

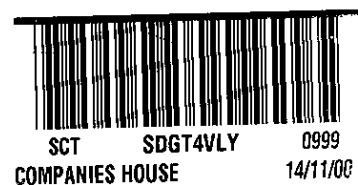
THE BALVICAR PROPERTY COMPANY LIMITED

ANNUAL REPORT AND ACCOUNTS

1ST APRIL 1999 TO 31ST MARCH 2000

Company Registered Number SCO 34136

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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 2000.

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.

	1/4/99	31/3/00
T. S. ANDERSON	100 shares	100 shares
F DUFF	0 shares	0 shares

It is with regret that we have to note the death of Frances Duff, on 9th June 2000.

Frances Duff's contribution to the company's success cannot be underestimated, and her wise counsel will be sadly missed.

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.

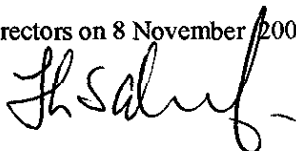
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the 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.

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 8 November 2000 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 8 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 2000 and of its loss 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 8 November 2000

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

				1999
	Notes	£	£	£
TURNOVER	1		71691	89609
Property expenses			<u>11499</u>	<u>18396</u>
			60192	71213
GROSS PROFIT				
Staff costs		0		0
Depreciation		0		0
Administrative expenses		<u>7919</u>		<u>3139</u>
			7919	3139
OPERATING PROFIT	2		<u>52273</u>	<u>68074</u>
Dividends from quoted securities		4465		2584
Interest payable		<u>44618</u>	<u>40153</u>	<u>38502</u>
			12120	29572
Gain on sale of quoted securities			18210	0
Gain on sale of property			33006	64630
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>63336</u>	<u>94202</u>
Tax on profit on ordinary activities	3		5284	7428
PROFIT FOR THE FINANCIAL YEAR on ordinary activities after taxation			<u>58052</u>	<u>86774</u>
Provision for unrealised losses on quoted securities			64177	0
RETAINED PROFIT/LOSS transferred to reserves	12		<u><u>-6125</u></u>	<u><u>86774</u></u>

The notes on pages 6 to 8 form an integral part of these accounts

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31ST MARCH 2000

		1999
	£	£
Profit/-loss for the financial year	-6125	86774
Unrealised surplus/(deficit) on revaluation of properties	12000	0
Gains on properties realised in year but recognised by revaluation in previous years.	-35668	-50927
TOTAL RECOGNISED GAINS AND LOSSES relating to the year and recognised since the last annual report.	<u>-29793</u>	<u>35847</u>

The notes on pages 6 to 8 form an integral part of these accounts

BALANCE SHEET AS AT 31ST MARCH 2000

1999

	Notes	£	£	£
FIXED ASSETS				
Tangible assets	4	976625		1004625
Unquoted securities at cost	5	44000		0
Investments in subsidiary companies	6	<u>13000</u>		<u>13000</u>
		1033625		1017625
CURRENT ASSETS				
Debtors	7	444485	451384	
Quoted securities at market value		82728	44456	
Cash in bank		<u>54222</u>	<u>50360</u>	
		581435	546200	
CREDITORS: Amounts falling due within one year	8	<u>313229</u>	<u>188156</u>	
NET CURRENT ASSETS		268206		358044
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1301831</u>		<u>1375669</u>
CREDITORS: Amounts falling due after more than one year	10	202676	246721	
		<u>1099155</u>	<u>1128948</u>	
CAPITAL AND RESERVES				
Called up share capital	11	100		100
Revaluation reserve	12	721254		744922
Profit and loss a/c	12	377801		383926
SHAREHOLDERS FUNDS		<u>1099155</u>		<u>1128948</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and the Financial Reporting Standard for Smaller Entities (effective March 2000).

