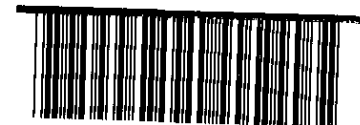


EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
DIRECTOR'S REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002



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COMPANIES HOUSE 05/03/03

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	Bank of Scotland 43 Comely Bank Edinburgh EH4 1AF
Solicitors	McKay & Norwell 5-7 Rutland Square Edinburgh EH2 1AS

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

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**EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2002**

The director presents her report and financial statements for the year ended 31 March 2002.

Principal activities

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

On 1 April 2001 the company acquired the assets of its subsidiary.

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

Director

The following director has held office since 1 April 2001:

M H Miller

Director's interests

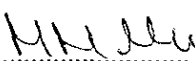
The director's beneficial interest in the shares of the company was as stated below:

Ordinary Shares of £ 1 each	
31 March 2002	1 April 2001
70	70

M H Miller

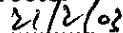
This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


.....

M H Miller

Director


.....

**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 2002, set out on pages 3 to 10 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


.....

6 St Colme Street
Edinburgh
EH3 6AD

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover		34,622	496
Cost of sales		(10,062)	(49)
Gross profit		24,560	447
Administrative expenses		(16,003)	(1,269)
Operating profit/(loss)	2	8,557	(822)
Investment income	3	50,221	38,224
Other interest receivable and similar income		923	-
Interest payable and similar charges		(25)	(343)
Profit on ordinary activities before taxation		59,676	37,059
Tax on profit on ordinary activities	4	(517)	(25,046)
Profit on ordinary activities after taxation		59,159	12,013
Dividends		(25,700)	(29,024)
Retained profit/(loss) for the year	9	33,459	(17,011)

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 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5	263,308		-	
Investments	6	52,928		98	
		<u>316,236</u>		<u>98</u>	
Current assets					
Cash at bank and in hand		3,040		28	
Creditors: amounts falling due within one year	7	<u>(300,522)</u>		<u>(14,831)</u>	
Net current liabilities		<u>(297,482)</u>		<u>(14,803)</u>	
Total assets less current liabilities		<u>18,754</u>		<u>(14,705)</u>	
Capital and reserves					
Called up share capital	8	70		70	
Profit and loss account	9	18,684		(14,775)	
Shareholders' funds - equity interests	10	<u>18,754</u>		<u>(14,705)</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 21/2/03

M H Miller
 M H Miller
 Director

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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 cash flow 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
Plant and machinery	10% Straight Line

1.4 Leasing

Rentals receivable for property under operating leases are charged to turnover on an accruals basis.

1.5 Investments

Fixed asset investments are stated at cost.

1.6 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.

1.7 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)	2002	2001
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	4,465	-
Director's emoluments	3,600	-
	<u> </u>	<u> </u>

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

3	Investment income	2002	2001
		£	£
	Income from shares in group undertakings	50,000	38,224
	Income from other fixed asset investments	221	-
		<u>50,221</u>	<u>38,224</u>
4	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	517	-
	Adjustment for prior years	-	637
	Irrecoverable A.C.T.	-	24,409
		<u>517</u>	<u>25,046</u>
	Current tax charge		
		<u>517</u>	<u>25,046</u>
	 Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	59,676	37,059
		<u>59,676</u>	<u>37,059</u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	11,935	7,412
		<u>11,935</u>	<u>7,412</u>
	 Effects of:		
	Depreciation add back	893	-
	Capital allowances	(12)	-
	Tax losses utilised	(1,091)	243
	Adjustments to previous periods	-	637
	Dividends and distributions received	(10,044)	(7,645)
	Other tax adjustments	(1,164)	24,399
		<u>(11,418)</u>	<u>17,634</u>
	 Current tax charge	<u>517</u>	<u>25,046</u>

The company has estimated excess management expenses of £ nil (2001 : £ 5,408) available for carry forward against future trading profits.

