

Doonbye Properties Limited
Annual report
for the year ended 31 May 2000

Registered Number SC44503

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Doonbye Properties Limited
Annual report
for the year ended 31 May 2000
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Doonbye Properties Limited

Directors and Advisors for the year ended 31 May 2000

Executive directors

J W M Manclark

K W Dunbar

Secretary and registered office

1924 Nominees Limited

37 Queen Street

Edinburgh

EH2 1JX

Auditors

PricewaterhouseCoopers

Erskine House

68-73 Queen Street

Edinburgh

EH2 4NH

Solicitors

Archibald Campbell & Harley WS

37 Queen Street

Edinburgh

EH2 1JX

Bankers

Bank of Scotland

St Albans House

59 Haymarket

London

SW1Y 4QX

Doonbye Properties Limited

Directors' report for the year ended 31 May 2000

The directors present herewith the audited financial statements for the year ended 31 May 2000.

Review of business and principal activities

The profit and loss account for the year is set out on page 5. The principal activity of the company remains that of owning and letting out properties.

Dividend

The directors do not recommend the payment of a dividend in respect of the year ended 31 May 2000 (1999: £35,250).

Directors

The directors of the company at 31 May 2000 were:-

J W M Manclark

K W Dunbar

In accordance with the Articles of Association neither of the directors is required to retire by rotation.

Directors' interests in shares of the company

The interests of the directors of the company at 31 May 2000 in the shares of the company, according to the register required to be kept by Section 325 of the Companies Act 1985, were as follows:-

	Number	Ordinary shares of £1 each		31 May 1999 Nominal Value £
		31 May 2000 Nominal Value £	Number	
J W M Manclark	100	100	100	100

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 May 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Doonbye Properties Limited

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'Naythel'.

for and on behalf of
1924 Nominees Limited

Secretary
Edinburgh

Doonbye Properties Limited

Auditors' report to the members of Doonbye Properties Limited

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

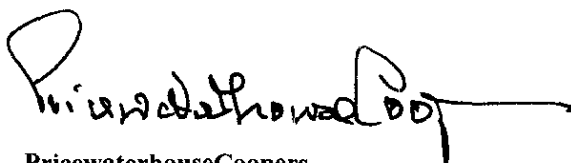
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 2000 of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Edinburgh

30. March. 2001

Doonbye Properties Limited

Profit and loss account for the year ended 31 May 2000

	Notes	Continuing Activities 2000 £	Continuing activities 1999 £
Turnover	1	122,642	97,116
Expense of let properties		(40,825)	(61,776)
Operating profit	2	81,817	35,430
Interest receivable and other income	4	8,872	7,333
Profit on ordinary activities before taxation		90,689	42,673
Tax charge on profit on ordinary activities	5	(28,884)	(10,790)
Profit for the year		61,805	31,883
Dividends		-	(35,250)
Retained profit/(loss) for the year	14	61,805	(3,367)

There is no difference between the profits reported above and the historical cost equivalents.

Statement of total recognised gains and losses

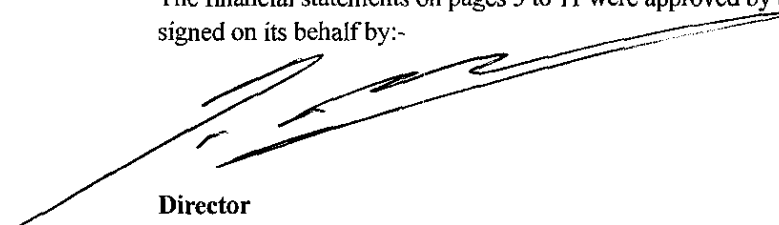
	Notes	2000 £	1999 £
Profit/(loss) for the financial year		61,805	(3,367)
Gain on revaluation of investment properties	6	264,286	-
Deferred tax movement in year	10	174,000	-
Total recognised gains and losses for the financial year		500,091	(3,367)

Doonbye Properties Limited

Balance sheet as at 31 May 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	6	1,330,000	1,065,714
Investments	7	26,330	26,330
		1,356,330	1,092,044
Current assets			
Debtors	8	439,877	415,415
Cash at bank and in hand		140,399	86,309
		580,276	501,724
Creditors: amounts falling due within one year	9	39,237	22,490
Net current assets		541,039	479,234
Total assets less current liabilities		1,897,369	1,571,278
Provisions for liabilities and charges			
Deferred taxation	10	-	174,000
Net assets		1,897,369	1,397,278
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	1,096,523	658,237
Profit and loss account	13	800,746	738,941
Equity shareholder's funds	14	1,897,369	1,397,278

The financial statements on pages 5 to 11 were approved by the Board of Directors on 26-3-01 and were signed on its behalf by:-


Director

Doonbye Properties Limited

Notes to the financial statements for the year ended 31 May 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. Compliance with SSAP 19 "Accounting for Investment Properties" requires departure from the Companies Act 1985 relating to depreciation and an explanation of this departure is given below.

Basis of accounting

As in previous years, the financial statements are prepared in accordance with the historical cost convention, apart from investment property which is included at valuation.

