

**SCOTTS PRIVATE CLIENT SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**30 NOVEMBER 2002**



# **SCOTTS PRIVATE CLIENT SERVICES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2002**

---

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	<b>1</b>
The directors' report	<b>2</b>
<i>Statement of directors' responsibilities</i>	<b>3</b>
Independent auditors' report to the shareholders	<b>4 to 5</b>
Profit and loss account	<b>6</b>
Balance sheet	<b>7</b>
Cash flow statement	<b>8 to 9</b>
Notes to the financial statements	<b>10 to 16</b>

---

**SCOTTS PRIVATE CLIENT SERVICES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

---

<b>The board of directors</b>	Hazel Gray John Dryburgh
<b>Company secretary</b>	Hazel Gray
<b>Registered office</b>	Investment House 6 Union Row Aberdeen AB10 1DQ
<b>Auditors</b>	Dand Carnegie & Co. Chartered Accountants & Registered Auditors Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
<b>Solicitors</b>	Paull & Williamsons Investment House 6 Union Row Aberdeen AB10 1DQ

# **SCOTTS PRIVATE CLIENT SERVICES LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 30 NOVEMBER 2002**

---

The directors present their report and the financial statements of the company for the year ended 30 November 2002.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the period was the provision of taxation advice, accountancy and consultancy services.

At 18 December 2003 Scotts Private Client Services Limited ceased to trade.

### **RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

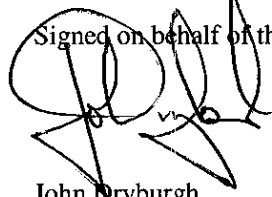
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At 30 November 2002</b>	<b>At 1 December 2001</b>
Hazel Gray	<b>30</b>	30
John Dryburgh	<b>70</b>	<u>70</u>

### **AUDITORS**

A resolution to re-appoint Dand Carnegie & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Investment House  
6 Union Row  
Aberdeen  
AB10 1DQ

Signed on behalf of the directors  
  
John Dryburgh  
Director

Approved by the directors on 23 March 2004

# **SCOTTS PRIVATE CLIENT SERVICES LIMITED**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 30 NOVEMBER 2002**

---

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, 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; and

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. The directors 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.

# **SCOTTS PRIVATE CLIENT SERVICES LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 30 NOVEMBER 2002**

---

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

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

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom 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.

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 30 NOVEMBER 2002

---

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 November 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Stannergate House  
41 Dundee Road West  
Broughty Ferry  
Dundee DD5 1NB

23 March 2004



DAND CARNEGIE & CO.  
Chartered Accountants  
& Registered Auditors

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 NOVEMBER 2002

	Note	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
<b>TURNOVER</b>	2	3,304,527	282,769
Cost of sales		950,536	36,389
<b>GROSS PROFIT</b>		2,353,991	246,380
Administrative expenses		2,477,770	201,261
Other operating income		(129)	—
<b>OPERATING (LOSS)/PROFIT</b>	3	(123,650)	45,119
Interest receivable		5,859	129
Interest payable and similar charges	6	(1,419)	(184)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(119,210)	45,064
Tax on (loss)/profit on ordinary activities	7	(715)	10,872
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(118,495)	34,192
Dividends	8	—	8,000
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		(118,495)	26,192
Balance brought forward		33,029	6,837
Balance carried forward		(85,466)	33,029

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 16 form part of these financial statements.



# SCOTTS PRIVATE CLIENT SERVICES LIMITED

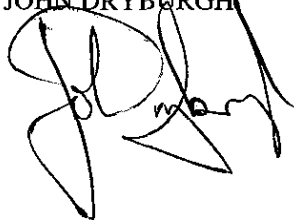
## BALANCE SHEET

30 NOVEMBER 2002

	Note	2002 £	£	2001 £
<b>FIXED ASSETS</b>				
Tangible assets	9		16,893	15,571
<b>CURRENT ASSETS</b>				
Stocks	10	-		1,395
Debtors	11	206,275		199,751
Cash at bank and in hand		10,147		7,031
		216,422		208,177
<b>CREDITORS: Amounts falling due within one year</b>	12	318,681		187,448
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(102,259)	20,729
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(85,366)	36,300
<b>CREDITORS: Amounts falling due after more than one year</b>	13		-	2,456
			(85,366)	33,844
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>				
Deferred taxation	15		-	715
			(85,366)	33,129
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	17		100	100
Profit and loss account			(85,466)	33,029
<b>(DEFICIENCY)/SHAREHOLDERS' FUNDS</b>	18		(85,366)	33,129

These financial statements were approved by the directors on the 23 March 2004 and are signed on their behalf by:

JOHN DRYBURGH



The notes on pages 10 to 16 form part of these financial statements.

