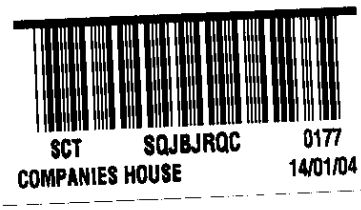
COMPANY REGISTRATION NUMBER SC032254

ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED ACCOUNTS

FOR

31ST MARCH 2003



ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

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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 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2003.

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.

On the 28th May 2003 the entire share capital of the subsidiary company, Braid Hills Hotel Ltd, was sold to Ms Veronica Ross for a price of £800,000. This price was considered to be the open market value.

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:

	2003	2002
	£	£
Dividends paid on ordinary shares	226,500	181,200

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	At
	31 March 2003	1 April 2002
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.

ROSS MOTORS (EDINBURGH) LTD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2003

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.

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 5 JANUARY 2004

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 the financial statements of the company for the year ended 31st March 2003 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 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.

CHARLES BURROWS & CO
Chartered Accountants
& Registered Auditors

7 Palmerston Place
Edinburgh
EH12 5AH

8.1.04

ROSS MOTORS (EDINBURGH) LTD

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2003

	Note	2003 £	2002 £
GROSS PROFIT		350,950	377,027
Administrative expenses		213,638	285,560
OPERATING PROFIT	2	137,312	91,467
Loss on disposal of fixed assets		–	(28,537)
		137,312	62,930
Interest receivable and similar income	5	10,662	18,226
Interest payable	6	(41)	(15)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		147,933	81,141
Tax on profit on ordinary activities	7	28,697	46,540
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		119,236	34,601
Dividends	8	226,500	181,200
LOSS FOR THE FINANCIAL YEAR		(107,264)	(146,599)

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 2003

	2003 £	2002 £
Profit for the financial year attributable to the shareholders	119,236	34,601
Unrealised profit on revaluation of certain fixed assets	–	768,500
Total gains and losses recognised since the last annual report	119,236	803,101

ROSS MOTORS (EDINBURGH) LTD

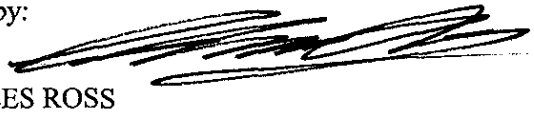
ABBREVIATED BALANCE SHEET

31ST MARCH 2003

	Note	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS					
Tangible assets	9		3,977,500		3,977,500
Investments	10		32,678		2
			4,010,178		3,977,502
CURRENT ASSETS					
Debtors	11	17,102		18,933	
Cash at bank		384,904		504,660	
		402,006		523,593	
CREDITORS: Amounts falling due within one year	12	192,099		173,746	
NET CURRENT ASSETS			209,907		349,847
TOTAL ASSETS LESS CURRENT LIABILITIES			4,220,085		4,327,349
CAPITAL AND RESERVES					
Called-up equity share capital	14		16,000		16,000
Revaluation reserve			2,729,754		2,729,754
Profit and loss account			1,474,331		1,581,595
SHAREHOLDERS' FUNDS	15		4,220,085		4,327,349

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

These abbreviated accounts were approved by the directors on the 08/04/04. and are signed on their behalf by:



MR CHARLES ROSS
Director

ROSS MOTORS (EDINBURGH) LTD

CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH 2003

	2003		2002	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		174,029		256,897
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	10,662		18,226	
Interest paid	(2,631)		(15)	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		8,031		18,211
TAXATION		(51,552)		(67,720)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Receipts from sale of fixed assets	–		147,463	
Acquisition of Investments	(32,676)		–	
NET CASH (OUTFLOW)/INFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(32,676)		147,463
EQUITY DIVIDENDS PAID		(226,500)		(181,200)
(DECREASE)/INCREASE IN CASH		(128,668)		173,651

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit	137,312	91,467
Interest payable	2,590	–
Profit on disposal of fixed assets	–	(9,000)
Decrease in debtors	1,831	131,145
Increase in creditors	32,296	43,285
Net cash inflow from operating activities	174,029	256,897

ROSS MOTORS (EDINBURGH) LTD

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST MARCH 2003

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
(Decrease)/Increase in cash in the period	(128,668)	173,651
Movement in net funds in the period	(128,668)	173,651
Net funds at 1 April 2002	504,660	331,009
Net funds at 31 March 2003	375,992	504,660

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2002 £	Cash flows £	At 31 Mar 2003 £
Net cash:			
Cash in hand and at bank	504,660	(119,756)	384,904
Overdrafts	–	(8,912)	(8,912)
Net funds	504,660	(128,668)	375,992

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

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.

Fixed assets

All fixed assets are initially recorded at cost.

