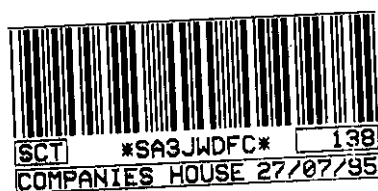


CALMAC DEVELOPMENTS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
30TH SEPTEMBER 1994

CARSON & TROTTER, DUMFRIES



CALMAC DEVELOPMENTS LIMITED

Company information

Directors G.D. McCALL SNR
 G.D. McCALL JNR
 MRS J.D. McCALL
 MRS E.J. McCALL
 I.W. KIRKPATRICK
 MRS J.D. KIRKPATRICK

Secretary G.D. McCALL JNR

Registered Office 123 Irish Street
 Dumfries
 DG1 2PE

Auditors Messrs Carson & Trotter
 Chartered Accountants
 and Registered Auditors
 123 Irish Street
 Dumfries
 DG1 2PE

Company Number 84696 (Scotland)

CALMAC DEVELOPMENTS LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CALMAC DEVELOPMENTS LIMITED will be held at 123, Irish Street, Dumfries on Friday 18th August, 1995 at 11.00 a.m. for the following purposes :

- 1.To receive and adopt the Reports of the Directors and Auditors and Accounts for the year ended 30TH SEPTEMBER 1994.
- 2.To re appoint the Auditors and to authorise the Directors to fix their remuneration.
- 3.To transact any other ordinary business of the company.

BY ORDER OF THE BOARD

G. D. McCall Jnr.

Secretary

16th July, 1995.

123, Irish Street,
Dumfries.

Note A member entitled to attend and vote at the meeting may appoint a proxy , or proxies , to attend and vote instead of him. A proxy need not be a member of the company.

CALMAC DEVELOPMENTS LIMITEDDIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 30TH SEPTEMBER 1994.

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

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) 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.

Principal activity

The company's principal activity during the year was the operation of retail shops.

Directors and their interests

The directors at 30TH SEPTEMBER 1994 and their interests in the share capital of the company (all beneficially held) were as follows:

	At 30/9/94	At 30/9/93
	Ordinary shares	Ordinary shares
G.D. McCall Snr.	6250	6250
G.D. McCall Jnr.	12500	12500
Mrs J.D. McCall	-	-
Mrs E.J. McCall	6250	6250
I.W. Kirkpatrick	2500	2500
Mrs J.D. Kirkpatrick	2500	2500

The directors are not required to retire by rotation.

Close company status

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

Auditors

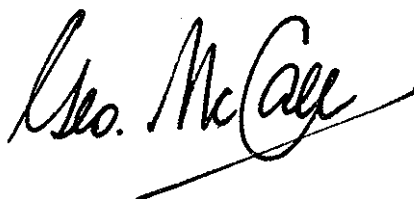
A resolution to re-appoint as auditors Messrs. Carson & Trotter, C.A. will be put to the Annual General Meeting.

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 25th July, 1995 and signed on their behalf.

By order of the Board

G.D. McCall Jnr.

Secretary.



26th July, 1995

CALMAC DEVELOPMENTS LIMITEDAuditors' report to the shareholders of CALMAC DEVELOPMENTS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and 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 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 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 30TH SEPTEMBER 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Carson & Trotter C.A.
CARSON & TROTTER,
Chartered Accountants and
Registered Auditors.

123, Irish Street,
Dumfries.

26th July, 1995.

CALMAC DEVELOPMENTS LIMITED

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PROFIT AND LOSS ACCOUNT

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FOR THE YEAR ENDED 30TH SEPTEMBER 1994

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	Notes	1994 £	1993 £
TURNOVER	2	1,625,215	1,772,932
Cost of sales		1,298,149	1,488,388
		-----	-----
GROSS PROFIT		327,066	284,544
Administration expenses		255,292	243,001
		-----	-----
OPERATING PROFIT	3	71,774	41,543
Rents received	4	45,526	42,111
		-----	-----
Non-operating income	5	117,300	83,654
		3,462	575
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		120,762	84,229
Other interest receivable and similar income	6	29	2
		-----	-----
		120,791	84,231
Interest payable and similar charges	7	11,849	17,856
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		108,942	66,375
Tax on profit on ordinary activities	8	29,812	19,159
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		79,130	47,216
Retained profits brought forward		217,383	170,167
		-----	-----
RETAINED PROFITS as at 30TH SEPTEMBER 1994		296,513	217,383
		=====	=====

There were no recognised gains or losses for 1994 or 1993 other than those included in the profit and loss account.

