

Elphinstone Group Limited

Registered Number : SC154384

DIRECTORS

Kenneth Liddell Tough
Kenneth Ross
John Keith Martin

SECRETARY

Kenneth Ross

BANKERS

Bank of Scotland
The Royal Bank of Scotland plc
Lloyds TSB Scotland Bank plc
Clydesdale Bank PLC

AUDITORS

Ernst & Young
George House
50 George Square
Glasgow
G2 1RR

REGISTERED OFFICE

Elphinstone House
295 Fenwick Road
Glasgow
G46 6UH

 **ERNST & YOUNG**



Elphinstone Group Limited

DIRECTORS' REPORT

The directors submit their report and the consolidated financial statements for the year ended 30 June 2000.

RESULTS AND DIVIDENDS

The group profit for the year after taxation amounts to £373,854. The directors recommend a dividend of £190,000 be paid, leaving £183,854 to be transferred to reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The groups principal activity continues to be property development.

FUTURE DEVELOPMENTS

The group will continue to look at all opportunities to expand its business activities.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the holding company's issued ordinary share capital were:

	<i>At 30 June 2000</i>	<i>At 30 June 1999</i>
	<i>No.</i>	<i>No.</i>
Kenneth Liddell Tough	50	50
Kenneth Ross	50	50
John Keith Martin	-	-

The directors do not hold any direct shareholdings in the subsidiaries of the group.

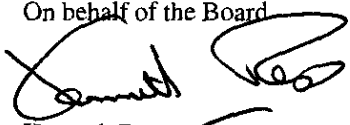
CLOSE COMPANY STATUS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

Ernst & Young were appointed as auditors during the year. Accordingly, a resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board


Kenneth Ross
Director

29 September 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- 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 members of Elphinstone Group Limited

We have audited the accounts on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the 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.

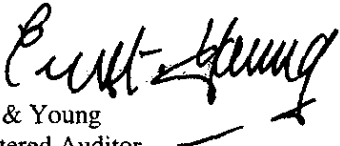
Basis of opinion

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 mis-statement, 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 and the group at 30 June 2000 and of the profit of group for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Ernst & Young
Registered Auditor
Glasgow

29 September 2000

Elphinstone Group Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 30 June 2000

	Notes	2000 £	1999 £
TURNOVER	2	18,307,442	13,682,487
Cost of sales		15,805,691	11,595,678
Gross profit		2,501,751	2,086,809
Administrative expenses		1,280,821	1,075,580
OPERATING PROFIT	3	1,220,930	1,011,229
Net interest payable	6	715,962	511,059
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		504,968	500,170
Tax on profit on ordinary activities	7	131,114	119,098
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		373,854	381,072
Dividends		190,000	-
RETAINED PROFIT FOR THE FINANCIAL YEAR	17	183,854	381,072

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 June 2000

There were no recognised gains and losses other than the profit attributable to shareholders of the company of £373,854 in the year to 30 June 2000 and £381,072 in the year to 30 June 1999.

Elphinstone Group Limited

CONSOLIDATED BALANCE SHEET at 30 June 2000

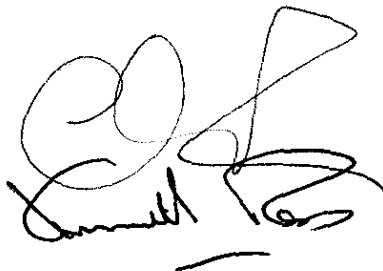
	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	8	166,449	80,878
Investments	9	11,000	-
INVESTMENTS		<u>177,449</u>	<u>80,878</u>
CURRENT ASSETS			
Stock and work in progress	10	1,250,113	6,083,050
Debtors	11	1,524,695	374,658
Cash at bank and in hand		127,739	3,226
CREDITORS: amounts falling due within one year	12	<u>2,902,547</u> <u>2,331,468</u>	<u>6,460,934</u> <u>6,002,297</u>
NET CURRENT ASSETS		<u>571,079</u>	<u>458,637</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>748,528</u>	<u>539,515</u>
CREDITORS: amounts falling due after more than one year	13	<u>70,306</u>	<u>45,147</u>
NET ASSETS		<u><u>678,222</u></u>	<u><u>494,368</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Profit and loss account	17	678,122	494,268
EQUITY SHAREHOLDERS' FUNDS		<u><u>678,222</u></u>	<u><u>494,368</u></u>