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2001	-	-	-
Additions	-	8,590	8,590
Transferred from subsidiary undertaking	250,563	40,295	290,858
At 31 March 2002	250,563	48,885	299,448
Depreciation			
At 1 April 2001	-	-	-
Transferred from subsidiary undertaking	-	31,675	31,675
Charge for the year	-	4,465	4,465
At 31 March 2002	-	36,140	36,140
Net book value			
At 31 March 2002	250,563	12,745	263,308

The director is of the opinion the the value of the properties is in excess of cost and no provision for diminution in value is required.

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

6 Fixed asset investments

	Listed investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost			
At 1 April 2001	-	98	98
Additions	52,830	-	52,830
	<u>52,830</u>	<u>-</u>	<u>52,830</u>
At 31 March 2002	<u>52,830</u>	<u>98</u>	<u>52,928</u>
	Market value		Market value
	£		£
At 31 March 2002	<u>36,747</u>		<u>36,747</u>

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	Shares held Class	%
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	Loss for the year
Welsh and Kivlin Ltd	<u>291,695</u>	<u>(50,246)</u>

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

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

7 Creditors: amounts falling due within one year	2002	2001
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	292,037	12,471
Taxation and social security	517	-
Other creditors	7,968	2,360
	<u>300,522</u>	<u>14,831</u>

Included in other creditors are amounts due to M Miller of £2,605 (2001: £nil). This represents a loan by M Miller to the company and is repayable by variable monthly instalments. Interest thereon is charged at 16.90% per annum.

8 Share capital	2002	2001
	£	£
Authorised		
100 Ordinary Shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
70 Ordinary Shares of £ 1 each	70	70
	<u>70</u>	<u>70</u>

9 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 April 2001	(14,775)
Retained profit for the year	33,459
	<u>18,684</u>
Balance at 31 March 2002	<u>18,684</u>

10 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the financial year	59,159	12,013
Dividends	(25,700)	(29,024)
	<u>33,459</u>	<u>(17,011)</u>
Net addition to/(depletion in) shareholders' funds	(14,705)	2,306
Opening shareholders' funds	18,754	(14,705)
	<u>18,754</u>	<u>(14,705)</u>

**EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

11 Control

The ultimate controlling party is M Miller, a director of this company and the parent company.

12 Related party transactions

Welsh and Kivlin Limited (formerly Edinburgh Investments Limited) is deemed a related party of Edinburgh Investments Limited (formerly Welsh and Kivlin Limited) by virtue of it being a subsidiary of the company. Both companies are ultimately controlled by M Miller.

Amounts outstanding to Welsh and Kivlin Limited (formerly Edinburgh Investments Limited) at the year end amounted to £292,037 (2001: £12,471).

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2002

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

		2002		2001
	£	£	£	£
Turnover				
Rent receivable		34,622		496
Cost of sales				
Light, heat and power	606		-	
Rates	158		13	
Maintenance	8,660		36	
Insurance	638		-	
		(10,062)		(49)
Gross profit		24,560		447
Administrative expenses		(16,003)		(1,269)
Operating profit/(loss)		8,557		(822)
Other interest receivable and similar income				
Bank interest received		923		-
Income from investments				
Dividends received from subsidiary unds	50,000		38,224	
Dividends received listed invs-F.I.I.	221		-	
		50,221		38,224
Interest payable				
Bank interest paid	-		343	
Non-bank interest paid on loans <5yrs	25		-	
		(25)		(343)
Profit before taxation		59,676		37,059

EDINBURGH INVESTMENTS LIMITED
(FORMERLY WELSH & KIVLIN LIMITED)
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
	£	£
Administrative expenses		
Directors' remuneration	3,600	-
Rent	2,000	-
Printing, postage and stationery	253	-
Advertising	363	-
Telephone	434	-
Motor running expenses	686	-
Legal and prof fees - allowable	1,796	118
Accountancy	2,201	1,116
Bank charges	111	20
Sundry expenses - allowable	94	15
Depreciation	4,465	-
	16,003	1,269