the year to 31 December 2000, or in the previous year.

8. Tangible Assets

	Assets under Construction £	Infrastructural Works £	Long Leasehold Buildings £	Office Equipment & Furniture £	Total £
Cost					
At 1 January 2000	3,443,313	4,954,564	36,953,684	7,382,848	52,734,409
Additions in period at cost	1,410,336	121,669	18,711	353,484	1,904,200
Transfers in period at cost	<u>(4,853,649)</u>	<u>4,853,649</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2000	<u>-</u>	<u>9,929,882</u>	<u>36,972,395</u>	<u>7,736,332</u>	<u>54,638,609</u>
Depreciation					
At 1 January 2000	-	632,096	27,583,678	6,233,209	34,448,983
Charge for the period	<u>-</u>	<u>430,145</u>	<u>233,780</u>	<u>401,710</u>	<u>1,065,635</u>
At 31 December 2000	<u>-</u>	<u>1,062,241</u>	<u>27,817,458</u>	<u>6,634,919</u>	<u>35,514,618</u>
Net book value 31 December 1999	<u>3,443,313</u>	<u>4,322,468</u>	<u>9,370,006</u>	<u>1,149,639</u>	<u>18,285,426</u>
Net book value 31 December 2000	<u>-</u>	<u>8,867,641</u>	<u>9,154,937</u>	<u>1,101,413</u>	<u>19,123,991</u>

Long leasehold buildings consist of freehold buildings constructed on land that is leased to the company until 2117.

9. Debtors

	31 December 2000 £	31 December 1999 £
Amount due by The City of Edinburgh Council	276,641	371,467
Trade debtors	861,605	480,847
Other debtors	367,730	187,185
Value added tax	77,992	7,181,066
Prepayments	<u>124,671</u>	<u>115,716</u>
	<u>1,708,639</u>	<u>8,336,281</u>

10. Investments

	£	£
Bank deposits	10,000	10,000
Bank deposits held in trust	<u>164,279</u>	<u>155,417</u>
	<u>174,279</u>	<u>165,417</u>

The funds held in trust represent the sales proceeds arising from the sale and leaseback transaction. These funds have been recognised as an asset as they are yielding a future benefit to the Company arising from past transactions. The funds are held in a separate account, which can be invested broadly in whichever way EICC Ltd, the City of Edinburgh Council and the Bank of Scotland Trust Company (International) Ltd determine.

11. Creditors : Amounts falling due within one year

	£	£
Bank overdraft	400,722	6,373,268
Payments due to contractors	100,000	100,500
Trade creditors	862,832	717,539
Other taxes and social security costs	35,317	30,856
Other creditors	181,375	87,219
Accruals	<u>45,721</u>	<u>37,480</u>
	<u>1,625,967</u>	<u>7,346,862</u>

12. Creditors: Amounts falling due after more than one year

	31 December 2000 £	31 December 1999 £
Short term loan	2,046,162	2,046,162
Convertible unsecured loan stock	45,297,609	45,297,609
Non-convertible unsecured loan stock	<u>8,802,192</u>	<u>6,729,752</u>
	<u>56,145,963</u>	<u>54,073,523</u>

Non-convertible unsecured loan stock:

Issued to The City of Edinburgh Council and CEC Holdings Ltd	8,535,573	6,368,307
Due to be issued to The City of Edinburgh Council and CEC Holdings Ltd	<u>266,619</u>	<u>361,445</u>
	<u>8,802,192</u>	<u>6,729,752</u>

The convertible unsecured loan stock held by CEC Holdings Ltd bears no interest and is repayable on 31 March 2117 at par. CEC Holdings Ltd have the right to convert loan stock into fully paid preferred ordinary shares at the rate of one preferred ordinary share per £1 nominal of loan stock. CEC Holdings Ltd hold £4,037,683 (at 31 December 1999 £2,753,365) of the non-convertible unsecured loan stock, the balance amounting to £4,764,509 (at 31 December 1999 £3,976,387) being held by The City of Edinburgh Council. The non convertible unsecured loan stock bears no interest and is repayable by 31 December 2024.

13. Obligations under Finance Leases

On 8 December 1995 the Company entered into a sale and leaseback transaction with W & G Lease Finance Ltd, whereby the Conference Centre building and the associated plant, equipment and furniture was sold for £40,350,561. Although the term of the lease was for a period of thirty five years, the Company had options to revert to a reversionary lease at the end of year 7, 12 or 17. The Company subsequently entered into negotiations with W & G Lease Finance Ltd with a view to revising the terms of the finance lease and the restructured finance lease was signed on 12 March 1998. Under the terms of the revised lease the Company had the option to revert to a reversionary lease at the end of year 4, that is at 8 December 1999. The Company exercised its option to break the lease on this date.

14. Accruals and Deferred Income

	31 December 2000 £	31 December 1999 £
Capital grants	9,095,993	9,462,393
Deferred income	<u>1,203,747</u>	<u>1,066,431</u>
	<u>10,299,740</u>	<u>10,528,824</u>

The above capital grants have been received in respect of building construction and roadworks.