Kenneth Liddell Tough

Director

Kenneth Ross

Director



29 September 2000

ERNST & YOUNG

Elphinstone Group Limited

COMPANY BALANCE SHEET at 30 June 2000

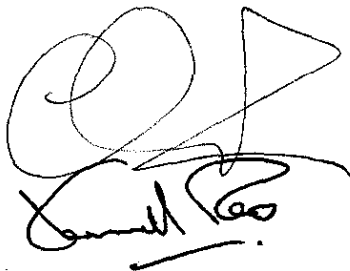
	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	8	124,125	69,978
Investments	9	29,497	18,497
		<u>153,622</u>	<u>88,475</u>
CURRENT ASSETS			
Stock and work in progress	10	280,287	157,635
Debtors	11	1,134,688	1,138,935
		<u>1,414,975</u>	<u>1,296,570</u>
CREDITORS: amounts falling due within one year	12	855,368	826,216
NET CURRENT ASSETS		<u>559,607</u>	<u>470,354</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>713,229</u>	<u>558,829</u>
CREDITORS: amounts falling due after more than one year	13	70,306	43,714
NET ASSETS		<u><u>642,923</u></u>	<u><u>515,115</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Profit and loss account	17	642,823	515,015
EQUITY SHAREHOLDERS' FUNDS	18	<u><u>642,923</u></u>	<u><u>515,115</u></u>

Kenneth Liddell Tough

Director

Kenneth Ross

Director



29 September 2000

Elphinstone Group Limited

CASH FLOW STATEMENT for the year ended 30 June 2000

	Notes	2000 £	1999 £
CASH INFLOW FROM OPERATING ACTIVITIES	19(a)	4,212,251	1,312,729
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(734,900)	(537,312)
Interest received		18,938	26,253
		(715,962)	(511,059)
TAXATION			
Corporation tax paid		(140,072)	(87,051)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(147,384)	(62,492)
Purchase of investments		(11,000)	-
Received from sales of tangible fixed assets		14,100	6,500
		(144,284)	(55,992)
EQUITY DIVIDENDS PAID		(190,000)	-
NET CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		3,021,933	658,627
FINANCING			
Capital element of finance lease and hire purchase obligations		49,275	34,529
INCREASE IN CASH DURING THE YEAR	19(c)	3,071,208	693,156

NOTES TO THE ACCOUNTS

at 30 June 2000

1. ACCOUNTING POLICIES

Basis of accounting

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group accounts consolidate the accounts of Elphinstone Group Limited and all its subsidiaries made up to 30 June 2000. No profit and loss account for the company has been presented for Elphinstone Group Limited as permitted by section 230 of the Companies Act 1985. The profit for the year for the company after tax and dividends paid was £317,808 (1999 - £280,373).

Stock and work in progress

Stocks are stated at the lower of cost and net realisable value. Work in progress is valued at the cost of labour, materials and includes a relevant proportion of overheads according to the stage of completion.

Long term contracts

Profit on long term contracts is taken as the work is carried out if the outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the period end, by recording turnover and related costs of labour and materials as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues from variations on contracts are recognised only when they are considered to be reasonably certain. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Depreciation

Depreciation is provided on fixed assets on the following basis:

Fixtures and fittings	- 50% per annum straight line
Motor vehicles	- 25% per annum straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing

Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account of the period of the lease and represents a constant proportion at the balance of capital repayments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pensions

The group operates a defined contribution pension scheme for its directors. Contributions are charged to the profit and loss account so as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred taxation is provided on a liability method at the year end on all timing differences to the extent that they are expected to reverse in the future.

Elphinstone Group Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

2. TURNOVER

Turnover which is stated net of value added tax, represents the invoiced amount of goods and services provided and, in the case of long term contracts, the sales value of work done in the period including estimates in respect of amounts not invoiced. The whole of the turnover is from the group's main activity of property development from continuing operations in the United Kingdom.

3. OPERATING PROFIT

This is stated after charging/(crediting):

	2000 £	1999 £
Directors' remuneration	436,920	475,000
Auditors remuneration and expenses	25,000	25,000
Depreciation of tangible fixed assets		
- owned by the group	6,920	5,974
- held under finance leases and hire purchase contracts	35,748	23,663
	<u>436,920</u>	<u>475,000</u>

4. STAFF COSTS

Staff costs, including directors' remunerations, were as follows:

	2000 £	1999 £
Wages and salaries	446,674	437,961
Social security costs	54,494	18,446
Other pension costs	130,000	30,000
	<u>631,168</u>	<u>486,407</u>

The average monthly number of employees, including directors, during the year was as follows:

