

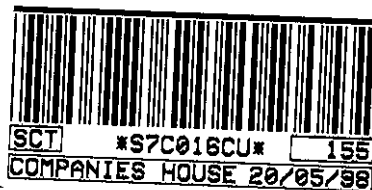
$A^2 + B$

**MILMOR PROPERTIES LIMITED**

(Company Number: 53921)

**DIRECTORS' REPORT AND ACCOUNTS**

31 MARCH 1998



**Anderson Anderson & Brown**  
*Chartered Accountants*

**MILMOR PROPERTIES LIMITED**  
**DIRECTORS' REPORT**

**A<sup>2</sup>+B**

Directors: B J Milne  
A Milne

Secretary: A Milne

Registered office: 34 Albyn Place, Aberdeen

The directors submit their report and the accounts of the company for the year ended 31 March 1998.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounts to £67,682 and is dealt with as shown in the profit and loss account. No dividends have been paid during the year.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS**

The principal activity of the company during the year was property investment and letting.

No significant developments have taken place since the year end.

**DIRECTORS AND DIRECTORS' INTERESTS**

The directors of the company during the year were as noted above.

The directors' interests in the shares of the company during the year were as follows:

|           | Ordinary shares |
|-----------|-----------------|
| B J Milne | 3,000           |
| A Milne   | -               |

By order of the board



Director

**MILMOR PROPERTIES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

$A^2 + B$

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**MILMOR PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 1998**

<sup>2</sup>  
**A + B**

|                                                              | Note | 1998<br>£       | 1997<br>£         |
|--------------------------------------------------------------|------|-----------------|-------------------|
| TURNOVER                                                     |      | 92,036          | 84,053            |
| Operating costs                                              | 2    | 12,065          | 12,738            |
| Other operating income - lease premiums                      |      | <u>-</u>        | <u>25,816</u>     |
| OPERATING PROFIT                                             |      | 79,971          | 97,131            |
| Interest received                                            | 4    | <u>3,548</u>    | <u>2,391</u>      |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION             |      | 83,519          | 99,522            |
| Taxation                                                     | 5    | <u>15,837</u>   | <u>18,277</u>     |
| PROFIT FOR FINANCIAL YEAR                                    |      | 67,682          | 81,245            |
| Dividends                                                    | 6    | <u>-</u>        | <u>100,000</u>    |
| RETAINED PROFIT/(ACCUMULATED LOSS)<br>FOR THE FINANCIAL YEAR |      | <u>£ 67,682</u> | <u>£ (18,755)</u> |

The company has made no gains or losses other than those reported above.

Movements on reserves are set out in Note 12.

**MILMOR PROPERTIES LIMITED**  
**BALANCE SHEET - 31 MARCH 1998**

**A<sup>2</sup>+B**

|                                                       | Note | 1998<br>£        | 1997<br>£        |
|-------------------------------------------------------|------|------------------|------------------|
| TANGIBLE FIXED ASSETS                                 | 7    | <u>237,764</u>   | <u>238,164</u>   |
| CURRENT ASSETS                                        |      |                  |                  |
| Debtors                                               | 8    | 86,981           | 31,717           |
| Cash at bank and in hand                              | 9    | <u>1,173</u>     | <u>120,286</u>   |
|                                                       |      | 88,154           | 152,003          |
| CREDITORS: <i>amounts falling due within one year</i> | 10   | <u>27,305</u>    | <u>159,236</u>   |
| NET CURRENT ASSETS/(LIABILITIES)                      |      | <u>60,849</u>    | <u>(7,233)</u>   |
| TOTAL ASSETS LESS CURRENT LIABILITIES                 |      | <u>£ 298,613</u> | <u>£ 230,931</u> |
| CAPITAL AND RESERVES                                  |      |                  |                  |
| Called up share capital                               | 11   | 6,000            | 6,000            |
| Profit and loss account                               | 12   | <u>292,613</u>   | <u>224,931</u>   |
| SHAREHOLDERS' FUNDS                                   | 12   | <u>£ 298,613</u> | <u>£ 230,931</u> |

In the directors' opinion the company is entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 March 1998. No members who are entitled to have requested an audit in terms of Section 249B(2) of the Companies Act 1985.

