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MILMOR PROPERTIES LIMITED
(Company Number: 53921)

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2003



Anderson Anderson & Brown
Chartered Accountants

MILMOR PROPERTIES LIMITED
DIRECTORS' REPORT

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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 2003.

RESULTS AND DIVIDENDS

The profit for the year amounts to £52,528 (2002 - £86,165), and is dealt with as shown in the profit and loss account. No dividends have been paid during the year (2002 - £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.

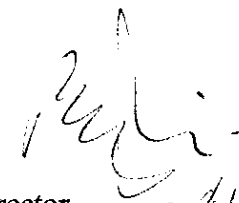
According to the register maintained as required under the Companies Act 1985, the directors' interests in the shares of the company during the year were as follows:

2003 & 2002
Ordinary £1 shares

B J Milne

3,000

By order of the board


Director

MILMOR PROPERTIES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom 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 2003

	Note	2003 £	2002 £
TURNOVER		100,108	98,383
Operating costs	2	<u>10,706</u>	<u>7,483</u>
OPERATING PROFIT		89,402	90,900
Income from investments		1,688	1,985
Loss on sale of investments		-	(637)
Write down of investments		(33,299)	-
Gain on sale of fixed assets		-	1,007
Interest receivable	4	<u>14,337</u>	<u>14,049</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		72,128	107,304
Taxation	5	<u>19,600</u>	<u>21,139</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£ 52,528</u>	<u>£ 86,165</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 2003

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	Note	2003 £	2002 £
FIXED ASSETS			
Tangible fixed assets	6	219,011	219,247
Investments	7	111,391	144,690
		<u>330,402</u>	<u>363,937</u>
CURRENT ASSETS			
Debtors	8	949	14,688
Cash at bank and in hand		439,992	325,478
		<u>440,941</u>	<u>340,166</u>
CREDITORS: amounts falling due within one year	9	53,132	38,420
NET CURRENT ASSETS		<u>387,809</u>	<u>301,746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 718,211</u>	<u>£ 665,683</u>
CAPITAL AND RESERVES			
Called up share capital	11	6,000	6,000
Profit and loss account	12	712,211	659,683
SHAREHOLDERS' FUNDS	12	<u>£ 718,211</u>	<u>£ 665,683</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 2003. 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

20/6/03

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*

In accordance with Statement of Standard Accounting Practice No 19, no depreciation is provided in respect of investment properties. This is a departure from the requirement of the Companies Act 1985 which requires all properties to be depreciated. Such properties are not held for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view.

Depreciation is only one amongst many factors reflected in the valuation of properties, and accordingly, the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified. The directors consider that this policy results in the accounts giving a true and fair view.

(c) *Depreciation*

Fixed assets are depreciated over their useful lives as follows:

Furniture and fittings	10% reducing balance
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Investment property is stated at cost and has 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

	2003 £	2002 £
Depreciation	236	262
Other operating charges	10,470	7,221
	<u>£ 10,706</u>	<u>£ 7,483</u>

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 RECEIVABLE

	2003	2002
Bank interest	<u>£ 14,337</u>	<u>£ 14,049</u>

5. TAXATION *charge for the year comprises:*

	2003 £	2002 £
Corporation tax	19,697	21,139
Prior year adjustment	<u>(97)</u>	<u>-</u>
	<u>£ 19,600</u>	<u>£ 21,139</u>

The tax charge for the year exceeds the amount which would be anticipated by applying the company's tax rate of 19% to its pre-tax profits because the company provided in full against an investment of £33,299 on which no corporation tax deduction is available.

MILMOR PROPERTIES LIMITED
NOTES ON THE ACCOUNTS – 31 MARCH 2003

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6. TANGIBLE FIXED ASSETS

	Investment property £	Furniture & fittings £	Total £
COST			
At 1 April 2002 and 31 March 2003	216,885	20,434	237,319
DEPRECIATION			
At 1 April 2002	-	18,072	18,072
Charge for year	-	236	236
At 31 March 2003	-	18,308	18,308
Net book amounts at:			
31 March 2003	£ 216,885	£ 2,126	£ 219,011
31 March 2002	£ 216,885	£ 2,362	£ 219,247

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 1 April 2002 and 31 March 2003		144,690
AMOUNTS PROVIDED		
At 1 April 2002		-
Provided in year		33,299
At 31 March 2003		33,299
Net book amounts at:		
31 March 2003		£ 111,391
31 March 2002		£ 144,690
	2003	2002
Listed investments	£ 111,391	£ 144,690
VALUATION		
Listed investments – market value	£ 96,949	£ 103,399
Taxation on potential capital gain if sold at valuation	£ -	£ -

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NOTES ON THE ACCOUNTS – 31 MARCH 2003

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8. DEBTORS

	2003	2002
Prepayments	<u>£ 949</u>	<u>£ 14,688</u>

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

	2003 £	2002 £
Deferred income	7,859	8,745
Other creditors	2,865	3,216
Accruals	2,600	1,800
Corporation tax	19,697	21,139
Directors' loans	20,111	3,520
	<u>£ 53,132</u>	<u>£ 38,420</u>

10. SECURITY

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

11. CALLED UP SHARE CAPITAL

2003 & 2002

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 2001	6,000	573,518	579,518
Profit for year	-	86,165	86,165
At 31 March 2002	6,000	659,683	665,683
Profit for year	-	52,528	52,528
At 31 March 2003	<u>£ 6,000</u>	<u>£ 712,211</u>	<u>£ 718,211</u>

13. RELATED PARTIES

Control

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

Transactions

During the year the directors of the company received income of £16,591 in respect of rents received from properties in which they have part ownership. Included within note 9 is a loan due to the directors of £20,111 for which there is no interest charged or fixed repayment terms.