COMPANY REGISTRATION NUMBER SC032254

ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED FINANCIAL STATEMENTS

FOR

31ST MARCH 2002

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COMPANIES HOUSE 28/01/03

ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

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ROSS MOTORS (EDINBURGH) LTD

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr Charles Ross Ms Veronica Ross
Company secretary	John G George, M.A.,LL.B.
Registered office	134 Braid Road Edinburgh EH10 6JD
Auditors	Charles Burrows & Co Chartered Accountants & Registered Auditors 7 Palmerston Place Edinburgh EH12 5AH
Bankers	The Royal Bank of Scotland plc 26 Home Street Edinburgh EH3 9LZ
Solicitors	The MG Partnership 43 Manor Place Edinburgh EH3 7EB

ROSS MOTORS (EDINBURGH) LTD

THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The company continues to let out properties surplus to its immediate trading requirements. The results for the year are as shown in the attached statements. The directors consider the state of affairs to be satisfactory.

The principal activities of the subsidiary company, Braid Hills Hotel Ltd, was the operation of a hotel and related activities. Braid Hills Hotel Ltd is a private limited company registered in Scotland. It is anticipated that the hotel will produce satisfactory results for the current year.

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 recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary shares	181,200	302,000

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:

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 April 2001
Mr Charles Ross	14,200	14,200
Ms Veronica Ross	900	900

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 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 page 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; 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.

ROSS MOTORS (EDINBURGH) LTD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2002

CLOSE COMPANY PROVISIONS
In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

AUDITORS
The auditors, Charles Burrows & Co., are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors
JOHN G GEORGE, M.A.,LL.B.
Company Secretary

Approved by the directors on 22nd January 2003

ROSS MOTORS (EDINBURGH) LTD

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16, together with theof the company for the year ended 31st March 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 section 246A(3) 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 section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.

7 Palmerston Place
Edinburgh
EH12 5AH

22/1/03

CHARLES BURROWS & CO
Chartered Accountants
& Registered Auditors

ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2002

	Note	2002 £	2001 £
GROSS PROFIT		377,027	358,158
Administrative expenses		285,560	122,103
OPERATING PROFIT	2	91,467	236,055
Loss on disposal of fixed assets		(28,537)	–
		62,930	236,055
Interest receivable and similar income	5	18,226	31,791
Interest payable	6	(15)	(209)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		81,141	267,637
Tax on profit on ordinary activities	7	46,540	72,720
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		34,601	194,917
Dividends	8	181,200	302,000
LOSS FOR THE FINANCIAL YEAR		(146,599)	(107,083)

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

ROSS MOTORS (EDINBURGH) LTD

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31ST MARCH 2002

	2002 £	2001 £
Profit for the financial year attributable to the shareholders	34,601	194,917
Unrealised profit on revaluation of certain fixed assets	768,500	–
Total gains and losses recognised since the last annual report	803,101	194,917

ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED BALANCE SHEET

31ST MARCH 2002

	Note	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS					
Tangible assets	9		3,977,500		3,376,000
Investments	10		2		2
			3,977,502		3,376,002
CURRENT ASSETS					
Debtors	11	18,933		150,078	
Cash at bank		504,660		331,009	
		523,593		481,087	
CREDITORS: Amounts falling due within one year	12	173,746		151,641	
NET CURRENT ASSETS			349,847		329,446
TOTAL ASSETS LESS CURRENT LIABILITIES			4,327,349		3,705,448
CAPITAL AND RESERVES					
Called-up equity share capital	14		16,000		16,000
Revaluation reserve	15		2,729,754		2,106,213
Profit and Loss Account			1,581,595		1,583,235
SHAREHOLDERS' FUNDS	17		4,327,349		3,705,448

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22/01/03 and are signed on their behalf by:

MR CHARLES ROSS
Director

ROSS MOTORS (EDINBURGH) LTD

CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH 2002

	2002		2001	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		256,897		363,004
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	18,226		31,791	
Interest paid	(15)		(267)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		18,211		31,524
TAXATION		(67,720)		(21,829)
CAPITAL EXPENDITURE				
Receipts from sale of fixed assets	147,463		–	
NET CASH INFLOW FROM CAPITAL EXPENDITURE		147,463		–
EQUITY DIVIDENDS PAID		(181,200)		(302,000)
INCREASE IN CASH		173,651		70,699

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002	2001
	£	£
Operating profit	91,467	236,055
Interest payable	–	58
Profit on disposal of fixed assets	(9,000)	–
Decrease in debtors	131,145	115,663
Increase in creditors	43,285	11,228
Net cash inflow from operating activities	256,897	363,004

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002	2001
	£	£
Increase in cash in the period	173,651	70,699
Movement in net funds in the period	173,651	70,699
Net funds at 1 April 2001	331,009	260,310
Net funds at 31 March 2002	504,660	331,009

ROSS MOTORS (EDINBURGH) LTD

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST MARCH 2002

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2001 £	Cash flows £	At 31 Mar 2002 £
Net cash:			
Cash in hand and at bank	331,009	173,651	504,660
Net funds	331,009	173,651	504,660

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

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.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

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

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:

Motor Vehicles - This is estimated at being five years.