**SCOTTS PRIVATE CLIENT SERVICES LIMITED****CASH FLOW STATEMENT****YEAR ENDED 30 NOVEMBER 2002**

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>(5,280)</b>	<b>18,659</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	5,859	129
Interest paid	(3,036)	—
Interest element of hire purchase	(920)	(184)
<b>NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>1,903</b>	<b>(55)</b>
<b>TAXATION</b>	<b>(1,067)</b>	<b>—</b>
<b>CAPITAL EXPENDITURE</b>		
Payments to acquire tangible fixed assets	(7,744)	—
Receipts from sale of fixed assets	948	—
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>(6,796)</b>	<b>—</b>
<b>EQUITY DIVIDENDS PAID</b>	<b>—</b>	<b>(8,000)</b>
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>	<b>(11,240)</b>	<b>10,604</b>
<b>FINANCING</b>		
Capital element of hire purchase	(4,150)	6,416
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>	<b>(4,150)</b>	<b>6,416</b>
<b>(DECREASE)/INCREASE IN CASH</b>	<b>(15,390)</b>	<b>17,020</b>

The notes on pages 10 to 16 form part of these financial statements.

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## CASH FLOW STATEMENT *(continued)*

**YEAR ENDED 30 NOVEMBER 2002**

### RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
Operating (loss)/profit	(123,650)	45,119
Interest payable	2,537	–
Depreciation	5,603	–
Profit on disposal of fixed assets	(129)	–
Decrease/(increase) in stocks	1,395	(1,395)
Increase in debtors	(6,524)	(189,509)
Increase in creditors	115,488	164,444
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(5,280)</b>	<b>18,659</b>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
(Decrease)/increase in cash in the period	(15,390)	17,020
Cash outflow in respect of hire purchase	4,150	(6,416)
	(11,240)	10,604
<b>Change in net debt</b>	<b>(11,240)</b>	<b>10,604</b>
<b>Net funds at 1 December 2001</b>	<b>615</b>	<b>5,483</b>
<b>Net debt at 30 November 2002</b>	<b>(10,625)</b>	<b>615</b>

### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2001 £	Cash flows £	At 30 Nov 2002 £
Net cash:			
Cash in hand and at bank	7,031	3,116	10,147
Overdrafts	–	(18,506)	(18,506)
	7,031	(15,390)	(8,359)
Debt:			
Hire purchase agreements	(6,416)	4,150	(2,266)
<b>Net debt</b>	<b>615</b>	<b>(11,240)</b>	<b>(10,625)</b>

The notes on pages 10 to 16 form part of these financial statements.

# **SCOTTS PRIVATE CLIENT SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 30 NOVEMBER 2002**

---

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment                      -     25% reducing balance

#### **Stocks**

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

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

---

### 1. ACCOUNTING POLICIES *(continued)*

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
United Kingdom	<u>3,304,527</u>	<u>282,769</u>

### 3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
Directors' emoluments	145,992	35,723
Depreciation of owned fixed assets	3,419	(1,883)
Depreciation of assets held under hire purchase agreements	2,184	2,690
Profit on disposal of fixed assets	(129)	–
Operating lease costs:		
Land and buildings	<u>60,997</u>	<u>10,850</u>

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 30 Nov 02	Period from 1 Apr 01 to 30 Nov 01
	No	No
Number of administrative staff	11	1
Number of management staff	2	1
	<u>13</u>	<u>2</u>

The aggregate payroll costs of the above were:

	Year to 30 Nov 02	Period from 1 Apr 01 to 30 Nov 01
	£	£
Wages and salaries	2,038,570	92,204
Social security costs	16,351	3,697
	<u>2,054,921</u>	<u>95,901</u>