APPROVED BY THE BOARD OF DIRECTORS ON 8 NOVEMBER 2000 AND SIGNED ON THEIR BEHALF BY


T S ANDERSON (DIRECTOR)

The notes on pages 6 to 8 form an integral part of these accounts

NOTES TO THE ACCOUNTS TO 31ST MARCH 2000

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION. The accounts are prepared under the historical cost convention, as modified by the revaluation of land and buildings, and the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 2000, 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

	2000	1999
	£	£
Depreciation on tangible fixed assets	0	0
Directors' emoluments	0	0
Auditors remuneration	0	0
	<u>0</u>	<u>0</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax for year at 20% (1999 21%)	5199	7428
Underprovision in previous year	85	0
	<u>5284</u>	<u>7428</u>

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 20%) would be approximately £36,000 (1999 £45,000).

NOTES TO THE ACCOUNTS TO 31ST MARCH 2000

4. TANGIBLE FIXED ASSETS	LAND & BUILDINGS	2000	1999
		£	£
VALUATION			
At 1st April 1998		1004625	1067625
Additions		0	0
Surplus(deficit) on revaluation		12000	0
Disposals		-40000	-63000
At 31st March 1999		<u>976625</u>	<u>1004625</u>

THE HISTORICAL COST OF FREEHOLD LAND AND BUILDINGS INCLUDED ABOVE AT A VALUATION OF £964,625 WAS £276,390 (1999 £1,004,625, £280,722).

At 31st March 2000 there were no commitments for capital expenditure.

5. UNQUOTED SECURITIES AT COST

10 Ordinary shares of £1 each, at cost, in James Plenderleith Ltd	14000	0
400 Ordinary shares of £1 each, at cost, in T S Anderson Ltd	30000	0
	<u>44000</u>	<u>0</u>

6. INVESTMENTS IN SUBSIDIARIES

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 31.3.00	Results year to 31.3.99	Capital & Reserves 31.3.00	Capital & Reserves 31.3.99
The subsidiary companies are as follows:				
	£	£	£	£
Balvicar Security Services Ltd	0	-135	10813	10813
Asgard Property & Investments Ltd	3666	-3176	10376	6710
Argus Overseas Investments Ltd	19202	2176	73178	53976
	<u>22868</u>	<u>-1135</u>	<u>94367</u>	<u>71499</u>

Under the equity method of accounting, the value of the investments in the subsidiary companies is £94367 (1999 £71,499)

7. DEBTORS

Trade debtors	0	0
Other debtors	145759	146673
Amount due by subsidiary companies (Note 6)	298726	304711
	<u>444485</u>	<u>451384</u>

Of the £145,759, £33,500 is due by a company which is currently insolvent. No provision has been made in respect of any shortfall.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Borrowings (Note 10)	293524	150055
Other Creditors (including tax & social security of £NIL (1999 £NIL))	14506	27862
Corporation tax	5199	10239
	<u>313229</u>	<u>188156</u>

NOTES TO THE ACCOUNTS TO 31ST MARCH 2000

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

	2000 £	1999 £
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Borrowings (Note 10)	<u>202676</u>	<u>246721</u>
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10. BORROWINGS

Due within one year

Bank loans and overdraft	<u>293524</u>	<u>150055</u>
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Due between 1 and 2 years	44045	44045
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Due between 2 and 5 years	132135	132135
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Repayable after 5 years,	<u>26496</u>	<u>70541</u>
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	<u>202676</u>	<u>246721</u>
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Security has been given by the company to secure £496,200 (1999 £396,776) of the amount under creditors.

11. CALLED UP SHARE CAPITAL

Authorised	<u>100</u>	<u>100</u>
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Allotted, called up and fully paid	<u>100</u>	<u>100</u>
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12. RESERVES

Re- valuation reserve 2000 £	Profit and loss account 2000 £
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At 1st April 1999	744922	383926
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Retained profit for the year		-6125
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Adjustment for disposal of land and buildings	-35668	
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Increase /-decrease in properties for the year	<u>12000</u>	<u>0</u>
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At 31st March 2000	<u>721254</u>	<u>377801</u>
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13. 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.

14. RELATED PARTY TRANSACTION

T S Anderson, a director, has guaranteed any bank borrowings to the extent of £50,000 plus associated interest.

T S Anderson has an interest in 2300 shares of T S Anderson Limited.