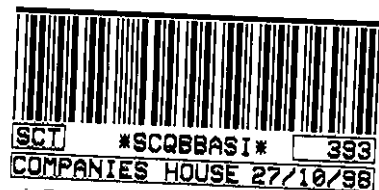


THE KIRKVALE PROPERTY COMPANY LIMITED

COMPANY NUMBER: 040648

Balance Sheet as at 5 April 1998



BRECHIN, COLE-HAMILTON & CO
Chartered Accountants

34 West George Street
GLASGOW G2 1DG

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

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 5 April 1998 and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibility from the accounting records and information and explanations supplied to us.



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

12 October 1998

THE KIRKVALE PROPERTY COMPANY LIMITED

Balance Sheet as at 5 April 1998

1997

FIXED ASSETS:

Tangible Assets -

Heritable Property	£315,360	£318,930
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CURRENT ASSETS:

Debtors	£ 2,310	£ 1,674
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CREDITORS:

Amounts falling due within one year	(53,486)	(61,367)
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<u>NET CURRENT LIABILITIES:</u>	(51,177)	£(59,693)
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CREDITORS:

Amounts falling due after more than one year	-	-
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<u>NET ASSETS:</u>	£264,183 =====	£259,237 =====
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CAPITAL AND RESERVES:

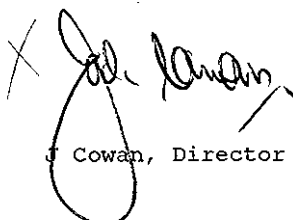
Share Capital	£ 300	£ 300
Capital Reserves	189,007	189,007
Profit and Loss Account	74,876	69,930
	£264,183 =====	£259,237 =====

The directors:-

1. Confirm that for the year ending 5 April 1998 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.

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

Signed on Behalf of the Board


J Cowan, Director

Approved by the Board on 12 October 1998.

Notes to the Financial Statements
for the year ended 5 April 1998

1. Accounting Policies:

a. Basis of Preparation -

The financial statements are drawn up on the historical cost basis of accounting in accordance with the Financial Reporting Standard for Smaller Entities.

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>1998</u>	<u>1997</u>
Overprovision Previous Year	£ (1,003)	£ -
Provision	730	222
ACT	<u>2,000</u>	<u>1,500</u>
	£ 1,727	£ 1,722
	=====	=====

d. Turnover -

Turnover represents the amounts derived from rentals.

2. Share Capital:

Authorised and Issued -

300 Ordinary Shares of £1 each

£ 300
=====

3. Fixed Assets:

Cost -

As at 6 April 1997	£356,970
Additions in Year	-
Disposals in Year	-
As at 5 April 1998	<u>£356,970</u>

Depreciation -

As at 6 April 1997	£ 38,040
Disposals	-
Charge for Year	<u>3,570</u>
As at 5 April 1998	<u>£ 41,610</u>

Net Book Value -

As at 5 April 1998	£315,360
	=====
As at 5 April 1997	<u>£318,930</u>
	=====

4. Creditors:

Bank Overdraft	£38,882	£45,261
Accrued Charges	7,266	8,752
Corporation Tax	2,730	222
ACT	2,000	-
Directors Loan	<u>2,609</u>	<u>7,134</u>
	£53,486	£61,368
	=====	=====

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