

THE BALVICAR PROPERTY COMPANY LIMITED

ANNUAL REPORT AND ACCOUNTS

1ST APRIL 1996 TO 31ST MARCH 1997

Company Registered Number SCO 34136



W STEWART FERGUSON & CO
CHARTERED ACCOUNTANTS

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DIRECTORS' REPORT

The directors present their report to the members, together with the annual accounts for the year ended 31st March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year was the renting of its properties.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

	01/04/96	31/3/97
T. S. ANDERSON	100 shares	100 shares
F DUFF	0 shares	0 shares

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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:

Select suitable accounting policies and apply them consistently;
Make judgements and estimates that are reasonable and prudent;
Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the 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.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the annual general meeting.

The directors have taken advantage, in the preparation of their report, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 31st October 1997 and signed on their behalf by:



T. S. ANDERSON

Director

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
THE BALVICAR PROPERTY COMPANY LIMITED**

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 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 financial 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 misstatements, 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 31st March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



W STEWART FERGUSON & CO.
Chartered Accountants
Registered Auditors

50 Wellington Street
Glasgow G2 6HJ

Dated 31st October 1997

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1997

				1996
	Notes	£	£	£
TURNOVER	1	82214		86322
Property expenses		<u>27576</u>		<u>17525</u>
		54638		68797
GROSS PROFIT				
Staff costs		0		0
Depreciation		0		0
Administrative expenses		<u>5905</u>		<u>6087</u>
		5905		6087
OPERATING PROFIT	2	<u>48733</u>		<u>62710</u>
Interest payable		<u>44204</u>		<u>42601</u>
		4529		20109
Gain on sale of property		51310		51599
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>55839</u>		<u>71708</u>
Tax on profit on ordinary activities	3	6149		0
PROFIT FOR THE FINANCIAL YEAR on ordinary activities after taxation		<u>49690</u>		<u>71708</u>
DIVIDEND		0		35000
RETAINED PROFIT transferred to reserves	11	<u><u>49690</u></u>		<u><u>36708</u></u>

The notes on pages 5 to 7 form an integral part of these accounts

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST MARCH 1997

	1996	
	£	£
Profit for the financial year	49690	71708
Unrealised surplus/(deficit) on revaluation of properties	0	-37794
TOTAL RECOGNISED GAINS AND LOSSES relating to the year and recognised since the last annual report.	<u>49690</u>	<u>33914</u>

In each of the years ended 31st March 1996 and 31st March 1997 the only gains/-losses recognised by the company were as above. All of the activities under taken by the company were continuing activities and the reported profit was found under the historical cost convention.

The notes on pages 5 to 7 form an integral part of these accounts

BALANCE SHEET AS AT 31ST MARCH 1997

			1996
	Notes	£	£
FIXED ASSETS			
Tangible assets	4	1079625	1104000
Investments	13	<u>13000</u>	<u>13000</u>
		1092625	1117000
ADVANCE CORPORATION TAX NOT RECOVERABLE WITHIN ONE YEAR.		2601	8750
CURRENT ASSETS			
Debtors	5	357125	409822
Cash in bank		<u>24896</u>	<u>0</u>
		382021	409822
CREDITORS: Amounts falling due within one year	6	<u>57501</u>	<u>224755</u>
NET CURRENT ASSETS		324520	185067
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1419746</u>	<u>1310817</u>
CREDITORS: Amounts falling due after more than one year	7	334811	236122
		<u>1084935</u>	<u>1074695</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Revaluation reserve	10	805359	844809
Profit and loss a/c	10	279476	229786
SHAREHOLDERS FUNDS	11	<u>1084935</u>	<u>1074695</u>

The directors have taken advantage, in the preparation of the accounts, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

APPROVED BY THE BOARD OF DIRECTORS ON 31st OCTOBER 1997 AND SIGNED ON THEIR BEHALF BY:


T S ANDERSON (DIRECTOR)

The notes on pages 5 to 7 form an integral part of these accounts

NOTES TO THE ACCOUNTS TO 31ST MARCH 1997

1. ACCOUNTING POLICIES

CASH FLOW STATEMENT. The company qualifies as a small company under the Companies Act 1985. The directors have elected to make advantage of the exemption under FRS 1 not to prepare a cashflow statement.

TURNOVER represents rents received in the year.

PROPERTIES. In accordance with Statement of Standard Accounting Practice No 19, all properties are valued annually. As at 31st March 1997, all properties were valued by Mr T S Anderson, a director, on the basis of open market value. These valuations have been incorporated in the accounts.

