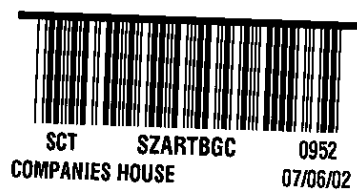


**THE BALVICAR PROPERTY COMPANY LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**1ST APRIL 2001 TO 31ST MARCH 2002**

**Company Registered Number SCO 34136**



**DIRECTORS' REPORT**

The directors present their report to the members, together with the annual accounts for the year ended 31st March 2002.

**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.

|                | 1-Apr-01   | 31-Mar-02  |
|----------------|------------|------------|
| T. S. ANDERSON | 100 shares | 100 shares |
| A CLOUGH       | 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.

*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 31st May 2002 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 of The Balvicar Property Company Limited on pages 3 to 7 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 5.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant law and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF OPINION**

We conducted our audit in accordance with United Kingdom 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'W. Stewart Ferguson - C.A.', is written over the printed name of the firm.

W STEWART FERGUSON & CO.  
Chartered Accountants  
Registered Auditors

50 Wellington Street  
Glasgow G2 6HJ

Dated 31st May 2002

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 2002**

|                                                                        |       | 31-Mar-02     |                       | 31-Mar-01     |                      |
|------------------------------------------------------------------------|-------|---------------|-----------------------|---------------|----------------------|
|                                                                        | Notes | £             | £                     | £             | £                    |
| TURNOVER                                                               | 1     |               | 67,034                |               | 75,191               |
| Property expenses                                                      |       |               | <u>8,289</u>          |               | <u>10,182</u>        |
|                                                                        |       |               | 58,745                |               | 65,009               |
| GROSS PROFIT                                                           |       |               |                       |               |                      |
| Staff costs                                                            |       | -             |                       | -             |                      |
| Depreciation                                                           |       | -             |                       | -             |                      |
| Administrative expenses                                                |       | <u>8,769</u>  |                       | <u>11,243</u> |                      |
|                                                                        |       |               | 8,769                 |               | 11,243               |
| OPERATING PROFIT                                                       | 2     |               | <u>49,976</u>         |               | <u>53,766</u>        |
| Dividends from quoted securities                                       |       | 4,337         |                       | 3,017         |                      |
| Interest received                                                      |       | <u>-</u>      |                       | <u>1,357</u>  |                      |
|                                                                        |       | 4,337         |                       | 4,374         |                      |
| Interest payable                                                       |       | <u>32,906</u> | <u>28,569</u>         | <u>31,149</u> | <u>26,775</u>        |
|                                                                        |       |               | 21,407                |               | 26,991               |
| Gain on sale of quoted securities                                      |       | 5,265         |                       |               | 5,016                |
| Reduction of provision for unrealised investment losses                |       | <u>21,967</u> | <u>27,232</u>         |               |                      |
| Gain on sale of property                                               |       |               | 127,424               |               | -                    |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION                       |       |               | <u>176,063</u>        |               | <u>32,007</u>        |
| Tax on profit on ordinary<br>activities                                | 3     |               | 6,001                 |               | 5,841                |
| PROFIT FOR THE FINANCIAL YEAR<br>on ordinary activities after taxation | 12    |               | <u><u>170,062</u></u> |               | <u><u>26,166</u></u> |

