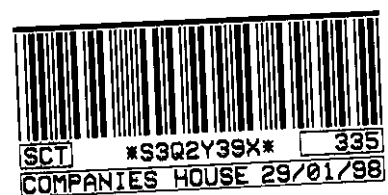


THE KIRKVALE PROPERTY COMPANY LIMITED

COMPANY NUMBER: 040648

Balance Sheet as at 5 April 1997



BRECHIN, COLE-HAMILTON & CO
Chartered Accountants

34 West George Street
GLASGOW G2 1DG

THE KIRKVALE PROPERTY COMPANY LIMITED

The following reproduces the text of the report prepared for the purposes of Section 249A(2) Companies Act 1985 in respect of the company's annual financial statements, from which the abbreviated financial statements have been prepared.

Accountants Report to the Shareholders on the Unaudited Financial Statements of The Kirkvale Property Company Limited

We report on the attached financial statements for the year ended 5 April 1997.

Respective Responsibilities of Directors and Reporting Accountants

As described on the Balance Sheet the company's directors are responsible for the preparation of the financial statements and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

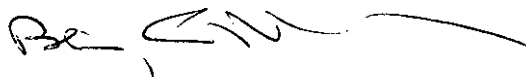
Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the financial statements with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:-

1. The financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
2. Having regard only to, and on the basis of, the information contained in those accounting records:-
 - a. The financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - b. The company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified on Section 249B(1).



BRECHIN, COLE-HAMILTON & CO
Reporting Accountants
34 West George Street
GLASGOW G2 1DG

1 October 1997

THE KIRKVALE PROPERTY COMPANY LIMITED

Balance Sheet as at 5 April 1997

1996

FIXED ASSETS:

Tangible Assets -

Heritable Property	£318,930	£322,500
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CURRENT ASSETS:

Debtors	£ 1,674	£ 1,259
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CREDITORS:

Amounts falling due within one year	(61,367)	(53,714)
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<u>NET CURRENT LIABILITIES:</u>	(59,693)	£(52,455)
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CREDITORS:

Amounts falling due after more than one year	-	-
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<u>NET ASSETS:</u>	£259,237	£270,045
--------------------	----------	----------

CAPITAL AND RESERVES:

Share Capital	£ 300	£ 300
Capital Reserves	189,007	189,007
Profit and Loss Account	69,930	80,738
	£259,237	£270,045

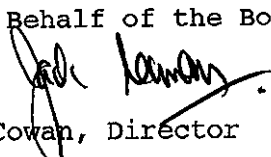
The directors:-

1. Confirm that for the year ending 5 April 1997 the company was entitled to the exemption under subsection (1) of Section 249A.
2. Confirm that no notice requiring an audit has been deposited under subsection (2) of Section 249B in relation to the financial statements for the financial year; and
3. Acknowledge responsibility for:-
 - a. Ensuring that the company keeps accounting records which comply with Section 221; and
 - b. Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

In preparing these modified financial statements, we have relied on Sections 247 to 249 of the Companies Act 1985 as enabling us to deliver financial statements modified as for a small company.

The financial statements were approved by the Board on 1 October 1997.

On Behalf of the Board

X  X
J Cowan, Director

THE KIRKVALE PROPERTY COMPANY LIMITED

Notes to the Financial Statements
for the year ended 5 April 1997

1. Accounting Policies:

a. Basis of Accounting -

The financial statements are drawn up on the historical cost basis of accounting in accordance with applicable accounting standards.

b. Depreciation -

Depreciation is charged on fixed assets at the following rate calculated to write-off the costs over their anticipated lives.

Heritable Property - 1% Straight Line

c. Taxation -

The taxation charge is made up as follows:-

		<u>1996</u>
Underprovision Previous Year	£ -	£ 94
Provision	222	-
ACT	1,500	-
	<u>£ 1,722</u>	<u>£ 94</u>
	=====	=====

d. Cash Flow Statement -

The company has taken advantage of the exemption permitted by FRS1 where a cash flow statement need not be prepared by a small company as defined in the Companies Act 1985.

2. Share Capital:

Authorised and Issued -

300 Ordinary Shares of £1 each £ 300
=====

3. Fixed Assets:

Cost -

As at 6 April 1996	£356,970
Additions in Year	-
Disposals in Year	-
As at 5 April 1997	<u>£356,970</u>

Depreciation -

As at 6 April 1996	£ 34,470
Disposals	-
Charge for Year	<u>3,570</u>
As at 5 April 1997	<u>£ 38,040</u>

Net Book Value -

As at 5 April 1997	<u>£318,930</u>
As at 5 April 1996	<u>£322,500</u>

THE KIRKVALE PROPERTY COMPANY LIMITED

Notes to the Financial Statements
for the year ended 5 April 1997 (Cont'd)

4. Creditors:

1996

Amounts due within one year -

Bank Overdraft (Note 5)	£45,260	£42,353
Accrued Charges	8,750	7,252
Corporation Tax	222	-
Directors Loan Account	7,134	4,109
	<u>£61,367</u>	<u>£53,714</u>
	=====	=====

5. Bank:

The bank overdraft is secured by a standard security over the property at 130 King Street, Kilmarnock.