	2000 No.	1999 No.
Office and administration	10	6
Sales	3	6
	<u>13</u>	<u>12</u>

5. DIRECTORS' REMUNERATION

	2000 £	1999 £
For services as directors	137,806	16,500
Management fees paid to directors (note 20)	169,114	158,500
Other emoluments (including benefits in kind)	-	270,000
Company contributions paid to defined contribution pension scheme	130,000	30,000
	<u>436,920</u>	<u>475,000</u>

Elphinstone Group Limited

NOTES TO THE ACCOUNTS at 30 June 2000

5. DIRECTORS' REMUNERATION (continued)

Included in the above are emoluments, excluding pension contributions, paid to:

	2000 £	1999 £
Highest paid director	126,254	214,875
Company contributions paid to defined contribution scheme	65,000	15,000

6. NET INTEREST PAYABLE

	2000 £	1999 £
Bank interest	733,049	533,884
Finance charges payable - finance leases and hire purchase	1,851	3,428
	734,900	537,312
Less: Interest receivable	18,938	26,253
	715,962	511,059

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Current year:		
Corporation tax 30% (1999- 20.75%)	131,114	119,098

Elphinstone Group Limited

NOTES TO THE ACCOUNTS at 30 June 2000

8. TANGIBLE FIXED ASSETS

<i>Group</i>	<i>Fixtures and fittings £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost:			
At 1 July 1999	12,234	114,550	126,784
Additions	13,840	133,544	147,384
Disposals	-	(30,875)	(30,875)
At 30 June 2000	26,074	217,219	243,293
Depreciation:			
At 1 July 1999	12,232	33,674	45,906
Charge for year	6,920	35,748	42,668
Disposals	-	(11,730)	(11,730)
At 30 June 2000	19,152	57,692	76,844
Net book value:			
At 30 June 2000	6,922	159,527	166,449
At 1 July 1999	2	80,876	80,878

The net book value of motor vehicles above includes an amount of £159,527 (1999 - £80,876) in respect of assets held under finance leases.

<i>Company</i>	<i>Fixtures and fittings £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost :			
At 1 July 1999	12,234	91,650	103,884
Additions	13,840	91,795	105,635
Disposals	-	(30,875)	(30,875)
At 30 June 2000	26,074	152,570	178,644
Depreciation:			
At 1 July 1999	12,232	21,674	33,906
Charge for year	6,920	25,423	32,343
Disposals	-	(11,730)	(11,730)
At 30 June 2000	19,152	35,367	54,519
Net book value:			
At 30 June 2000	6,922	117,203	124,125
At 1 July 1999	2	69,976	69,978

The net book value of motor vehicles above includes an amount of £117,203 (1999 - £69,976) in respect of assets held under finance lease.

Elphinstone Group Limited

NOTES TO THE ACCOUNTS at 30 June 2000

9. INVESTMENTS

<i>Group</i>	<i>2000</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Investment in Room Facilities Limited	11,000	-

The investment represents 30% of the ordinary share capital of Room Facilities Limited, a company incorporated in Scotland.

<i>Company</i>	<i>2000</i>	<i>1999</i>
	<i>£</i>	<i>£</i>
Investment in Room Facilities Limited	11,000	-
Investment in subsidiary companies	18,497	18,497
	<u>29,497</u>	<u>18,497</u>

Details of investments, all of which are held by Elphinstone Group Limited, where the company holds more than 20% of the nominal value of any class of share capital, are as follows:

<i>Name of company</i>	<i>Holding</i>	<i>Proportion held</i>	<i>Nature of business</i>
Elphinstone Homes (Ayr) Limited	Ordinary shares	100%	Property development
Elphinstone Homes (Kelvin) Limited	Ordinary shares	100%	Property development
Elphinstone Retirement Homes Limited	Ordinary shares	100%	Property development
Tipperlinn Development Company Limited	Ordinary shares	100%	Property development
Elphinstone Homes (Sandyford) Limited	Ordinary shares	100%	Property development
Elphinstone Homes (Hutcheon) Limited	Ordinary shares	100%	Property development
Capital Construction (Scotland) Limited	Ordinary shares	100%	Construction
Elphinstone (HR) Limited	Ordinary shares	100%	Non-trading
Elphinstone Homes (Yorkhill) Limited	Ordinary shares	100%	Non-trading
Elphinstone Homes (Gilmorehill) Limited	Ordinary shares	100%	Non-trading
Elphinstone Homes Limited	Ordinary shares	100%	Non-trading
Elphinstone Hotels Limited	Ordinary shares	100%	Non-trading
Elphinstone Properties (Argyle) Limited	Ordinary shares	100%	Non-trading
Elphinstone Properties Limited	Ordinary shares	100%	Non-trading

All of the subsidiaries were incorporated in Scotland and are included in the consolidated accounts under the acquisition method of accounting.