The attached notes form part of these accounts.

CALMAC DEVELOPMENTS LIMITED

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BALANCE SHEET

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as at 30TH SEPTEMBER 1994

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	Notes	£	1994 £	1993 £
FIXED ASSETS				
Tangible assets	9		622,289	504,626
Investments	10		3,750	3,125
CURRENT ASSETS				
Stocks	11	78,882		94,681
Debtors	12	1,637		7,790
Cash at bank and in hand		300		1,144
		80,819		103,615
CREDITORS:				
Amounts falling due within one year	13	310,702		270,253
NET CURRENT (LIABILITIES)			(229,883)	(166,638)
TOTAL ASSETS LESS CURRENT LIABILITIES			396,156	341,113
CREDITORS:				
Amounts falling due after more than one year				
Loans			62,704	78,011
Obligations under finance leases	14		3,788	8,638
Hire purchase liabilities	15		1,172	4,689
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	16		1,979	2,393
NET ASSETS			326,513	247,382
CAPITAL AND RESERVES				
Called up share capital	17		30,000	30,000
Profit and loss account			296,513	217,382
SHAREHOLDERS' FUNDS	18		326,513	247,382

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The accounts were approved by the board on 25th July, 1995 and signed on its behalf.

G.D. McCall Jnr. - Director

The attached notes form part of these accounts.

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

1. ACCOUNTING POLICIES

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

A) Basis of accounting

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

B) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	- 1% per annum straight line
Fixtures and fittings	- 15% " " reducing balance
Motor vehicles	- 25% " " " "
Equipment under finance leases	- over the period of the lease

C) Stock

Stock is valued at the lower of cost and net realisable value with proper provision being made for obsolete and slow moving stock. Cost comprises invoice price of materials purchased.

D) Deferred taxation

Deferred taxation is provided under the liability method at current rates of taxation on all timing differences other than those considered likely to continue in the foreseeable future.

E) Repairs and renewals

All expenditure of this nature is written off as incurred.

F) Hire of equipment

Rentals under operating and finance leases which have existed for some time and which are relatively immaterial in their impact, are charged to Profit and Loss Account as incurred over the terms of the leases. New finance leases entered into have been dealt with in accordance with the recommendations of Statement of Standard Accounting Practice No. 21.

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

2. TURNOVER

In the year ended 30th September, 1994, none of the company's turnover was to markets outside the United Kingdom (1993 Nil).

3. OPERATING PROFIT

	1994 £	1993 £
This is stated after charging:		
Directors' emoluments (including pension contributions)	10,000	10,000
	=====	=====
Hire of equipment	-	438
	=====	=====
Auditors' remuneration	3,260	2,250
	=====	=====
Depreciation of tangible fixed assets		
- owned by company	12,484	11,168
- held under finance lease and hire purchase contracts	11,906	13,496
	-----	-----
	24,390	24,664
	=====	=====

4. RENTS RECEIVED

	1994 £	1993 £
Rental income	45,526	42,111
	=====	=====

5. NON-OPERATING INCOME

	1994 £	1993 £
Gain on sale of fixed assets	1,185	575
Miscellaneous income	2,277	-
	-----	-----
	3,462	575
	=====	=====

6. INTEREST RECEIVABLE

	1994 £	1993 £
Bank interest	1	2
Dividends received	28	-
	-----	-----
	29	2
	=====	=====

7. INTEREST PAYABLE

	1994 £	1993 £
Leasing finance charges	1,870	1,870
Hire purchase interest	607	597
Other interest	9,372	15,389
	-----	-----
	11,849	17,856
	=====	=====

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994	1993
	£	£
Based on the profit for the year:		
Corporation tax at current rates	30,220	18,882
Deferred taxation	(414)	277
Taxation overprovided in previous years	-	-
Tax on franked investment income	6	-
	<u>29,812</u>	<u>19,159</u>
	=====	=====

