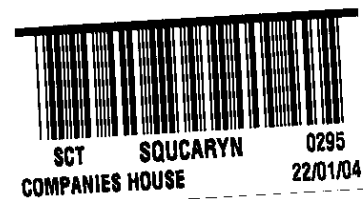


EDINBURGH INVESTMENTS LIMITED

DIRECTOR'S REPORT AND
UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003



EDINBURGH INVESTMENTS LIMITED

COMPANY INFORMATION

Director	M H Miller
Secretary	McKay & Norwell
Company number	SC034993
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

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EDINBURGH INVESTMENTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2003

The director presents her report and financial statements for the year ended 31 March 2003.

Principal activities

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

Director

The following director has held office since 1 April 2002:

M H Miller

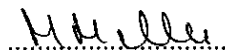
Director's interests

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

	Ordinary Shares of £ 1 each	
	31 March 2003	1 April 2002
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



EDINBURGH INVESTMENTS LIMITED

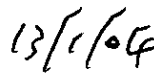
ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED ACCOUNTS OF EDINBURGH INVESTMENTS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2003, 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


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6 St Colme Street
Edinburgh
EH3 6AD

EDINBURGH INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Turnover		36,579	34,622
Cost of sales		(6,386)	(10,062)
Gross profit		30,193	24,560
Administrative expenses		(13,999)	(16,003)
Operating profit	2	16,194	8,557
Investment income	3	288,033	50,221
Other interest receivable and similar income		66	923
Interest payable and similar charges		(52)	(25)
Profit on ordinary activities before taxation		304,241	59,676
Tax on profit on ordinary activities	4	(2,751)	(517)
Profit on ordinary activities after taxation		301,490	59,159
Dividends		(24,000)	(25,700)
Retained profit for the year	9	277,490	33,459

EDINBURGH INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5	259,145		263,308	
Investments	6	45,977		52,928	
		<u>305,122</u>		<u>316,236</u>	
Current assets					
Cash at bank and in hand		5,888		3,040	
Creditors: amounts falling due within one year	7	<u>(14,766)</u>		<u>(300,522)</u>	
Net current liabilities			<u>(8,878)</u>		<u>(297,482)</u>
Total assets less current liabilities		<u>296,244</u>		<u>18,754</u>	
Capital and reserves					
Called up share capital	8	70		70	
Profit and loss account	9	296,174		18,684	
Shareholders' funds		<u>296,244</u>		<u>18,754</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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 13/1/04

M H Miller

M H Miller
Director

EDINBURGH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for gross rental income.

1.4 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

1.5 Leasing

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

1.6 Investments

Fixed asset investments are stated at cost.

1.7 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.8 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.

EDINBURGH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

2	Operating profit	2003	2002	
		£	£	
	Operating profit is stated after charging:			
	Depreciation of tangible assets	4,513	4,465	
	Director's emoluments	3,600	3,600	
		<u> </u>	<u> </u>	
3	Investment income	2003	2002	
		£	£	
	Income from shares in group undertakings	290,000	50,000	
	Income from other fixed asset investments	(1,967)	221	
		<u> </u>	<u> </u>	
		288,033	50,221	
		<u> </u>	<u> </u>	
4	Taxation	2003	2002	
		£	£	
	Domestic current year tax			
	U.K. corporation tax	2,751	517	
		<u> </u>	<u> </u>	
	Current tax charge	2,751	517	
		<u> </u>	<u> </u>	
5	Tangible fixed assets			
		Land and buildings	Plant and machinery	Total
		Freehold		
		£	£	£
	Cost			
	At 1 April 2002	250,563	48,885	299,448
	Additions	-	350	350
		<u> </u>	<u> </u>	<u> </u>
	At 31 March 2003	250,563	49,235	299,798
		<u> </u>	<u> </u>	<u> </u>
	Depreciation			
	At 1 April 2002	-	36,140	36,140
	Charge for the year	-	4,513	4,513
		<u> </u>	<u> </u>	<u> </u>
	At 31 March 2003	-	40,653	40,653
		<u> </u>	<u> </u>	<u> </u>
	Net book value			
	At 31 March 2003	250,563	8,582	259,145
		<u> </u>	<u> </u>	<u> </u>
	At 31 March 2002	250,563	12,745	263,308
		<u> </u>	<u> </u>	<u> </u>

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

6 Fixed asset investments

	Listed investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost			
At 1 April 2002	52,830	98	52,928
Additions	14,800	-	14,800
Disposals	(21,751)	-	(21,751)
At 31 March 2003	<u>45,879</u>	<u>98</u>	<u>45,977</u>
	Market value		Market value
	£		£
At 31 March 2003	<u>23,249</u>		<u>23,249</u>
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	Class	Shares held %
Subsidiary undertakings			
Welsh and Kivlin Limited	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 Limited	<u>1,034</u>	<u>(290,661)</u>

EDINBURGH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

7 Creditors: amounts falling due within one year	2003	2002
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,022	292,037
Taxation and social security	2,751	517
Other creditors	9,993	7,968
	<u>14,766</u>	<u>300,522</u>

Included within other creditors are amounts due to M H Miller of £2,824 (2002: £2,605). This represents a loan by M H Miller to the company and is repayable by variable monthly instalments. Interest thereon is charged at 16.90% per annum.

8 Share capital	2003	2002
	£	£
Authorised		
100 Ordinary Shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
70 Ordinary Shares of £ 1 each	<u>70</u>	<u>70</u>

9 Statement of movements on profit and loss account	Profit and loss account
	£
Balance at 1 April 2002	18,684
Retained profit for the year	<u>277,490</u>
Balance at 31 March 2003	<u>296,174</u>

10 Control

The ultimate controlling party is M H Miller, a director of the company.

11 Related party transactions

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

Amounts outstanding to Welsh and Kivlin Limited at the year end amounted to £2,022 (2002: £292,037).