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.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Directors' emoluments	178,000	247,224
Profit on disposal of fixed assets	–	(9,000)
Auditors' remuneration		
- as auditors	1,219	1,121

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

3. PARTICULARS OF EMPLOYEES

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

	2003 No	2002 No
Number of administrative staff	1	1
Number of management staff	2	2
	3	3

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	181,360	249,360
Social security costs	20,105	28,965
	201,465	278,325

4. DIRECTORS' EMOLUMENTS

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

	2003 £	2002 £
Aggregate emoluments	178,000	247,224

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions):	175,000	244,224

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Bank interest receivable	10,659	13,243
Other loan interest receivable	–	4,983
Other similar income receivable	3	–
	10,662	18,226

6. INTEREST PAYABLE

	2003 £	2002 £
Interest payable on bank borrowing	41	15

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 19.05% (2002 - 20.42%)	28,697	31,683
Over/under provision in prior year	–	14,857
Total current tax	28,697	46,540

(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 19.05% (2002 - 20.42%).

	2003 £	2002 £
Profit on ordinary activities before taxation	147,933	81,141
Profit/(loss)on ord actvs by rate of tax	28,181	16,569
Expenses not deductible for tax purposes	508	138
Realisation of profit on disposal of property	–	16,230
Capital allowances for period in excess of depreciation	–	(1,250)
Adjustments to tax charge in respect of previous periods	–	14,857
Sundry tax adjusting items	8	(4)
Total current tax (note 7(a))	28,697	46,540

(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 £359,033. 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:

	2003 £	2002 £
Dividend paid on ordinary shares	226,500	181,200

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

9. TANGIBLE FIXED ASSETS

	Freehold Investment Property £
COST OR VALUATION	
At 1st April 2002 and 31st March 2003	3,977,500
DEPRECIATION	–
NET BOOK VALUE	
At 31st March 2003	3,977,500
At 31st March 2002	3,977,500

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.

10. INVESTMENTS

	Investment Listed in Subsidiary £	Investments £	Total £
COST			
At 1st April 2002	2	–	2
Additions	–	32,676	32,676
At 31st March 2003	2	32,676	32,678
NET BOOK VALUE			
At 31st March 2003	2	32,676	32,678
At 31st March 2002	2	–	2

Listed investments
Listed investments having a net book value of £32,676 (2002 - £Nil) are held by the company and had a market value of £1,750 at the end of the year (2002 - £Nil).

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

10. INVESTMENTS *(continued)*

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

	2003 £	2002 £
Aggregate capital and reserves		
Braid Hills Hotel Limited	46,008	(54,840)
Profit and (loss) for the year		
Braid Hills Hotel Limited	100,848	131,355

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.

On the 28th May 2003 the entire share capital of the subsidiary company, Braid Hills Hotel Ltd, was sold to Ms Veronica Ross for a price of £800,000. This price was considered to be the open market value.

11. DEBTORS

	2003 £	2002 £
Other debtors	16,971	18,802
Prepayments and accrued income	131	131
	17,102	18,933

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

12. CREDITORS: Amounts falling due within one year

		2003 £		2002 £
Bank loans and overdrafts		8,912		–
Other creditors including taxation and social security:				
Corporation tax	28,685		51,540	
Other taxation and social security	91,311		2,191	
		119,996		53,731
Accruals and deferred income		63,191		120,015
		192,099		173,746

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.

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 £3,500 for arranging the subsidiary company's insurance.

At the balance sheet date Mr Ross owed the company an amount of £3,349 for an invoice paid on his behalf, Mr Ross has since repaid this amount to the company.

On the 28th May 2003 the entire share capital of the subsidiary company, Braid Hills Hotel Ltd, was sold to Ms Veronica Ross for a price of £800,000. This price was considered to be the open market value. Ms Veronica Ross is a director of the company and the daughter of Mr Charles Ross.

14. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
20,000 Ordinary shares of £1 each	20,000	20,000

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	16,000	16,000	16,000	16,000

ROSS MOTORS (EDINBURGH) LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2003

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	119,236	34,601
Dividends	(226,500)	(181,200)
	(107,264)	(146,599)
Other net recognised gains and losses	–	768,500
	(107,264)	621,901
Transfer from revaluation reserve	–	144,959
Transfer to profit and loss account	–	(144,959)
Net (reduction)/addition to funds	(107,264)	621,901
Opening shareholders' equity funds	4,327,349	3,705,448
Closing shareholders' equity funds	4,220,085	4,327,349

16. POST BALANCE SHEET EVENTS

On the 28th May 2003 the entire share capital of the subsidiary company, Braid Hills Hotel Ltd was sold to Ms Veronica Ross for a price of £800,000. This price was considered to be the open market value.