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

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 SSAP 19 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.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Profit on disposal of fixed assets	(9,000)	–
Auditors' remuneration		
- as auditors	1,121	1,119

3. PARTICULARS OF EMPLOYEES

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

	2002	2001
	No.	No.
Number of administrative staff	1	1
Number of management staff	2	2
	3	3

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	249,360	103,554
Social security costs	28,965	11,905
	278,325	115,459

4. DIRECTORS' EMOLUMENTS

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

	2002	2001
	£	£
Aggregate emoluments	247,224	104,961

Emoluments of highest paid director:

	2002	2001
	£	£
Total emoluments (excluding pension contributions):	244,224	101,961

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
Bank interest receivable	13,243	16,835
Other loan interest receivable	4,983	14,925
Other similar income receivable	–	31
	18,226	31,791

6. INTEREST PAYABLE

	2002 £	2001 £
Interest payable on bank borrowing	15	209

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Taxation

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 20.42% (2001 - 25.45%)	31,683	67,720
Over/under provision in prior year	14,857	5,000
Total current tax	46,540	72,720

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.42% (2001 - 25.45%).

	2002 £	2001 £
Profit on ordinary activities before taxation	81,141	267,637
Profit/(loss)on ord actvs by rate of tax	16,569	68,114
Expenses not deductible for tax purposes	138	119
Realisation of profit on disposal of property	16,230	–
Capital allowances for period in excess of depreciation	(1,250)	(519)
Adjustments to tax charge in respect of previous periods	14,857	5,000
Sundry tax adjusting items	(4)	6
Total current tax (note 7(a))	46,540	72,720

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

7. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(c) Factors that may affect future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property were sold. The total amount unprovided for is £381,121. At present, it is not envisaged that any tax will become payable in the foreseeable future.

8. DIVIDENDS

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

	2002 £	2001 £
Dividend paid on ordinary shares	181,200	302,000

9. TANGIBLE FIXED ASSETS

	Freehold Investment Property £	Motor Vehicles £	Total £
COST OR VALUATION			
At 1st April 2001	3,376,000	22,881	3,398,881
Disposals	(167,000)	(22,881)	(189,881)
Revaluation	768,500	–	768,500
At 31st March 2002	3,977,500	–	3,977,500
DEPRECIATION			
At 1st April 2001	–	22,881	22,881
On disposals	–	(22,881)	(22,881)
At 31st March 2002	–	–	–
NET BOOK VALUE			
At 31st March 2002	3,977,500	–	3,977,500
At 31st March 2001	3,376,000	–	3,376,000

Revaluation of fixed assets
Freehold investment properties are stated at their open market value. This Valuation was prepared by Ryden international property consultants on 31 March 2002.

The historical cost of these properties is £1,247,746.

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

10. INVESTMENTS

	Investment in Subsidiary £
COST	
At 1st April 2001 and 31st March 2002	2
NET BOOK VALUE	
At 31st March 2002	2
At 31st March 2001	2

The company owns 100% of the issued ordinary share capital of the companies listed below,

	2002 £	2001 £
Aggregate capital and reserves		
Braid Hills Hotel Limited	(54,840)	(186,195)
Profit and (loss) for the year		
Braid Hills Hotel Limited	131,355	112,886

The principal activity of Braid Hills Hotel Ltd is the operation of a hotel.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

11. DEBTORS

	2002 £	2001 £
Loan due from subsidiary company	–	125,000
Other debtors	18,802	25,078
Prepayments and accrued income	131	–
	18,933	150,078

The amount due from the subsidiary company is repayable on demand. Interest is charged on this amount at 2% above base rate.

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

12. CREDITORS: Amounts falling due within one year

	2002	2001
	£	£
Other creditors including taxation and social security:		
Taxation and social security	53,731	83,346
Accruals and deferred income	120,015	68,295
	173,746	151,641

A guarantee for £150,000 dated 5 April 2000 has been granted by the company in favour of the Royal Bank of Scotland plc for the obligations of Braid Hills Hotel Ltd.

The Royal Bank of Scotland holds standard securities over the following properties :-

70 Stevenson Road, Edinburgh.
Paul's works & others Causewayside, Edinburgh.
Bass Rock Buildings at Milton Road West, Edinburgh.

The Royal Bank of Scotland also hold a Bond & Floating Charge over the company's assets.

13. RELATED PARTY TRANSACTIONS

The company was under the control of Mr Charles Ross throughout the current and previous year. Mr Charles Ross is the managing director and majority shareholder.

The company charged the subsidiary company Braid Hills Hotel Ltd a fee of £3,450 for arranging the subsidiary company's insurance.

During the year the company sold a motor vehicle to Mr Ross at open market value, the amount received by the company was £9,000.

During the year the company sold the property situated at Sunnybank Place to Mr Ross at open market value, the amount received by the company was £140,000.

At the start of the year the company was owed £125,000 from the subsidiary company Braid Hills Hotel Ltd. This amount was repaid to the company during the year. Interest was payable on this amount at 2% above base rate. The amount of interest received from the subsidiary company during the year was £4,983.

14. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
20,000 Ordinary shares of £1 each	20,000	20,000

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	16,000	16,000

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

15. REVALUATION RESERVE

	2002	2001
	£	£
Balance brought forward	2,106,213	2,106,213
Revaluation of fixed assets	768,500	–
Transfer to the Profit and Loss Account on realisation	(144,959)	–
Balance carried forward	2,729,754	2,106,213

16. PROFIT AND LOSS ACCOUNT

	2002	2001
	£	£
Balance brought forward	1,583,235	1,690,318
Accumulated loss for the financial year	(146,599)	(107,083)
Transfer from revaluation reserve	144,959	–
Balance carried forward	1,581,595	1,583,235

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	34,601	194,917
Dividends	(181,200)	(302,000)
	(146,599)	(107,083)
Other net recognised gains and losses	768,500	–
	621,901	(107,083)
Transfer from revaluation reserve	144,959	–
Transfer to profit and loss account	(144,959)	–
Net addition/(reduction) to funds	621,901	(107,083)
Opening shareholders' equity funds	3,705,448	3,812,531
Closing shareholders' equity funds	4,327,349	3,705,448