

SC 146523

**GFS (Motherwell) Limited**

Report and Financial Statements

Year Ended

28 February 1999

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**GFS (Motherwell) Limited**

**Annual report and financial statements for the year ended 28 February 1999**

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**Directors**

R.B. Clapham  
R. Mintz

**Secretaries and registered office**

Secretar Securities Limited, 249 West George Street, Glasgow G2 4RB

**Company number**

146523

**Auditors**

BDO Stoy Hayward, Ballantine House, 168 West George Street, Glasgow G2 2PT

**Bankers**

The United Bank of Kuwait PLC, 7 Baker Street, London W1M 1AB

Bank of Scotland, P.O. Box 152, 110 St. Vincent Street, Glasgow G2 5EJ

## **GFS (Motherwell) Limited**

### **Report of the directors for the year ended 28 February 1999**

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The directors present their report together with the audited financial statements for the year ended 28 February 1999.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the result for the year.

The directors do not recommend the payment of a dividend.

#### **Principal activities, trading review and future developments**

The company's principal activity is that of property developers.

During the year, the company continued to own a property in Motherwell with a view to resale.

The company intends to pursue its existing activities.

#### **Year 2000**

The directors continue to review the impact of Year 2000 issues on the systems central to the company's activity and preparation of the financial statements and continue to ensure that the impact of dates throughout the Year 2000 do not create misstatements in the company's accounting records or adversely affect business operations.

#### **Directors**

The directors of the company during the year were:

R.B. Clapham

R. Mintz

No director had any beneficial interest in the share capital of the company.

## **GFS (Motherwell) Limited**

### **Report of the directors for the year ended 28 February 1999 (*Continued*)**

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#### **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 then apply them consistently;
- make judgments 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**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**The financial statements were approved by the Board on 28 January 2000.**



**R.B. Clapham**  
Director

**GFS (Motherwell) Limited****Report of the auditors**

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**To the shareholders of GFS (Motherwell) Limited**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

*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.

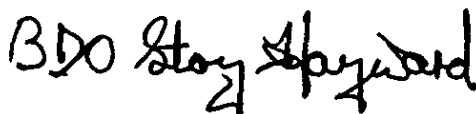
*Basis of opinion*

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 judgments 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 28 February 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



*Chartered Accountants  
and Registered Auditors*

28 January 2000

**GFS (Motherwell) Limited****Profit and loss account for the year ended 28 February 1999**

	Note	1999 £	1998 £
<b>Turnover</b>		<b>225,000</b>	<b>225,000</b>
Administrative expenses		2,898	3,290
		<hr/>	<hr/>
<b>Operating profit</b>	5	<b>222,102</b>	<b>221,710</b>
Interest receivable	6	123	115
Interest payable and similar charges	7	(262,924)	(258,113)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(40,699)</b>	<b>(36,288)</b>
Taxation on loss on ordinary activities	8	-	-
		<hr/>	<hr/>
<b>Loss for the year</b>		<b>(40,699)</b>	<b>(36,288)</b>
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements on shareholders' funds apart from the loss for the year.

The notes on pages 6 to 9 form part of these financial statements.

**GFS (Motherwell) Limited****Balance sheet at 28 February 1999**

	Note	£	1999 £	£	1998 £
<b>Current assets</b>					
Stocks	9	2,512,047		2,515,047	
Cash at bank and in hand		14,012		14,069	
			2,526,059	2,529,116	
<b>Creditors: amounts falling due within one year</b>	10	849,238		811,596	
<b>Net current assets</b>			1,676,821	1,717,520	
<b>Total assets less current liabilities</b>			1,676,821	1,717,520	
<b>Creditors: amounts falling due after more than one year</b>	11		2,074,791	2,074,791	
<b>Net liabilities</b>			(397,970)	(357,271)	
<b>Capital and reserves</b>					
Called up share capital	12		1,000	1,000	
Profit and loss account	13		(398,970)	(358,271)	
<b>Equity shareholders' funds</b>			(397,970)	(357,271)	

The financial statements were approved by the Board on 28 January 2000.



**R.B. Clapham**  
Director

The notes on pages 6 to 9 form part of these financial statements.

