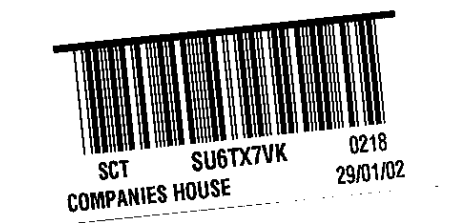


Company Registration No. 34993 (Scotland)

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001



EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
COMPANY INFORMATION

Director	M H Miller
Secretary	McKay & Norwell
Company number	34993
Registered office	5-7 Rutland Square Edinburgh EH1 2AS
Accountants	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

**EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
CONTENTS**

	Page
Director's report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 8

**EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2001**

The director presents her report and financial statements for the year ended 31 March 2001.

Principal activities

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

On 20 August 2001 the company changed its name from Welsh and Kivlin Ltd to Edinburgh Investments Ltd

Director

The following director has held office since 1 April 2000:

M H Miller

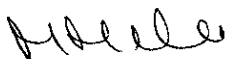
Director's interests

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 2001	1 April 2000
M H Miller	70	70

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

21 January 2002

**EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE
UNAUDITED ACCOUNTS OF EDINBURGH INVESTMENTS LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2001, set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Geoghegan & Co

Chartered Accountants

21 January 2001

6 St Colme Street
Edinburgh
EH3 6AD

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
Turnover		496	4,987
Cost of sales		(49)	(122)
Gross profit		447	4,865
Administrative expenses		(1,269)	(1,318)
Operating (loss)/profit	2	(822)	3,547
Investment income	3	38,224	65,000
Interest payable and similar charges		(343)	(785)
Profit on ordinary activities before taxation		37,059	67,762
Tax on profit on ordinary activities	4	(25,046)	-
Profit on ordinary activities after taxation		12,013	67,762
Dividends		(29,024)	(23,488)
Retained (loss)/profit for the year	10	(17,011)	44,274

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.

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
BALANCE SHEET
AS AT 31 MARCH 2001

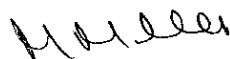
	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	5		-		1,000
Investments	6		98		98
			<u>98</u>		<u>1,098</u>
Current assets					
Debtors	7	-		26,358	
Cash at bank and in hand		28		-	
		<u>28</u>		<u>26,358</u>	
Creditors: amounts falling due within one year	8	(14,831)		(25,150)	
Net current (liabilities)/assets			<u>(14,803)</u>		<u>1,208</u>
Total assets less current liabilities			<u>(14,705)</u>		<u>2,306</u>
Capital and reserves					
Called up share capital	9		70		70
Profit and loss account	10		(14,775)		2,236
Shareholders' funds - equity interests	11		<u>(14,705)</u>		<u>2,306</u>

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges her responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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 21 January 2002



M H Miller
 Director

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

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
-----------------------------	-----

1.4 Leasing

Rentals receivable for property under operating leases are charged to turnover on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost.

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 (loss)/profit	2001	2000
	£	£
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	-	1,060
	<u> </u>	<u> </u>

Aggregate rentals receivable in respect of operating leases on property amounted to £496 (2000 - £4,987).

3 Investment income	2001	2000
	£	£
Income from shares in group undertakings	38,224	65,000
	<u> </u>	<u> </u>

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

4 Taxation	2001	2000
	£	£
Domestic current year taxation		
Adjustment for prior years	637	-
Irrecoverable A.C.T.	24,409	-
	<u>25,046</u>	<u>-</u>

The company has estimated losses of £5,408 (2000 - £4,243) 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 2000	1,000
Disposals	(1,000)
	<u>-</u>
At 31 March 2001	-
Depreciation	
At 1 April 2000 & at 31 March 2001	-
	<u>-</u>
Net book value	
At 31 March 2001	-
	<u>-</u>
At 31 March 2000	<u>1,000</u>

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 2000 & at 31 March 2001	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			
Welsh and Kivlin 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
Welsh and Kivlin Ltd	341,941	60,358

On 20 August 2001 the subsidiary company changed its name from Edinburgh Investments Ltd to Welsh and Kivlin Ltd.

7 Debtors	2001 £	2000 £
Other debtors	-	26,358
	<u>-</u>	<u>26,358</u>
8 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	-	8,183
Amounts owed to group undertakings and undertakings in which the company has a participating interest	12,471	13,353
Other creditors	2,360	3,614
	<u>14,831</u>	<u>25,150</u>

**EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

9 Share capital	2001	2000
	£	£
Authorised		
100 Ordinary Shares of £1 each of £ 1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
70 Ordinary Shares of £1 each of £ 1 each	70	70
	<u> </u>	<u> </u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2000	2,236
Retained loss for the year	(17,011)
	<u> </u>
Balance at 31 March 2001	(14,775)
	<u> </u>

11 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year	12,013	67,762
Dividends	(29,024)	(23,488)
	<u> </u>	<u> </u>
Net (depletion in)/addition to shareholders' funds	(17,011)	44,274
Opening shareholders' funds	2,306	(41,968)
	<u> </u>	<u> </u>
Closing shareholders' funds	(14,705)	2,306
	<u> </u>	<u> </u>

12 Control

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

13 Related party transactions

During the year ended 31 March 2001 Edinburgh Investments Ltd (Formerly Welsh and Kivlin Ltd) sold property by way of a disposition, for a consideration of £1,000, to it's subsidiary company Welsh and Kivlin Ltd (Formerly Edinburgh Investments Ltd).
Company secretarial fees of £118 (2000- £NIL) were incurred on Edinburgh Invesments Ltd's (Formerly Welsh and Kivlin Ltd) behalf by Welsh and Kivlin Ltd (formerly Edinburgh Investments Ltd.)
At the year end, the balance owed to Welsh and Kivlin Ltd (Formerly Edinburgh Investments Ltd) by Edinburgh Investments Ltd (Formerly Welsh and Kivlin Ltd) was £12,471 (2000 - £13,353).