Elphinstone Group Limited

NOTES TO THE ACCOUNTS at 30 June 2000

10. STOCK AND WORK IN PROGRESS

	2000	Group 1999	2000	Company 1999
	£	£	£	£
Stock	929,826	1,276,061	-	-
Work in progress	320,287	4,806,989	280,287	157,635
	<u>1,250,113</u>	<u>6,083,050</u>	<u>280,287</u>	<u>157,635</u>

Progress payments received in excess of the value of work done of long term contracts are shown separately under current liabilities.

11. DEBTORS

	2000	Group 1999	2000	Company 1999
	£	£	£	£
Trade debtors	596,770	31,482	-	-
Other debtors	927,925	336,305	910,612	360,903
Prepayments and accrued income	-	6,871	-	-
Amounts owed to group companies	-	-	224,076	778,032
	<u>1,524,695</u>	<u>374,658</u>	<u>1,134,688</u>	<u>1,138,935</u>

Included within group and company other debtors is £120,000 which is payable after more than one year.

12. CREDITORS: amount falling due within one year

	2000	Group 1999	2000	Company 1999
	£	£	£	£
Bank overdraft (secured)	875,226	3,821,921	74,193	72,216
Trade creditors	212,693	359,074	44,562	231,897
Obligations under finance leases and hire purchase contracts (note 14)	45,456	21,340	32,662	17,040
Corporation tax	130,515	139,473	66,009	104,963
Taxation and Social Security costs	21,420	22,977	21,417	22,977
Accrued charges	645,538	160,616	32,616	32,616
Other creditors	366,605	1,476,896	-	51,761
Payments on account of long term contracts	34,015	-	-	-
Amounts owed to group companies	-	-	583,909	292,746
	<u>2,331,468</u>	<u>6,002,297</u>	<u>855,368</u>	<u>826,216</u>

Elphinstone Group Limited

NOTES TO THE ACCOUNTS at 30 June 2000

13. CREDITORS: amount falling due after one year

	2000 £	Group 1999 £	2000 £	Company 1999 £
Obligations under finance leases and hire purchase contracts (note 14)	70,306	45,147	70,306	43,714

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2000 £	Group 1999 £	2000 £	Company 1999 £
The maturity of these amounts is as follows:				
Amounts payable				
within one year	49,092	23,699	35,275	18,769
within two to five years	75,931	48,101	78,928	46,459
	125,023	71,800	111,203	65,228
Less: finance charges allocated to future periods	(9,261)	(5,313)	(8,237)	(4,474)
	115,762	66,487	102,966	60,754

The net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

Finance lease and hire purchase contracts are disclosed as follows:

	2000 £	Group 1999 £	2000 £	Company 1999 £
Within one year (note 12)	45,456	21,340	32,660	17,040
After one year (note 13)	70,306	45,147	70,306	43,714
	115,762	66,487	102,966	60,754

15. DEFERRED TAXATION

The group had no liability to deferred taxation, either actual or potential, at the balance sheet date.

Elphinstone Group Limited

NOTES TO THE ACCOUNTS at 30 June 2000

16. SHARE CAPITAL

	2000 No.	1999 No.
Authorised :		
Ordinary shares of £1 each	100	100
	<u>£</u>	<u>£</u>
Allotted, issued and fully paid :		
Ordinary shares of £1 each	100	100
	<u>£</u>	<u>£</u>

17. RESERVES

	2000 £	Group 1999 £	2000 £	Company 1999 £
Profit and loss account				
At 1 July 1999	494,268	113,196	515,015	234,642
Retained profit for the financial year	183,854	381,072	127,808	280,373
At 30 June 2000	<u>678,122</u>	<u>494,268</u>	<u>642,823</u>	<u>515,015</u>

18. RECONCILIATION OF SHAREHOLDERS' FUNDS

Group	2000 £	1999 £
Total recognised gains and losses	373,854	381,072
Dividends	(190,000)	-
Opening equity shareholders' funds	494,368	113,296
Closing equity shareholders' funds	<u>678,222</u>	<u>494,368</u>

19. CASH FLOW MOVEMENTS

(a) Reconciliation of operating profit to net cash inflow from operating activities:

