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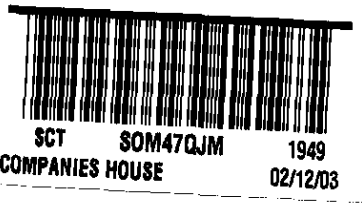
GRANGE (EDINBURGH) HERITABLE INVESTMENT COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR

28 NOVEMBER 2002

Company Registration Number SC024186



McCABES
Chartered Accountants & Registered Auditors
56 Palmerston Place
Edinburgh
EH12 5AY

GRANGE (EDINBURGH) HERITABLE INVESTMENT COMPANY LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 28 NOVEMBER 2002

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GRANGE (EDINBURGH) HERITABLE INVESTMENT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 28 November 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B 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 THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Dividends have been paid from gains arising on the sale of investment properties. The Articles of Association of the company require such gains to be transferred to a non-distribution capital reserve. This restriction, recognised by Section 281 of the Companies Act 1985, would prevent the company from making a legal distribution from the aforementioned gains.

McCABES
Chartered Accountants
& Registered Auditors

56 Palmerston Place
Edinburgh
EH12 5AY

27/11/03

GRANGE (EDINBURGH) HERITABLE INVESTMENT COMPANY LIMITED

ABBREVIATED BALANCE SHEET

28 NOVEMBER 2002

	Note	2002 £	2001 £
FIXED ASSETS	2		
Tangible assets		2,233,956	1,624,910
Investments		-	2,500
		2,233,956	1,627,410
CURRENT ASSETS			
Debtors		130,964	7,120
Cash at bank and in hand		9,092	15,114
		140,056	22,234
CREDITORS: *Amounts falling due within one year*		30,426	26,698
NET CURRENT ASSETS/(LIABILITIES)		109,630	(4,464)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,343,586	1,622,946
CREDITORS: Amounts falling due after more than one year		1,584,425	1,104,068
		759,161	518,878
CAPITAL AND RESERVES			
Called-up equity share capital	4	2,000	2,000
Revaluation reserve		798,566	631,018
Other reserves		202,329	126,339
Profit and loss account		(243,734)	(240,479)
SHAREHOLDERS' FUNDS		759,161	518,878

These abbreviated financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 27/11/2003 and are signed on their behalf by:

.....
D O DOUGLAS

The notes on page 1 form part of these abbreviated accounts.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents rental income received.
Gains on sales of properties and feu redemptions are shown as other operating income in the profit and loss account.
An amount equal to the gains less the corporation tax liability thereon is then transferred from the profit and loss account to capital reserve.

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	-	20% straight line
Fixtures & Fittings	-	10% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

Investment properties and superiorities

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Deferred taxation

No provision is made in the accounts for deferred taxation as no liability is expected to arise on ordinary transactions in the foreseeable future.

2. FIXED ASSETS

	Tangible Assets £	Investments £	Total £
COST OR VALUATION			
At 29 November 2001	1,681,171	2,500	1,683,671
Additions	561,777	–	561,777
Disposals	(220,000)	–	(220,000)
Revaluation	275,381	–	275,381
At 28 November 2002	2,298,329	2,500	2,300,829
DEPRECIATION AND AMOUNTS WRITTEN OFF			
At 29 November 2001	56,261	–	56,261
Charge for year	8,112	2,500	10,612
At 28 November 2002	64,373	2,500	66,873
NET BOOK VALUE			
At 28 November 2002	2,233,956	–	2,233,956
At 28 November 2001	1,624,910	2,500	1,627,410

3. SUBSIDIARY COMPANY

	2002	2001
	£	£
Ordinary shares at cost	850	-
Loans	125,661	-
	126,511	-

The subsidiary company is:

	Ordinary shares Capital Held	Nature of Business	Aggregate Capital and Reserves £	Profit/(Loss) for year £
Gladstones limited	85%	Property Investment Management	(2706)	(3706)

The year end for Gladstones Limited is 31 March 2002.

4. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
5,000 Ordinary shares of £1 each	5,000	5,000

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	2,000	2,000	2,000	2,000

5. ULTIMATE PARENT COMPANY

The Ultimate Parent Company is Stewart's (Edinburgh) Holdings Limited.