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

# THE BALVICAR PROPERTY COMPANY LIMITED

Page 4

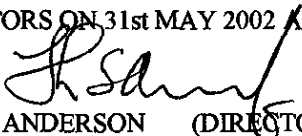
## BALANCE SHEET AS AT 31ST MARCH 2002

31-Mar-01

|                                                                | Notes | £                | £              | £                |
|----------------------------------------------------------------|-------|------------------|----------------|------------------|
| <b>FIXED ASSETS</b>                                            |       |                  |                |                  |
| Tangible assets                                                | 4     | 908,625          |                | 992,625          |
| Unquoted securities at cost                                    | 5     | 44,000           |                | 44,000           |
| Investments in subsidiary companies                            | 6     | 13,000           |                | 13,000           |
|                                                                |       | <u>965,625</u>   |                | <u>1,049,625</u> |
| <b>CURRENT ASSETS</b>                                          |       |                  |                |                  |
| Debtors                                                        | 7     | 365,437          | 378,883        |                  |
| Quoted securities at market value                              |       | 112,777          | 46,193         |                  |
| Cash in bank                                                   |       | <u>23,778</u>    | <u>26,219</u>  |                  |
|                                                                |       | <u>501,992</u>   | <u>451,295</u> |                  |
| <b>CREDITORS: Amounts falling due within one year</b>          | 8     | <u>62,981</u>    | <u>155,309</u> |                  |
| <b>NET CURRENT ASSETS</b>                                      |       | <u>439,011</u>   |                | <u>295,986</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | <u>1,404,636</u> |                | <u>1,345,611</u> |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 10    | <u>155,914</u>   |                | <u>204,290</u>   |
|                                                                |       | <u>1,248,722</u> |                | <u>1,141,321</u> |
| <b>CAPITAL AND RESERVES</b>                                    |       |                  |                |                  |
| Called up share capital                                        | 11    | 100              |                | 100              |
| Revaluation reserve                                            | 12    | 674,593          |                | 737,254          |
| Profit and loss a/c                                            | 12    | 574,029          |                | 403,967          |
| <b>SHAREHOLDERS FUNDS</b>                                      |       | <u>1,248,722</u> |                | <u>1,141,321</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 31st MAY 2002 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 2002**

**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).

**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 2002, 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 |
|---------------------|-------------------|

**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

|                                       | 31-Mar-02<br>£ | 31-Mar-01<br>£ |
|---------------------------------------|----------------|----------------|
| Depreciation on tangible fixed assets | -              | -              |
| Directors' emoluments                 | -              | -              |
| Auditors remuneration                 | <u>1,000</u>   | <u>1,000</u>   |

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

|                                            |                     |                     |
|--------------------------------------------|---------------------|---------------------|
| Corporation tax for year at 20% (2001 20%) | 5,980               | 5,795               |
| Underprovision in previous year            | <u>21</u>           | <u>46</u>           |
|                                            | <u><u>6,001</u></u> | <u><u>5,841</u></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 £28,000 (2001 £39,000).

**NOTES TO THE ACCOUNTS TO 31ST MARCH 2002**

| <b>4. TANGIBLE FIXED ASSETS</b> | <b>LAND &amp; BUILDINGS</b> | <b>31-Mar-02</b> | <b>31-Mar-01</b> |
|---------------------------------|-----------------------------|------------------|------------------|
|                                 |                             | <b>£</b>         | <b>£</b>         |
| VALUATION                       |                             |                  |                  |
| At 1st April 2001               |                             | 992,625          | 976,625          |
| Additions                       |                             | -                | -                |
| Surplus on revaluation          |                             | 60,000           | 16,000           |
| Disposals                       |                             | (144,000)        | -                |
| At 31st March 2002              |                             | <u>908,625</u>   | <u>992,625</u>   |

THE HISTORICAL COST OF FREEHOLD LAND AND BUILDINGS INCLUDED ABOVE AT A VALUATION OF £908,625 WAS £255,051 (2001 £992,625, £276,390).

At 31st March 2002 there were no commitments for capital expenditure.

**5. UNQUOTED SECURITIES AT COST**

|                                                                   |               |               |
|-------------------------------------------------------------------|---------------|---------------|
| 10 Ordinary shares of £1 each, at cost, in James Plenderleith Ltd | 14,000        | 14,000        |
| 400 Ordinary shares of £1 each, at cost, in T S Anderson Ltd      | 30,000        | 30,000        |
|                                                                   | <u>44,000</u> | <u>44,000</u> |

**6. INVESTMENTS IN SUBSIDIARIES**

|                                        |        |        |
|----------------------------------------|--------|--------|
| Shares in subsidiary companies at cost | 13,000 | 13,000 |
|----------------------------------------|--------|--------|

The subsidiary companies are all wholly owned and registered in Scotland, with the exception of Emma Warwick Limited which is registered in England. They are engaged in the renting of their properties, and the retail of clothing.