Turnover

Turnover represents amounts receivable from accommodation rented out.

Fixed assets

Investment properties are valued by a director on an open market basis in accordance with the requirements of SSAP 19 and not depreciated.

The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made the affect on the financial period would have been decreased by depreciation on the revalued properties of £26,610 (1999: £21,300).

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred in respect of significant timing differences to the extent that it is probable that a liability or asset will crystallise.

Cash flow statement

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2 Operating profit

Operating profit is stated after charging:-

	2000	1999
	£	£
Auditors' remuneration	2,800	1,450
Management charge	11,684	39,279
And after crediting:-		
Property rental income	122,642	97,116

Doonbye Properties Limited

3 Employees

The company had no employees (except for the directors) during the year. The directors received no remuneration during the year.

4 Interest receivable and other income

	2000	1999
	£	£
Bank interest received	5,745	4,463
Dividends	2,651	2,742
Other income	476	128
	8,872	7,333

5 Tax on results of ordinary activities

	2000	1999
	£	£
United Kingdom corporation tax at 29.3% (1999: 26%) on the profit for the year	28,884	10,271
Tax on Franked Investment Income	-	519
	28,884	10,790

6 Tangible fixed assets

	2000	1999
	£	£
Heritable investment properties		
Open market value at 1 June 1999	1,065,714	1,065,714
Revaluation	264,286	-
Open market value at 31 May 2000	1,330,000	1,065,714

The properties were valued at 31 May 2000, by Mr JWM Manclark, a director of the company. The historic cost of these properties at 31 May 2000 was £436,977 (1999: £436,777).

7 Investments

	2000	1999
	£	£
Listed investments at 31 May 2000 – cost	26,330	26,330
Aggregate market value of listed investments	110,328	140,286

Investments are stated at the lower of cost or market value.

Doonbye Properties Limited

8 Debtors

Amounts falling due within one year:

	2000	1999
	£	£
Prepayments	-	100
Other debtors (a)	439,877	415,315
	439,877	415,415

- (a) Other debtors includes £393,254 (1999: £400,672) interest free loans either to entities in which Mr J W M Manclark has a personal interest or to entities connected with him and director's loan of £3,453.

9 Creditors

Amounts falling due within one year:

	2000	1999
	£	£
Trade creditors	-	4,758
Other creditors including taxation and Social security (a)	32,937	13,980
Accruals and deferred income	6,300	3,752
	39,237	22,490

- (a) Other creditors, including taxation and social security, are made up as follows:-

	2000	1999
	£	£
UK Corporation tax payable	28,884	10,790
Other creditors	4,053	3,190
	32,937	13,980

10 Deferred taxation

- (a) Analysis of provision and potential liability:-

	31 May 2000		31 May 1999	
	Full	Provision	Full	Provision
	Potential	Made	Potential	Made
	Liability	£	Liability	£
Property revaluation	249,819	-	174,464	174,000
Accelerated capital allowances	(384)	-	(512)	-
	249,435	-	173,952	174,000

Doonbye Properties Limited

10 Deferred taxation (continued)

(b) Movements on the provision for deferred taxation are as follows:-

	2000 £	1999 £
At 1 June 1999	174,000	176,000
Transfer to revaluation reserve (Note 12)	(174,000)	(2,000)
At 31 May 2000	-	174,000

11 Called up share capital

	2000 £	1999 £
Authorised:		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid:		
100 Ordinary share of £1 each	100	100

12 Revaluation reserve

The revaluation reserve arises as a consequence of carrying investment property in the balance sheet at an open market valuation. The movement on the reserve is analysed below:-

	2000 £	1999 £
At 1 June 1999	658,237	656,237
Transferred from deferred tax provision (Note 10)	174,000	2,000
Revaluation in year	264,286	-
At 31 May 2000	1,096,523	658,237

13 Profit and loss account

	2000 £	1999 £
At 1 June 1999	738,941	742,308
Profit for the financial year	61,805	31,883
Dividends	-	(35,250)
At 31 May 2000	800,746	738,941

Doonbye Properties Limited

14 Reconciliation of movements in equity shareholder's funds

	2000	1999
	£	£
Opening equity shareholder's funds	1,397,278	1,398,645
Profit for the year	61,805	31,883
Dividends	-	(35,250)
Transferred from deferred tax provision	174,000	
Revaluation in year	264,286	-
Closing equity shareholder's funds	1,897,369	1,397,278

15 Related party transactions

At the year end there existed debtor balances with various companies which are related to Doonbye Properties Limited through Mr JWM Manclark, who is a director and shareholder in these and in Doonbye Properties Limited. These loans are as follows:

	2000	1999
	£	£
Frebord Limited	3,709	3,709
Knowe Properties Limited	185,814	185,814
Rixint Limited	-	6,709
Brotstown Limited	1,000	1,000
Nadirplace Developments Limited	-	4,209
Malcolm Gray Limited	2,731	2,731
Advisewatch Limited	200,000	200,000
	393,254	404,172

16 Controlling party

Mr JWM Manclark is the controlling party by virtue of his controlling interest in the company's equity capital.