The directors are responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

Signed on behalf of the board of directors

.....  
*Director - B J Milne*

..... *8/5/98* Date

**MILMOR PROPERTIES LIMITED**  
**NOTES ON THE ACCOUNTS - 31 MARCH 1998**

$A^2 + B$

**1. ACCOUNTING POLICIES**

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Investment properties*

Depreciation is not provided on investment properties as the directors consider that this accounting policy is necessary for the accounts to give a true and fair view.

(c) *Depreciation*

Fixed assets are depreciated over their useful lives as follows:

|                        |                      |
|------------------------|----------------------|
| Furniture and fittings | 10% reducing balance |
|------------------------|----------------------|

Property and property improvements are stated at cost and have not been revalued. No depreciation is provided on investment property as the directors consider this accounting policy necessary for the accounts to show a true and fair view.

(d) *Deferred taxation*

Provision is made for deferred taxation using the liability method, on all timing differences to the extent that it is probable that the liability will crystallise.

**2. OPERATING COSTS**

|                         | 1998            | 1997            |
|-------------------------|-----------------|-----------------|
|                         | £               | £               |
| Depreciation            | 400             | 444             |
| Other operating charges | <u>11,665</u>   | <u>12,294</u>   |
|                         | <u>£ 12,065</u> | <u>£ 12,738</u> |

**MILMOR PROPERTIES LIMITED**  
**NOTES ON THE ACCOUNTS - 31 MARCH 1998**

$A^2 + B$

3. STAFF NUMBERS

The average number of persons employed by the company during the year, including the directors, was as follows:

|                | 1998<br>No | 1997<br>No |
|----------------|------------|------------|
| Administration | <u>2</u>   | <u>2</u>   |

The remuneration paid to the directors was:

|                                         |            |            |
|-----------------------------------------|------------|------------|
| Emoluments (including benefits in kind) | <u>£ -</u> | <u>£ -</u> |
|-----------------------------------------|------------|------------|

4. INTEREST RECEIVED

|               | 1998<br>£      | 1997<br>£      |
|---------------|----------------|----------------|
| Bank interest | 39             | 2,391          |
| Loan interest | <u>3,509</u>   | <u>-</u>       |
|               | <u>£ 3,548</u> | <u>£ 2,391</u> |

5. TAXATION *charge for the year comprises:*

|                                    | 1998<br>£       | 1997<br>£       |
|------------------------------------|-----------------|-----------------|
| Corporation tax                    | 17,015          | 18,500          |
| Adjustment relating to prior years | <u>(1,178)</u>  | <u>(223)</u>    |
|                                    | <u>£ 15,837</u> | <u>£ 18,277</u> |

6. DIVIDENDS

|                                                    | 1998       | 1997             |
|----------------------------------------------------|------------|------------------|
| Nil paid during the year (1997 - £16.67 per share) | <u>£ -</u> | <u>£ 100,000</u> |

**MILMOR PROPERTIES LIMITED**  
**NOTES ON THE ACCOUNTS - 31 MARCH 1998**

**A<sup>2</sup>+B**

**7. TANGIBLE FIXED ASSETS**

|                                       | Property<br>improve-<br>ments<br>£ | Investment<br>property<br>£ | Furniture<br>& fittings<br>£ | Total<br>£       |
|---------------------------------------|------------------------------------|-----------------------------|------------------------------|------------------|
| <b>COST</b>                           |                                    |                             |                              |                  |
| At 31 March 1997 and<br>31 March 1998 | <u>57,484</u>                      | <u>176,680</u>              | <u>20,434</u>                | <u>254,598</u>   |
| <b>DEPRECIATION</b>                   |                                    |                             |                              |                  |
| At 31 March 1997                      | -                                  | -                           | 16,434                       | 16,434           |
| Charge for year                       | <u>-</u>                           | <u>-</u>                    | <u>400</u>                   | <u>400</u>       |
| At 31 March 1998                      | <u>-</u>                           | <u>-</u>                    | <u>16,834</u>                | <u>16,834</u>    |
| Net book amounts at:                  |                                    |                             |                              |                  |
| 31 March 1998                         | <u>£ 57,484</u>                    | <u>£ 176,680</u>            | <u>£ 3,600</u>               | <u>£ 237,764</u> |
| 31 March 1997                         | <u>£ 57,484</u>                    | <u>£ 176,680</u>            | <u>£ 4,000</u>               | <u>£ 238,164</u> |