|                                          | <b>Results<br/>year to<br/>31-Mar-02</b> | <b>Results<br/>year to<br/>31-Mar-01</b> | <b>Capital &amp;<br/>Reserves<br/>31-Mar-02</b> | <b>Capital &amp;<br/>Reserves<br/>31-Mar-01</b> |
|------------------------------------------|------------------------------------------|------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| The subsidiary companies are as follows: |                                          |                                          |                                                 |                                                 |
|                                          | <b>£</b>                                 | <b>£</b>                                 | <b>£</b>                                        | <b>£</b>                                        |
| Balvicar Security Services Ltd           | -                                        | -                                        | 10,813                                          | 10,813                                          |
| Asgard Property & Investments Ltd        | 4,053                                    | 6,902                                    | 21,331                                          | 17,278                                          |
| Argus Overseas Investments Ltd           | 7,841                                    | 6,488                                    | 146,331                                         | 138,490                                         |
| Emma Warwick Ltd                         | 6,571                                    | 4,615                                    | (64,355)                                        | (70,926)                                        |
|                                          | <u>18,465</u>                            | <u>18,005</u>                            | <u>114,120</u>                                  | <u>95,655</u>                                   |

Under the equity method of accounting, the value of the investments in the subsidiary companies is £114,120 (2001 £95,655)

**7. DEBTORS**

|                                             |                |                |
|---------------------------------------------|----------------|----------------|
| Trade debtors                               | -              | -              |
| Other debtors                               | 2,620          | 11,742         |
| Amount due by subsidiary companies (Note 6) | 362,817        | 367,141        |
|                                             | <u>365,437</u> | <u>378,883</u> |

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                                                       |               |                |
|-----------------------------------------------------------------------|---------------|----------------|
| Bank overdraft                                                        | -             | 96,884         |
| Bank loans                                                            | 44,045        | 44,045         |
| Building Society loan                                                 | 4,287         | 4,006          |
| Other Creditors (including tax & social security of £NIL (2001 £NIL)) | 8,669         | 4,579          |
| Corporation tax                                                       | 5,980         | 5,795          |
|                                                                       | <u>62,981</u> | <u>155,309</u> |

**NOTES TO THE ACCOUNTS TO 31ST MARCH 2002**

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

|                      | <b>31-Mar-02</b>      | <b>31-Mar-01</b>      |
|----------------------|-----------------------|-----------------------|
|                      | <b>£</b>              | <b>£</b>              |
| Borrowings (Note 10) | <u><b>155,914</b></u> | <u><b>204,290</b></u> |

**10. BORROWINGS**

Bank and Building Society loans and overdraft

|                           |                       |                       |
|---------------------------|-----------------------|-----------------------|
| Due within one year       | <u><b>48,332</b></u>  | <u><b>144,935</b></u> |
| Due between 1 and 2 years | <b>39,800</b>         | <b>48,145</b>         |
| Due between 2 and 5 years | <b>42,192</b>         | <b>66,328</b>         |
| Repayable after 5 years,  | <u><b>73,922</b></u>  | <u><b>89,817</b></u>  |
|                           | <u><b>155,914</b></u> | <u><b>204,290</b></u> |

Security has been given by the company to secure **£204,246** (2001 £349,225) of the amount under creditors.

**11. CALLED UP SHARE CAPITAL**

|                                    |                   |                   |
|------------------------------------|-------------------|-------------------|
| Authorised                         | <u><b>100</b></u> | <u><b>100</b></u> |
| Allotted, called up and fully paid | <u><b>100</b></u> | <u><b>100</b></u> |

**12. RESERVES**

|                                                | <b>Re-<br/>valuation<br/>reserve<br/>31-Mar-02<br/>£</b> | <b>Profit<br/>and loss<br/>account<br/>31-Mar-02<br/>£</b> |
|------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------|
| At 1st April 2001                              | <b>737,254</b>                                           | <b>403,967</b>                                             |
| Retained profit for the year                   |                                                          | <b>170,062</b>                                             |
| Adjustment for disposal of land and buildings  | <b>(122,661)</b>                                         |                                                            |
| Increase /-decrease in properties for the year | <u><b>60,000</b></u>                                     | <u><b>-</b></u>                                            |
| At 31st March 2002                             | <u><b>674,593</b></u>                                    | <u><b>574,029</b></u>                                      |

**13. RELATED PARTY TRANSACTIONS**

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 3550 shares of T S Anderson Limited.