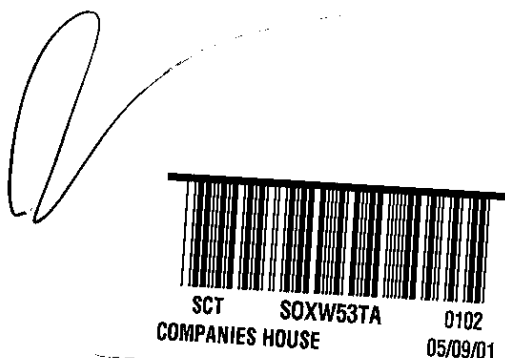


$A^2 + B$

MILMOR PROPERTIES LIMITED
(Company Number: 53921)

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2001



Anderson Anderson & Brown
Chartered Accountants

MILMOR PROPERTIES LIMITED
DIRECTORS' REPORT

A²+B

Directors: B J Milne
A Milne

Secretary: A Milne

Registered office: 19 Station Road, Dyce, Aberdeen

The directors submit their report and the accounts of the company for the year ended 31 March 2001.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounts to £122,248 (2000 - £84,936), and is dealt with as shown in the profit and loss account. No dividends have been paid during the year (2000 - £nil).

PRINCIPAL ACTIVITY 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.

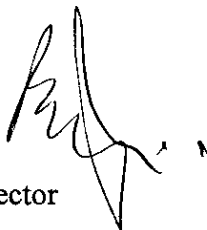
DIRECTORS AND DIRECTORS' INTERESTS

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

According to the register maintained as required under the Companies Act 1985, the directors' interests in the shares of the company during the year were as follows:

	2001 & 2000 Ordinary shares
B J Milne	3,000
A Milne	-

By order of the board



Director

MILMOR PROPERTIES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

A² + 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 2001

A² + B

	Note	2001 £	2000 £
TURNOVER		93,870	96,140
Operating costs	2	<u>4,244</u>	<u>3,111</u>
OPERATING PROFIT		89,626	93,029
Income from investments		6,755	-
Gain on sale of investments		45,418	-
Interest received	4	<u>8,830</u>	<u>11,621</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		150,629	104,650
Taxation	5	<u>28,381</u>	<u>19,714</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£ 122,248</u>	<u>£ 84,936</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 2001

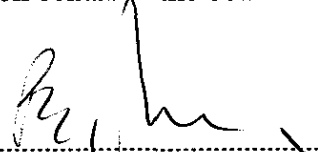
²
A + B

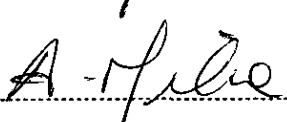
	Note	2001 £	2000 £
FIXED ASSETS			
Tangible fixed assets	6	227,312	226,260
Investments	7	141,377	159,371
		<u>368,689</u>	<u>385,631</u>
CURRENT ASSETS			
Debtors	8	9,537	14,263
Cash at bank and in hand	9	283,326	103,504
		<u>292,863</u>	<u>117,767</u>
CREDITORS: amounts falling due within one year	10	<u>82,034</u>	<u>46,128</u>
NET CURRENT ASSETS		<u>210,829</u>	<u>71,639</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 579,518</u>	<u>£ 457,270</u>
CAPITAL AND RESERVES			
Called up share capital	11	6,000	6,000
Profit and loss account	12	573,518	451,270
SHAREHOLDERS' FUNDS	12	<u>£ 579,518</u>	<u>£ 457,270</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 2001. 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

 22/8/01
Date

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.

(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

	2001 £	2000 £
Depreciation	292	324
Gain on sale of fixed asset	-	(7,336)
Other operating charges	3,952	10,123
	<u>£ 4,244</u>	<u>£ 3,111</u>

MILMOR PROPERTIES LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2001

²
A + B

3. STAFF COSTS AND NUMBERS

The directors were the only employees of the company during the year and they did not receive any remuneration.

4. INTEREST RECEIVED

	2001 £	2000 £
Bank interest	8,830	7,871
Loan interest	-	3,750
	<u>£ 8,830</u>	<u>£ 11,621</u>

5. TAXATION *charge for the year comprises:*

	2001 £	2000 £
Corporation tax	28,398	19,714
Prior year adjustment	(17)	-
	<u>£ 28,381</u>	<u>£ 19,714</u>

MILMOR PROPERTIES LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2001

²
A + B

6. TANGIBLE FIXED ASSETS

	Property improve- ments £	Investment property £	Furniture & fittings £	Total £
COST				
At 31 March 2000	54,828	168,516	20,434	243,778
Additions	-	1,344	-	1,344
Reclassification	(54,828)	54,828	-	-
At 31 March 2001	-	224,688	20,434	245,122
DEPRECIATION				
At 31 March 2000	-	-	17,518	17,518
Charge for year	-	-	292	292
At 31 March 2001	-	-	17,810	17,810
Net book amounts at:				
31 March 2001	£ -	£ 224,688	£ 2,624	£ 227,312
31 March 2000	£ 54,828	£ 168,516	£ 2,916	£ 226,260

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.

7. INVESTMENTS

	£	
Cost:		
At 31 March 2000		159,371
Additions		149,592
Disposals		(167,586)
At 31 March 2001		£ 141,377
	2001	2000
	£	£
Listed investments	139,740	159,371
Unlisted investments	1,637	-
	£ 141,377	£ 159,371
Valuation:		
Listed investments – market value	£ 111,627	£ 176,015
Taxation on potential capital gain if sold at valuation	£ -	£ 3,180

MILMOR PROPERTIES LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2001

A² + B

8. DEBTORS

	2001 £	2000 £
Trade debtors	-	2,333
Prepayments	9,537	8,628
Other debtors	-	3,302
	<u>£ 9,537</u>	<u>£ 14,263</u>

9. SECURITY

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

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

	2001 £	2000 £
Deferred income	8,600	4,642
Other creditors	11,215	3,115
Accruals	3,549	1,650
Corporation tax	28,398	19,714
Directors' loans	30,272	17,007
	<u>£ 82,034</u>	<u>£ 46,128</u>

11. CALLED UP SHARE CAPITAL

2001 & 2000

Authorised, allotted, called up and fully paid:
6,000 Ordinary shares of £1 each

£ 6,000

**12. RECONCILIATION OF SHAREHOLDERS' FUNDS
AND MOVEMENTS ON RESERVES**

	Share capital £	Profit and loss account £	Total £
At 31 March 1999	6,000	366,334	372,334
Profit for year	-	84,936	84,936
At 31 March 2000	6,000	451,270	457,270
Profit for year	-	122,248	122,248
At 31 March 2001	<u>£ 6,000</u>	<u>£ 573,518</u>	<u>£ 579,518</u>

13. TRANSACTIONS INVOLVING DIRECTORS

During the year the directors of the company received income of £15,480 in respect of rents and premiums received from properties in which they have part ownership. Included within note 10 is a loan due to the directors of £38,147 for which there is no interest charged or fixed repayment terms.

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 £
Spiders' Web, a firm in which B J and A Milne are partners	Loan	(3,302)	-
Langstanes Chip Shop, a firm which B J Milne and A Milne are partners	Rental Income	12,250	-