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Nov 02	Period from 1 Apr 01 to 30 Nov 01
	£	£
Emoluments receivable	<u>145,992</u>	<u>35,723</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 Nov 02	Period from 1 Apr 01 to 30 Nov 01
	£	£
Interest payable on bank borrowing	198	—
Finance charges	920	184
Other similar charges payable	301	—
	<u>1,419</u>	<u>184</u>

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

### 7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2001 - 19%)	-	10,157
Total current tax	-	10,157
Deferred tax:		
(Decrease)/Increase in deferred tax provision		
Capital allowances	(715)	715
Tax on (loss)/profit on ordinary activities	<u>(715)</u>	<u>10,872</u>

### 8. DIVIDENDS

The following dividends have been paid in respect of the year:

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
Dividend paid on ordinary shares	-	8,000

### 9. TANGIBLE FIXED ASSETS

	Equipment £
<b>COST</b>	
At 1 December 2001	16,378
Additions	7,744
Disposals	(922)
<b>At 30 November 2002</b>	<u><b>23,200</b></u>
<b>DEPRECIATION</b>	
At 1 December 2001	807
Charge for the year	5,603
On disposals	(103)
<b>At 30 November 2002</b>	<u><b>6,307</b></u>
<b>NET BOOK VALUE</b>	
<b>At 30 November 2002</b>	<u><b>16,893</b></u>
At 30 November 2001	<u>15,571</u>

#### Hire purchase agreements

Included within the net book value of £16,893 is £6,553 (2001 - £8,738) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,184 (2001 - £2,690).

# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

### 10. STOCKS

	2002 £	2001 £
Stock	<u>-</u>	<u>1,395</u>

### 11. DEBTORS

	2002 £	2001 £
Trade debtors	117,941	64,264
Other debtors	85,260	134,750
Prepayments and accrued income	3,074	737
	<u>206,275</u>	<u>199,751</u>

### 12. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	18,506	-
Trade creditors	66,395	22,357
Other creditors including taxation and social security:		
Corporation tax	14,090	15,157
PAYE and social security	35,935	15,424
VAT	19,957	40,126
Hire purchase agreements	2,266	3,960
Other creditors	8,532	47,565
Directors current accounts	<u>150,000</u>	<u>-</u>
	230,780	122,232
Accruals and deferred income	3,000	42,859
	<u>318,681</u>	<u>187,448</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002 £	2001 £
Bank loans and overdrafts	<u>18,506</u>	<u>-</u>

### 13. CREDITORS: Amounts falling due after more than one year

	2002 £	2001 £
Other creditors:		
Hire purchase agreements	<u>-</u>	<u>2,456</u>



# SCOTTS PRIVATE CLIENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 NOVEMBER 2002

### 14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002 £	2001 £
Hire purchase agreements are analysed as follows:		
Current obligations	2,266	3,960
Non-current obligations	–	2,456
	<u>2,266</u>	<u>6,416</u>

### 15. DEFERRED TAXATION

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	715	–
Profit and loss account movement arising during the year	(715)	715
Provision carried forward	<u>–</u>	<u>715</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	–	715
	<u>–</u>	<u>715</u>

### 16. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current year.

During the year the company advanced £50,045 to Scotts Film Management Limited, a company in which John Dryburgh, a director and majority shareholder, has an interest. At the year end the £50,045 was still recoverable.

During the year John Dryburgh lent the company £185,000, of which £35,000 was repaid. At the year end the company was still due to pay £150,000.

### 17. SHARE CAPITAL

Authorised share capital:

	2002 £	2001 £
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**SCOTTS PRIVATE CLIENT SERVICES LIMITED**  
**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 NOVEMBER 2002**

---

	Year to 30 Nov 02 £	Period from 1 Apr 01 to 30 Nov 01 £
<b>18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	<b>(118,495)</b>	34,192
Dividends	<b>–</b>	(8,000)
	<b>(118,495)</b>	26,192
Opening shareholders' equity funds	<b>33,129</b>	6,937
Closing shareholders' equity (deficit)/funds	<b>(85,366)</b>	33,129