Property is stated at cost and has not been revalued. No depreciation is provided on investment property as the directors consider that this accounting policy is necessary for the accounts to give a true and fair view.

**8. DEBTORS**

|                             | 1998<br>£       | 1997<br>£       |
|-----------------------------|-----------------|-----------------|
| Trade debtors               | 2,333           | 3,077           |
| Prepayments                 | 1,210           | 2,693           |
| Corporation tax recoverable | 8,795           | -               |
| Other debtors               | <u>74,643</u>   | <u>25,947</u>   |
|                             | <u>£ 86,981</u> | <u>£ 31,717</u> |

**9. SECURITY**

Clydesdale Bank PLC hold a standard security over the property at 26 Merkland Road East.

**MILMOR PROPERTIES LIMITED**  
**NOTES ON THE ACCOUNTS - 31 MARCH 1998**

<sup>2</sup>  
**A + B**

10. CREDITORS: *amounts falling due within one year*

|                         | 1998<br>£       | 1997<br>£        |
|-------------------------|-----------------|------------------|
| Proposed dividend       | -               | 100,000          |
| Trade creditors         | 5,276           | 5,716            |
| Other creditors         | 3,115           | 3,510            |
| Accruals                | 2,000           | 1,644            |
| Corporation tax         | 810             | 18,500           |
| Advance corporation tax | -               | 25,000           |
| Directors' loans        | 16,104          | 4,866            |
|                         | <u>£ 27,305</u> | <u>£ 159,236</u> |

11. CALLED UP SHARE CAPITAL

|                                                       | 1998 & 1997    |
|-------------------------------------------------------|----------------|
| <b>Authorised, allotted, called up and fully paid</b> |                |
| 6,000 ordinary shares of £1 each                      | <u>£ 6,000</u> |

12. RECONCILIATION OF SHAREHOLDERS' FUNDS  
AND MOVEMENTS ON RESERVES

|                  | Share<br>capital<br>£ | Profit and<br>loss account<br>£ | Total<br>£       |
|------------------|-----------------------|---------------------------------|------------------|
| At 31 March 1996 | 6,000                 | 243,686                         | 249,686          |
| Profit for year  | -                     | 81,245                          | 81,245           |
| Dividends        | -                     | (100,000)                       | (100,000)        |
| At 31 March 1997 | 6,000                 | 224,931                         | 230,931          |
| Profit for year  | -                     | 67,682                          | 67,682           |
| At 31 March 1998 | <u>£ 6,000</u>        | <u>£ 292,613</u>                | <u>£ 298,613</u> |

**MILMOR PROPERTIES LIMITED**  
NOTES ON THE ACCOUNTS - 31 MARCH 1998

<sup>2</sup>  
A + B

13. TRANSACTIONS INVOLVING DIRECTORS

During the year the directors of the company received income of £15,606 in respect of rents and premiums received from properties in which they have part ownership.

14. RELATED PARTIES

Throughout the year the company was controlled by B J Milne and A Milne who were both directors during the year.

During the year the company entered into transactions with related parties as follows:

| Related party                                                | Transaction   | Balance at |               |
|--------------------------------------------------------------|---------------|------------|---------------|
|                                                              |               | £          | year end<br>£ |
| Langstanes Chip Shop, a firm in which B J Milne is a partner | Rental income | 14,000     | 2,333         |
| Spiders Web, a firm in which B J and A Milne are partners    | Loan          |            | 74,643        |