

**MILMOR PROPERTIES LIMITED
FINANCIAL STATEMENTS**

31 MARCH 2004

Company Registration Number 53921



ANDERSON ANDERSON & BROWN

Chartered Accountants
Aberdeen

MILMOR PROPERTIES LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31 MARCH 2004

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The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

No significant developments have taken place since the year end.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The director has not recommended a dividend.

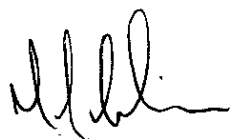
THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 March 2004	1 April 2003
B J Milne	 (Resigned 5 January 2004)	3,000	3,000
A Milne			

Signed by

M Milne
Secretary



Approved by the director on 24 DECEMBER 2004

MILMOR PROPERTIES LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

YEAR ENDED 31 MARCH 2004



Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on page 6, and then apply them consistently;
- state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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

YEAR ENDED 31 MARCH 2004

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	Note	2004 £	2003 £
TURNOVER		88,689	100,108
Administrative expenses		<u>44,577</u>	<u>10,706</u>
OPERATING PROFIT	2	44,112	89,402
Income from fixed asset investments	4	3,641	1,688
Interest receivable		16,964	14,337
Write down of investments	5	-	33,299
Profit on sale of investments		249	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		64,966	72,128
Tax on profit on ordinary activities	6	11,808	19,600
RETAINED PROFIT FOR THE FINANCIAL YEAR		53,158	52,528
Balance brought forward		<u>712,211</u>	<u>659,683</u>
Balance carried forward		<u>765,369</u>	<u>712,211</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on page 3 form part of these financial statements.

MILMOR PROPERTIES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

YEAR ENDED 31 MARCH 2004

	2004 £	$A^2 + B^{\circ}$ 2003 £
Profit for the financial year	53,158	52,528
Opening shareholders' equity funds	718,211	665,683
Closing shareholders' equity funds	<u>771,369</u>	<u>718,211</u>

The notes on page 4 form part of these financial statements.

MILMOR PROPERTIES LIMITED

BALANCE SHEET

31 MARCH 2004

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	Note	2004 £	2003 £
FIXED ASSETS			
Tangible assets	7	218,798	219,011
Investments	8	110,482	111,391
		<u>329,280</u>	<u>330,402</u>
CURRENT ASSETS			
Debtors	9	648	949
Cash at bank		536,433	439,992
		<u>537,081</u>	<u>440,941</u>
CREDITORS: Amounts falling due within one year	10	94,992	53,132
NET CURRENT ASSETS		<u>442,089</u>	<u>387,809</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>771,369</u>	<u>718,211</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	6,000	6,000
Profit and loss account		765,369	712,211
SHAREHOLDERS' FUNDS		<u>771,369</u>	<u>718,211</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

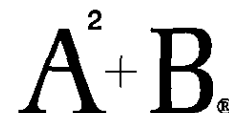
- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements were approved and signed by the director on 24 DECEMBER 2004

.....
B J MILNE

The notes on page 5 form part of these financial statements.

MILMOR PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004



1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & fittings - 10% reducing balance

Investment property is stated at cost and has not been revalued.

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.

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 PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Director's emoluments	30,000	-
Depreciation of owned fixed assets	<u>213</u>	<u>236</u>

MILMOR PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2004

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3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No.	No.
Number of management staff	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	30,000	-
Social security costs	<u>3,650</u>	<u>-</u>
	<u>33,650</u>	<u>-</u>

4. INCOME FROM INVESTMENTS

	2004	2003
	£	£
Income from investments	<u>3,641</u>	<u>1,688</u>

5. (PROFIT)/LOSS ON DISPOSAL/WRITE DOWN OF INVESTMENTS

	2004	2003
	£	£
Write down of investments	-	33,299
Profit on sale of investments	<u>249</u>	<u>-</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation

	2004	2003
	£	£
Current tax:		
UK Corporation Tax based on the results for the year at 19% (2003 - 19%)	11,750	19,697
Adjustment in respect of previous years: (Over)/under provision in prior years	<u>58</u>	<u>(97)</u>
Total current tax	<u>11,808</u>	<u>19,600</u>
Tax on profit on ordinary activities	<u>11,808</u>	<u>19,600</u>

MILMOR PROPERTIES LIMITED
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7. TANGIBLE FIXED ASSETS

	Investment Property £	Fixtures & Fittings £	Total £
COST			
At 1 April 2003 and 31 March 2004	<u>216,885</u>	<u>20,434</u>	<u>237,319</u>
DEPRECIATION			
At 1 April 2003	-	18,308	18,308
Charge for the year	-	213	213
At 31 March 2004	<u>-</u>	<u>18,521</u>	<u>18,521</u>
NET BOOK VALUE			
At 31 March 2004	<u>216,885</u>	<u>1,913</u>	<u>218,798</u>
At 31 March 2003	<u>216,885</u>	<u>2,126</u>	<u>219,011</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. INVESTMENTS

Listed investments

	£
COST	
At 1 April 2003	111,391
Disposals	(909)
At 31 March 2004	<u>110,482</u>
NET BOOK VALUE	
At 31 March 2004	<u>110,482</u>
At 31 March 2003	<u>111,391</u>

Listed investments

Listed investments having a net book value of £110,482 (2003 - £111,391) are held by the company and had a market value of £95,390 at the end of the year (2003 - £96,949).

9. DEBTORS

	2004 £	2003 £
Prepayments and accrued income	<u>648</u>	<u>949</u>

MILMOR PROPERTIES LIMITED
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10. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Deferred income	7,859	7,859
Corporation Tax	11,750	19,697
Other creditors	21,467	2,865
Director's loan	18,266	20,111
Accruals and deferred income	35,650	2,600
	<u>94,992</u>	<u>53,132</u>

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

11. RELATED PARTY TRANSACTIONS

Control

Throughout the year the company had no overall control.

Transactions

During the year the company entered into no transactions with related parties, other than the directors' loan as shown in note 10.

12. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
6,000 Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No.	£	No.	£
Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>