## **GFS (Motherwell) Limited**

### **Notes forming part of the financial statements for the year ended 28 February 1999**

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#### **1 Accounting policies**

The financial statements have been prepared under the historical cost convention on a going concern basis, which assumes the continued financial support of the loan creditors, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

##### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost represents the purchase price of property plus direct costs of development work.

##### *Interest*

Interest payable on loans to finance the property stock is charged to the profit and loss account.

#### **2 Turnover**

Turnover represents the amount derived from rents, net of value added tax. Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

#### **3 Employees**

The company incurred no staff costs during the year.

The company had no employees during the year, other than the directors.

#### **4 Directors**

No director received any emoluments during this or the prior year.

#### **5 Operating profit**

This is arrived at after charging:

	1999 £	1998 £
Auditors' remuneration	836	750
	<u>          </u>	<u>          </u>

#### **6 Interest receivable**

	1999 £	1998 £
Bank interest receivable	123	115
	<u>          </u>	<u>          </u>



**GFS (Motherwell) Limited**

**Notes forming part of the financial statements for the year ended 28 February 1999 (*Continued*)**

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**7 Interest payable and similar charges**

	1999 £	1998 £
On loans and overdrafts	208,076	204,551
On shareholders' loans	54,848	53,562
	<hr/>	<hr/>
	262,924	258,113
	<hr/>	<hr/>

**8 Taxation**

No corporation tax charge arises on the results for the year due to losses brought forward. Losses of approximately £160,000 (1998 - £155,000) are available for carry forward against future profits of the existing trade.

**GFS (Motherwell) Limited****Notes forming part of the financial statements for the year ended 28 February 1999 (Continued)****9 Stocks**

	1999 £	1998 £
Property held for resale	2,512,047	2,515,047

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

	1999 £	1998 £
Shareholders' loans	527,149	523,165
Trade creditors	42,789	42,550
Other creditors	10,460	9,758
Accruals and deferred income	268,840	236,123
	849,238	811,596

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

	1999 £	1998 £
Bank loan	1,987,500	1,987,500
Shareholders' loans	87,291	87,291
	2,074,791	2,074,791

Included within the above are amounts falling due as follows:

In 2 - 5 years:		
Loan instalments	2,074,791	2,074,791

- (i) The bank loan is secured by a standard security over the property held for sale and a floating charge over the company's assets.
- (ii) There is no fixed repayment date for shareholders' loans. Anglo Scottish Properties PLC have a second ranking standard security and bond and floating charge over the company's assets to secure its shareholders' loans amounting to £299,450 (1998 - £349,450).

## GFS (Motherwell) Limited

### Notes forming part of the financial statements for the year ended 28 February 1999 (Continued)

#### 12 Called up share capital

	Authorised		Allotted, called up and fully paid	
	1999 £	1998 £	1999 £	1998 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

#### 13 Reserves

	£
<i>Profit and loss account</i>	
At 1 March 1998	(358,271)
Retained loss for the year	(40,699)
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At 28 February 1999	(398,970)
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#### 14 Cash flow statement

In line with Financial Reporting Standard 1 (revised), the company, as a small company under the provisions of Sections 246 and 247 of the Companies Act 1985, is exempt from the requirement to publish a cash flow statement.

#### 15 Deficiency of assets

The directors consider the resale value of property stocks to be approximately £3,000,000. Due to historic cost accounting rules, this increase in value cannot be included in the balance sheet.

#### 16 Related party transactions

During the year, the company had the following transactions with related parties:

- (i) Interest of £29,216 (1998 - £30,641) payable to Anglo Scottish Properties PLC (a 55% shareholder) on shareholders' loan. The amount of loan outstanding at 28 February 1999 was £299,450, falling due within one year.
- (ii) Interest of £25,632 (1998 - £22,921) payable to Credential Holdings Limited (a 45% shareholder) on shareholders' loans. The amount outstanding at 28 February 1999 was:
  - (a) £227,699 falling due within one year.
  - (b) £87,291 falling due after more than one year.

#### 17 Ultimate parent company

The directors regard Anglo Scottish Properties PLC as the company's ultimate parent company and the ultimate controlling party.