	2000 £	1999 £
Operating profit	1,220,930	1,011,229
Depreciation of tangible fixed assets	42,668	29,637
Loss on sale of tangible fixed assets	5,045	2,650
Increase in operating debtors and prepayments	(1,150,037)	(43,737)
Decrease in stocks	4,832,937	2,335,516
Decrease in operating creditors and accruals	(739,292)	(1,772,566)
Decrease in other provisions	-	(250,000)
Net cash inflow from operating activities	<u>4,212,251</u>	<u>1,312,729</u>

Elphinstone Group Limited

NOTES TO THE ACCOUNTS

at 30 June 2000

19. CASH FLOW MOVEMENTS (continued)

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

	2000 £	1999 £
Increase in cash in the year	3,071,208	693,156
Cash outflow from decrease in debt	(49,275)	(34,529)
Change in net debt resulting from cash flows	3,021,933	658,627
Net debt at 1 July	(3,885,182)	(4,543,809)
Net debt at 30 June	(863,249)	(3,885,182)

(c) Analysis of net debt

	At 1 July 1999 £	Cash flow £	At 30 June 2000 £
Cash on call/in hand	3,226	124,513	127,739
Overdraft	(3,821,921)	2,946,695	(875,226)
	(3,848,695)	3,071,208	(747,487)
Finance leases and hire purchase contracts	(66,487)	(49,275)	(115,762)
	(3,885,182)	3,021,933	(863,249)

20. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemptions conferred by paragraph 3(a) and 3(b) of FRS 8 in respect of related party transactions.

	Sales to related parties £	Purchases from related parties £	Amounts owed from related parties £	Amounts owed to related parties £
Holyrood Securities Limited				
2000	-	-	54,211	-
1999	324,211	-	54,211	-
Giffnock Management Services Limited				
2000	-	104,931	103,905	-
1999	-	79,875	97,915	-
Ross Management Services Limited				
2000	-	64,183	109,206	-
1999	-	78,625	97,915	-
Scotsacre Limited				
2000	-	-	35,172	-
1999	-	-	35,172	-

Kenneth Tough is a director of Elphinstone Group Limited and Giffnock Management Services Limited. During the year, Elphinstone Group Limited purchased goods and services amounting to £104,931 (1999 - £79,875) from Giffnock Management Services Limited and also loaned £103,905 (1999 - £97,915) to Giffnock Management Services Limited on which interest is charged at 1% above base rate. At the balance sheet date £12,926 (1999 - £6,926) was outstanding.

NOTES TO THE ACCOUNTS
at 30 June 2000

20. **RELATED PARTY TRANSACTIONS** (continued)

Kenneth Ross is a director of Elphinstone Group Limited and Ross Management Services Limited. During the year, Elphinstone Group Limited purchased goods and services amounting to £64,183 (1999 - £78,625) from Ross Management Services Limited and also loaned £109,206 (1999 - £97,915) to Ross Management Services Limited on which interest is charged at 1% over base rate. At the balance sheet date £12,927 (1999 - £6,927) was outstanding on this transaction.

Kenneth Tough is a director of Scotsacre Limited which owes the Group £35,172 (1999 - £35,172), transaction in the normal course of business.

21. **TRANSACTIONS WITH DIRECTORS**

During the year, the Group contracted services in the normal course of business, on behalf of Kenneth Ross, for £259,440 (1999 - £90,560). The price charged was the normal market price. At the balance sheet date, the amount due to the Group was £Nil (1999 - £68,960).

22. **OTHER FINANCIAL COMMITMENTS**

At 30 June 2000, the group had annual commitments under non-cancellable operating leases as set out below:

	<i>Property</i>	
	2000	1999
	£	£
Operating leases which expire:		
Within one to five years	65,324	47,496
In over five years	31,250	31,250
	<u> </u>	<u> </u>
In under five years	96,574	78,746
	<u> </u>	<u> </u>

23. **FLOATING CHARGES**

The company and its subsidiaries have granted floating charges to Clydesdale Bank PLC over all the assets of the Group companies.

24. **CONTINGENT LIABILITIES**

Elphinstone Group Limited has undertaken to guarantee all sums due to the Clydesdale Bank PLC from Capital Construction (Scotland) Limited, without limit.

25. **PENSION COMMITMENTS**

The group operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in a self administered scheme. During the period, contributions payable amounted to £130,000 (1999 - £30,000).

26. **CONTROL OF THE COMPANY**

The directors own the entire issued share capital of the company, and therefore control the company.