Capital grants brought forward	9,462,393	8,972,713
Received during period	74,885	1,010,863
Released during period	<u>(441,285)</u>	<u>(521,183)</u>
Capital grants carried forward	<u>9,095,993</u>	<u>9,462,393</u>

15. Share Capital

	31 December 2000 No.	31 December 1999 No.	31 December 2000 £	31 December 1999 £
Authorised:				
Preferred Ordinary shares	54,999,999	54,999,999	54,999,999	54,999,999
Ordinary shares	980	980	980	980
RBL Ordinary shares	10	10	10	10
Preference shares	10	10	10	10
“B” Redeemable Preference shares	1	1	-	-
Special share	1	1	<u>1</u>	<u>1</u>
			<u>55,001,000</u>	<u>55,001,000</u>

Allotted, called up and fully paid:

Preferred Ordinary shares	40	40	40	40
Ordinary shares	2	2	2	2
RBL Ordinary shares	10	10	10	10
Preference shares	10	10	10	10
“B” Redeemable Preference shares	1	1	-	-
Special share	1	1	<u>1</u>	<u>1</u>
			<u>63</u>	<u>63</u>

15. Share Capital (continued)

Two Ordinary shares are issued to The City of Edinburgh Council. In addition the "B" redeemable preference share is held by the City of Edinburgh Council. The special share was issued to Scottish Enterprise Edinburgh and Lothian Ltd on 18 December 1996. The City of Edinburgh Council is the ultimate holding organisation of the Company.

The special share has a nominal value of £1. The share can only be transferred to a body nominated by Lothian and Edinburgh Enterprise Ltd and approved by the City of Edinburgh Council. The special shareholder is entitled to receive notice of general meetings, and to attend and speak at such meetings but has no other rights. Specifically, the special shareholder has no right to vote at such a meeting. The special shareholder is however entitled to receive a copy of each resolution passed at a general meeting, to receive any resolution proposed as a written resolution and each circular sent by the Company to holders of any class of shares in the Company.

The special shareholder ranks after all other members of the Company in respect of distribution of capital on the winding up of the Company. The special share confers no right to participate in the profits of the Company.

The Articles of Association entitle the holder of the special share to appoint one person as a Director of the Company. This right is effected by a notice in writing either being lodged at the Company's registered office or delivered to a meeting of the directors.

The "B" redeemable preference share may be redeemed at the request of the shareholder prior to 31 March 2002 subject to the procedures in the Articles of Association, or otherwise will be redeemed on 31 March 2002. The redeemable preference share carries no voting rights, has no right to participate in profits and may participate in a distribution of capital only to the extent of the amount paid up on each share.

The preference shares carry no voting rights, but have the right to a fixed cumulative preferential dividend at the rate of 6% (net of associated tax credit) per annum, on the amount paid up, to be paid annually on 31 December each year.

The RBL ordinary shares carry no voting rights and are entitled to a dividend of £0.01 for every full amount of £100 worth of assets paid. This is payable after payment of the fixed dividend to holders of the preference shares.

The ordinary and preferred ordinary shares carry one vote per share and participate in profits available for dividend pro rata.

In the event of a capital distribution the shares rank in the following order:

£1 for each Preference Share; £1 for each Preferred Ordinary Share; £1 for each Ordinary Share; £1 for each RBL Ordinary Share; £1 for each Special Share. Thereafter pro rata.

16. Movement in Shareholders' Funds

	31 December 2000 £	31 December 1999 £
Shareholders' funds brought forward	(45,140,767)	(42,766,645)
Loss on ordinary activities for the period	<u>(717,830)</u>	<u>(2,374,122)</u>
Shareholders' funds carried forward	<u>(45,858,597)</u>	<u>(45,140,767)</u>

17. Capital Commitments

The Company has capital commitments in respect of various construction projects, amounting to £7,865,000 relating to the Exchange Development of which £7,747,325 has already been expended (at 31 December 1999 these capital commitments amounted to £7,749,970 of which £4,477,520 had been expended).

18. Financial Commitments

At 31 December 2000 the Company had annual commitments under non-cancellable operating leases relating to plant and equipment as follows:

	31 December 2000 £	31 December 1999 £
Operating leases which expire:		
Within one year	1,860	3,334
In two to five years	32,039	33,133
In over five years	<u>922</u>	<u>-</u>
	<u>34,821</u>	<u>36,467</u>

19. Pension Commitments

The Company operates a defined contributions scheme for its employees. The assets of this scheme are held separately from those of the Company in an independently administered fund.

20. Related Party Transactions

During the period capital grants totalling £74,885 were receivable by EICC Ltd from Scottish Enterprise Edinburgh and Lothian Ltd, who have a special shareholding in the company. Of the total, £20,945 was received during the period and £53,940 is included in other debtors at 31 December 2000. (During the period to 31 December 1999 grants totalling £54,327 were received from Scottish Enterprise Edinburgh and Lothian Ltd, of which £14,038 was received during the period and £40,289 was included in year end debtors).

The company has taken advantage of the exemption allowed under FRS 8 in respect of transactions with other group entities.