

Company Registration No. 34993 (Scotland)

WELSH & KIVLIN LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000



WELSH & KIVLIN LIMITED

COMPANY INFORMATION

Director	M H Miller
Secretary	McKay & Norwell
Company number	34993
Registered office	5-7 Rutland Square Edinburgh EH1 2AS
Auditors	Geoghegan & Co 6 St Colme Street Edinburgh EH3 6AD
Business address	9 Hillpark Terrace Edinburgh EH4 7SX
Bankers	Royal Bank of Scotland plc 2 Bernard Street Leith Edinburgh EH6 6PV
Solicitors	McKay & Norwell 5-7 Rutland Square Edinburgh EH2 1AS

WELSH & KIVLIN LIMITED

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WELSH & KIVLIN LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2000

The director presents her report and financial statements for the year ended 31 March 2000.

Principal activities

The principal activity of the company continued to be that of a property and holding company

Director

The following director has held office since 1 April 1999:

M H Miller

Director's interests

The director's beneficial interest in the shares of the company was as stated below:

	Ordinary Shares of £1 each of £ 1 each	
	31 March 2000	1 April 1999
M H Miller	70	70

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Geoghegan & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then 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 in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

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

On behalf of the board



M H Miller

Director

30-01-01

WELSH & KIVLIN LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WELSH & KIVLIN 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 the director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 director 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.

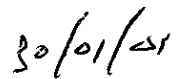
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Geoghegan & Co

Chartered Accountants
Registered Auditor


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6 St Colme Street
Edinburgh
EH3 6AD

WELSH & KIVLIN LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
Turnover		4,987	3,248
Cost of sales		(122)	(9,021)
Gross profit/(loss)		4,865	(5,773)
Administrative expenses		(1,318)	(1,336)
Operating profit/(loss)	2	3,547	(7,109)
Investment income	3	65,000	-
Other interest receivable and similar income		-	364
Interest payable and similar charges		(785)	(488)
Profit/(loss) on ordinary activities before taxation		67,762	(7,233)
Tax on profit/(loss) on ordinary activities	4	-	(32)
Profit/(loss) on ordinary activities after taxation		67,762	(7,265)
Dividends		(23,488)	(20,064)
Retained profit/(loss) for the year	10	44,274	(27,329)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

WELSH & KIVLIN LIMITED

BALANCE SHEET AS AT 31 MARCH 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	5		1,000		1,000
Investments	6		98		98
			<u>1,098</u>		<u>1,098</u>
Current assets					
Debtors	7	26,358		25,078	
		<u>26,358</u>		<u>25,078</u>	
Creditors: amounts falling due within one year	8	(25,150)		(68,144)	
Net current assets/(liabilities)			1,208		(43,066)
Total assets less current liabilities			<u>2,306</u>		<u>(41,968)</u>
Capital and reserves					
Called up share capital	9		70		70
Profit and loss account	10		2,236		(42,038)
Shareholders' funds - equity interests	11		<u>2,306</u>		<u>(41,968)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on



M H Miller

Director

30.01.01

WELSH & KIVLIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for gross rental income.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
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1.4 Investments

Fixed asset investments are stated at cost.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit/(loss)	2000	1999
	£	£
Operating profit/(loss) is stated after charging:		
Auditors' remuneration	1,060	1,215
	<u> </u>	<u> </u>
3 Investment income	2000	1999
	£	£
Income from shares in group undertakings	65,000	-
	<u> </u>	<u> </u>

WELSH & KIVLIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

4	Taxation	2000 £	1999 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 21%)	-	32
		<u> </u>	<u> </u>

The company has estimated losses of £4,243 (1999 - £8,086) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

5	Tangible fixed assets	Land and buildings £
	Cost	
	At 1 April 1999 & at 31 March 2000	1,000
		<u> </u>
	Depreciation	
	At 1 April 1999 & at 31 March 2000	-
		<u> </u>
	Net book value	
	At 31 March 2000	1,000
		<u> </u>
	At 31 March 1999	1,000
		<u> </u>

WELSH & KIVLIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 1999 & at 31 March 2000	98

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Edinburgh Investments Ltd	Scotland	Ordinary	98

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year was as follows:

	Capital and reserves	Profit for the year
Edinburgh Investments Ltd	281,583	(56,531)

7 Debtors	2000 £	1999 £
Other debtors	26,358	25,078

8 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	8,183	10,936
Amounts owed to group undertakings and undertakings in which the company has a participating interest	13,353	53,552
Other creditors	3,614	3,656
	25,150	68,144

WELSH & KIVLIN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2000

9	Share capital	2000 £	1999 £
	Authorised		
	100 Ordinary Shares of £1 each of £ 1 each	100	100
	Allotted, called up and fully paid		
	70 Ordinary Shares of £1 each of £ 1 each	70	70

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 1999	(42,038)
Retained profit for the year	44,274
Balance at 31 March 2000	2,236

11	Reconciliation of movements in shareholders' funds	2000 £	1999 £
	Profit/(loss) for the financial year	67,762	(7,265)
	Dividends	(23,488)	(20,064)
	Net addition to/(depletion in) shareholders' funds	44,274	(27,329)
	Opening shareholders' funds	(41,968)	(14,639)
	Closing shareholders' funds	2,306	(41,968)

12 Control

The ultimate controlling party is M Miller (Director, and 100% shareholder)