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

9. TANGIBLE ASSETS

Cost or valuation:

	Opening balance £	Additions £	Disposals £	Closing balance £
Freehold land and buildings	463,370	132,592	-	595,962
Equipment under finance leases	97,381	-	-	97,381
Fixtures and fittings	49,575	11,316	-	60,891
Motor Vehicles	57,202	-	1,855	55,347
	=====	=====	=====	=====
	667,528	143,908	1,855	809,581
	=====	=====	=====	=====

Depreciation:

	Opening balance £	Charge for year £	Disposals £	Closing balance £
Freehold land and buildings	30,465	5,956	-	36,421
Equipment under finance leases	74,782	7,136	-	81,918
Fixtures and fittings	27,427	5,019	-	32,446
Motor Vehicles	30,228	15,869	9,590	36,507
	=====	=====	=====	=====
	162,902	33,980	9,590	187,292
	=====	=====	=====	=====

Net book value:

	Opening balance £	Closing balance £
Freehold land and buildings	432,905	559,541
Equipment under finance leases	22,599	15,463
Fixtures and fittings	22,148	28,445
Motor Vehicles	26,974	18,840
	=====	=====
	504,626	622,289
	=====	=====

Included above are motor vehicles held under hire purchase contracts with net book values of £14,310 (1993 - £19,080).

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

10. INVESTMENTS

	1994	1993
	£	£
Unlisted		
Trade Investments - Opening Balance	3,125	2,500
- Additions during year	625	625
	-----	-----
Cost as at 30th September 1994	3,750	3,125
	=====	=====

11. STOCKS

	1994	1993
	£	£
Goods for resale	78,882	94,681
	=====	=====

12. DEBTORS

	1994	1993
	£	£
Due within one year -		
Trade debtors	1,637	3,843
Value Added Tax	-	3,947
	-----	-----
	1,637	7,790
	=====	=====

13. CREDITORS: Amounts falling due within one year

	1994	1993
	£	£
Bank overdraft (Secured)	214,090	198,294
Trade creditors	50,664	37,222
Obligations under finance leases	6,720	6,720
Hire purchase creditors	3,517	3,517
Other creditors	35,711	24,500
	-----	-----
	310,702	270,253
	=====	=====

Included in other creditors is an amount of £32,400 (1993 £20,602) relating to Social Security and other taxes.

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

14. OBLIGATIONS UNDER FINANCE LEASES

At 30TH SEPTEMBER 1994 the company had commitments to make annual rental payments as follows:-

	1994	1993
	£	£
Within one year	6,720	6,720
Between two and five years	3,788	8,638
	-----	-----
	10,508	15,358
	=====	=====

15. HIRE PURCHASE LIABILITIES

At 30TH SEPTEMBER 1994 the company had commitments to make hire purchase payments as follows:-

	1994	1993
	£	£
Within one year	3,517	3,517
Between two and five years	1,172	4,689
	-----	-----
	4,689	8,206
	=====	=====

16. DEFERRED TAXATION

	Provision		Potential	
	1994	1993	1994	1993
	£	£	£	£
Capital allowances in advance of depreciation	1,979	2,393	1,979	2,393
	=====	=====	=====	=====

17. SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	1994	1993	1994	1993
	No.	No.	£	£
Ordinary shares of £1 each	30,000	30,000	30,000	30,000
	=====	=====	=====	=====

18. MOVEMENT ON SHAREHOLDERS' FUNDS

	1994	1993
	£	£
Profit for year	79,131	47,215
Opening shareholders' funds	247,382	200,167
	-----	-----
Closing shareholders' funds	326,513	247,382
	=====	=====

CALMAC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS
At 30TH SEPTEMBER 1994

19. CAPITAL COMMITMENTS

Commitment to capital expenditure at the end of the year was as follows :-

	1994	1993
	£	£
Authorised and contracted for	-	625
	=====	=====

20. LEASING COMMITMENTS

At 30th September, 1994, the company had annual commitments under non-cancellable operating leases as detailed below :-

	1994	1993
	£	£
Land and buildings		
Operating leases which expire :-		
- After more than five years	2,500	-
	=====	=====