DEPRECIATION. No depreciation is provided for in respect of properties. Provision for depreciation of other tangible fixed assets is provided at the following annual rates to write off each asset over its estimated useful life:

Plant and machinery	25% of book value
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DEFERRED TAXATION. Provision is made at appropriate rates for taxation deferred in respect of all timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

CONSOLIDATION. Advantage has been taken of the exemption from preparing consolidated financial statements available to small groups under the Companies Act 1985. The financial statements present information about the company as an individual undertaking, and not about its group.

2. OPERATING PROFIT

The operating profit is stated after charging

	1997 £	1996 £
Depreciation on tangible fixed assets	0	0
Directors' emoluments	0	0
Auditors remuneration	1762	1645

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax for year at 24%	5698	0
Underprovision in previous year	451	0
	6149	0

No provision has been made for the corporation tax which would arise should the land and buildings be sold for the amount of the valuation. It is estimated that the tax payable (at 21%) would be approximately £50,000 (1996 £57,000).

NOTES TO THE ACCOUNTS TO 31ST MARCH 1997

4. TANGIBLE FIXED ASSETS	LAND & BUILDINGS	1997	1996
		£	£
VALUATION			
At 1st April 1996		1104000	1181000
Additions		17625	50794
Surplus(deficit) on revaluation		0	-37794
Disposals		-42000	-90000
		<u>1079625</u>	<u>1104000</u>
At 31st March 1997			

THE HISTORICAL COST OF FREEHOLD LAND AND BUILDINGS INCLUDED ABOVE AT A VALUATION OF £1,079,625 WAS £295,285. (1996 £1,104,000. £280,210).

At 31st March 1997 there were no commitments for capital expenditure.

5. DEBTORS

Trade debtors	0	0
Other debtors	51687	124815
Amount due by subsidiary companies	305438	285007
	<u>357125</u>	<u>409822</u>

Of the amount of £51,687, £37,500 is due by a company which is currently insolvent. No provision has been in respect of any shortfall.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Borrowings (Note 8)	44045	212486
Other Creditors (including tax & social security of £NIL (1996 £NIL.)	5157	3519
Corporation tax	8299	8750
	<u>57501</u>	<u>224755</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Borrowings (Note 8)	<u>334811</u>	<u>236122</u>
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8. BORROWINGS

Due within one year		
Bank loan and overdraft	<u>44045</u>	<u>212486</u>
Due between 1 and 2 years	44045	34981
Due between 2 and 5 years	132135	104943
Repayable after 5 years,	158631	96198
	<u>334811</u>	<u>236122</u>

Security has been given by the company to secure £378,856 (1996 £448,608) of the amount under creditors.

NOTES TO THE ACCOUNTS TO 31ST MARCH 1997

9. CALLED UP SHARE CAPITAL	1997 £	1996 £
Authorised	<u>100</u>	<u>100</u>
Allotted, called up and fully paid	<u>100</u>	<u>100</u>
10. RESERVES	Re-valuation reserve	Profit and loss account
At 1st April 1996	844809	229786
Retained profit for the year		49690
Adjustment for disposal of land and buildings	-39450	
Increase /-decrease in properties for the year	<u>0</u>	<u>0</u>
At 31st March 1997	<u>805359</u>	<u>279476</u>
11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	1997	1996
Profit for the financial year	49690	71708
Dividend paid	0	-35000
Adjustment for disposal of land and buildings	-39450	-61599
Increase /-decrease in valuation of properties		-37794
Net addition to shareholders funds	<u>10240</u>	<u>-62685</u>
Opening shareholders funds	<u>1074965</u>	<u>1137380</u>
Closing Shareholders funds	<u>1085205</u>	<u>1074695</u>

12. CONTINGENT LIABILITIES

The company has entered into cross guarantees in respect of amounts due to the Royal Bank of Scotland PLC by T. S. Anderson Limited and James Plenderleith Limited. The bank hold a floating charge and standard securities over some of the company's properties in security for these contingent liabilities.

13. INVESTMENTS

Shares in subsidiary companies at cost 13000 13000
 The subsidiary companies are all wholly owned and registered in Scotland.
 They are all engaged in the renting of their properties

	Results year to 31.3.97	Results year to 31.3.96	Capital & Reserves at 31.3.97	Capital & Reserves at 31.3.96
The subsidiary companies are as follows:				
	£	£	£	£
Balvicar Security Services Ltd	-2218	-3904	11066	13284
Asgard Property & Investments Ltd	2249	1761	7078	4829
Argus Overseas Investments Ltd	<u>4573</u>	<u>8759</u>	<u>50125</u>	<u>45552</u>
	<u>4604</u>	<u>6616</u>	<u>68269</u>	<u>63665</u>

Under the equity method of accounting, the value of the investments in the subsidiary companies is £68,269 (1996 £63,665).