

**Carnegie Clubs (International) Limited**

**Directors' report and financial statements**

**Registered number 140146**

**31 December 2003**



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## Company information

<b>Directors</b>	PJ de Savary	(resigned 29 May 2003)
	MA Lutyens	(resigned 29 May 2003)
	PK Fox	(resigned 29 May 2003)
	S Fitzgerald	(resigned 29 May 2003)
	WH Walton	(resigned 29 May 2003)
	P Andersson	(appointed 29 May 2003)
	G Rusli	(appointed 29 May 2003)
<b>Secretaries</b>	PK Fox	(resigned 29 May 2003)
	W Guthrie	(appointed 27 August 2003)
<b>Registered office</b>	Skibo Castle Dornoch Sutherland IV25 3RQ	
<b>Auditors</b>	KPMG LLP 24 Blythswood Square Glasgow G2 4QS	
<b>Bankers</b>	The Royal Bank of Scotland plc 29 Harbour Road Inverness IV1 1NU	
<b>Solicitors</b>	Turcan Connell 1 Earl Grey Street Edinburgh EH3 9EE	

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

### Principal activities

The principal activities of the company during the year was that of the provision of ancillary activities including development, marketing, management and consultancy for the Carnegie Club Group of companies.

The company ceased trading on 31 May 2003 when the parent company, Skibo Limited, was acquired by new owners.

### Directors and directors' interests

The directors who held office during the year are shown on page 1.

None of the directors have interests in the shares of the company.

### Auditors

A resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

*By order of the board*



W Guthrie  
*Secretary*

Skibo Castle  
Dornoch  
Sutherland  
IV25 3RQ

7 July 2004

## 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 for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

24 Blythswood Square  
Glasgow  
G2 4QS  
United Kingdom

## **Report of the independent auditors to the members of Carnegie Clubs (International) Limited**

We have audited the financial statements on pages 5 to 9.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

### **Basis of audit 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.

### **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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*

9 July 2004

**Profit and loss account**  
*for the year ended 31 December 2003*

	<i>Note</i>	<b>2003</b> £	<b>2002</b> £
<b>Turnover</b>	<b>2</b>	-	10,414
Administrative expenses		<b>(114,569)</b>	(235,838)
<b>Operating loss</b>	<b>3</b>	<b>(114,569)</b>	(225,424)
Interest payable and similar charges		<b>(352)</b>	(169)
<b>Loss for the year</b>		<b>(114,921)</b>	(225,593)

There were no other gains or losses other than those recognised above.

The results above all relate to discontinued activities.

A statement of movement in reserves is given in note 10.

**Balance sheet**  
*at 31 December 2003*

	<i>Note</i>	<b>2003</b>		<b>2002</b>	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		-		24,184
<b>Current assets</b>					
Stocks		-		515	
Debtors	6	-		5,933	
Cash at bank and in hand		739		41	
		<hr/>		<hr/>	
<b>Creditors: amounts falling due within one year</b>	7	739	-	6,489	16,041
		<hr/>		<hr/>	
<b>Net current (liabilities)/assets</b>			739		(9,552)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			739		14,632
			<hr/>		<hr/>
<b>Creditors: amounts falling due after more than one year</b>	8		(459,919)		(358,891)
			<hr/>		<hr/>
<b>Net assets</b>			(459,180)		(344,259)
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	9		2		2
Profit and loss account	10		(459,182)		(344,261)
			<hr/>		<hr/>
<b>Deficit on shareholders' funds</b>			(459,180)		(344,259)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 7 July 2004 and were signed on its behalf by:



**P Andersson**  
 Director



## Notes

(forming part of the financial statements)

### 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 financial statements.

#### *Accounting convention*

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

The company has obtained confirmation from its parent company, Skibo Limited, that it will continue to provide necessary support to the company. The directors therefore consider that it is appropriate that the accounts are prepared on a going concern basis.

#### *Turnover*

Turnover represents net invoiced sale of services, excluding value added tax.

#### *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property improvements	- 33 % on cost
Furniture and fixtures	- 20% on cost
Office equipment	- 25% on cost

#### *Stocks*

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

### 2 Turnover

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

### 3 Operating loss

	2003 £	2003 £
<i>Operating loss is stated after charging:</i>		
Depreciation – owned assets	4,683	11,024
Loss on disposal of fixed assets	19,502	97
Auditors' remuneration	-	2,000
Directors' emoluments	54,560	58,672

The audit fee is borne by the parent company, Skibo Limited.

### 4 Taxation

No liability to UK corporation tax arose on ordinary activities for the years ended 31 December 2003 and 31 December 2002 as a result of the availability of tax losses.

**Notes (continued)**

**5 Tangible fixed assets**

	Property improvements £	Furniture and fixtures £	Office equipment £	Totals £
<i>Cost</i>				
At beginning of year	24,628	13,392	875	38,895
Disposals	(24,628)	(13,392)	(875)	(38,895)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At beginning of year	10,863	3,571	277	14,711
Charge for year	3,386	1,157	139	4,682
On disposals	(14,249)	(4,728)	(416)	(19,393)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2003	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	13,765	9,821	598	24,184
	<hr/>	<hr/>	<hr/>	<hr/>

During the year, the company ceased trading. All fixed assets were disposed of at this time.

**6 Debtors: amounts falling due within one year**

	2003 £	2002 £
Other debtors	-	2
Prepayments	-	5,931
	<hr/>	<hr/>
	-	5,933
	<hr/>	<hr/>

**7 Creditors: amounts falling due within one year**

	2003 £	2002 £
Bank loans and overdrafts	-	10,450
Trade creditors	-	1,591
Accrued expenses	-	4,000
	<hr/>	<hr/>
	-	16,041
	<hr/>	<hr/>

**Notes (continued)**

**8 Creditors: amounts falling due after more than one year**

	2003 £	2002 £
Holding company loan	459,919	358,891

**9 Called up share capital**

	2003 £	2002 £
<i>Authorised</i> 1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted and issued</i> 2 ordinary shares of £1 each	2	2

**10 Profit and loss account**

	2003 £	2002 £
Balance at start of year	(344,261)	(118,668)
Loss for the year	(114,921)	(225,593)
Balance at end of year	(459,182)	(344,261)

**11 Ultimate parent company**

The directors consider the ultimate controlling party to be Scytherbole Limited, a company registered in Bermuda.

The immediate parent undertaking of the company is Skibo Limited, a company incorporated in the United Kingdom.

**12 Related party disclosures**

Included in administration expenses is an amount of £18,332 (2002: £54,541) for consultancy services paid to Victrix Limited, a company in which MA Lutyens, a former director of the company, is materially interested.