



BDO Stoy Hayward
Chartered Accountants

RSC
55864

Old Street (Investments) Limited

Report and Financial Statements

Year Ended

31 July 2000



Old Street (Investments) Limited

Annual report and financial statements for the year ended 31 July 2000

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Director

Kenneth MacPherson

Secretary and registered office

Mrs J MacPherson, Perryston House, Dunure Road, Alloway, Ayr, KA7 4LD

Company number

SCO 55849

Auditors

BDO Stoy Hayward, 64 Dalblair Road, Ayr, KA7 1UH

Bankers

The Royal Bank of Scotland plc, 30 Sandgate, Ayr, KA7 1BY

Solicitors

Martin & Company, 2 Wellington Square, Ayr, KA7 1EN

Old Street (Investments) Limited

Report of the director for the year ended 31 July 2000

The director presents his report together with the audited financial statements for the year ended 31 July 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The director does not recommend the payment of a dividend.

The profit for the year has been transferred to reserves.

Principal activities, trading review and future developments

The company is principally a property investment company. The director is satisfied with results for the year and anticipates satisfactory results for the current year.

Director

The director of the company during the year and his interest in the ordinary share capital of the company was:

	Ordinary shares of £1 each	
	2000	1999
Kenneth MacPherson	99	99

Director's responsibilities

Company law requires the director to prepare financial statements 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 financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

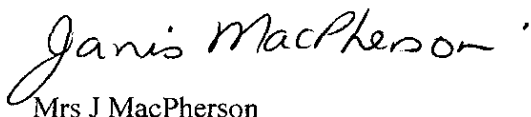
Old Street (Investments) Limited

Report of the director for the year ended 31 July 2000 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



Mrs J MacPherson

Secretary

30 November 2000

Old Street (Investments) Limited**Report of the auditors**

To the shareholders of Old Street (Investments) Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 judgments made by the director 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 as at 31 July 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors

30 November 2000

Old Street (Investments) Limited

Profit and Loss Account for the year ended 31 July 2000

	Note	2000 £	1999 £
Investment income	2	48,468	41,422
Administrative expenses		8,133	13,263
Operating profit	4	40,335	28,159
Interest payable and similar charges	5	(6,472)	(6,060)
Gain on sale of fixed asset investments	7	10,776	54
Profit on ordinary activities before taxation		44,639	22,153
Taxation on profit on ordinary activities	6	6,671	3,907
Retained for the year		37,968	18,246

Statement of total recognised gains and losses for the year ended 31 July 2000

	2000 £	1999 £
Profit for the financial year	37,968	18,246
Unrealised increase in valuation of investments	98,370	37,040
Total recognised gains and losses recognised since last financial statements	136,338	55,286

All trading arose from continuing operations.

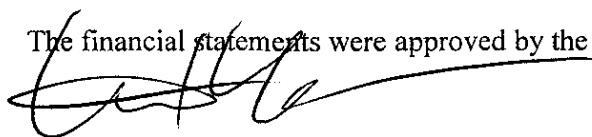
The notes on pages 6 to 12 form part of these financial statements.

Old Street (Investments) Limited

Balance Sheet at 31 July 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	8	373,234	373,234
Investments	9	388,937	343,599
		<u>762,171</u>	<u>716,833</u>
Current assets			
Cash at bank and in hand		7,243	-
Creditors: amounts falling due within one year	10	<u>357,280</u>	<u>441,037</u>
Net current liabilities		(350,037)	(441,037)
Net assets		<u>412,134</u>	<u>275,796</u>
Capital and reserves			
Called up share capital	11	100	100
Revaluation reserve	12	150,726	52,356
Profit and loss account	12	261,308	223,340
Equity shareholders' funds	13	<u>412,134</u>	<u>275,796</u>

The financial statements were approved by the Board on 30 November 2000.



Kenneth MacPherson
Director

The notes on pages 6 to 12 form part of these financial statements.

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards.

(a) The financial statements are prepared under the historic cost convention modified to include investments at valuation.

(b) Investment income and interest are included in revenue on the date on which they are due. All investment income is stated gross, imputation tax credits and tax deducted at source being shown in the revenue charge for taxation.

(c) Gains and losses on realisation of investments are taken to Profit and Loss Account. This complies with current accounting practice as stated in FRS 3. The gain or loss on disposal is the difference between the net sale proceeds and the net carrying value at the date of disposal.

(d) In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to the revaluation reserve, and no depreciation is provided in respect of freehold investment properties. The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2 Investment income

	2000 £	1999 £
Bank interest received	169	347
Franked investment income on listed investments	13,671	12,397
Rents received	34,628	28,678
	48,468	41,422

3 Employees

The company had only 2 employees during the year (1999 - 2) and incurred no staff costs (1999 - £nil).

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

4 Operating profit

This is arrived at after charging:

	2000 £	1999 £
Auditors' remuneration	1,500	1,290
Directors emoluments	NIL	NIL
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2000 £	1999 £
Bank overdraft interest	6,472	6,060
	<u> </u>	<u> </u>

6 Taxation

	2000 £	1999 £
<i>Current Year</i>		
Income tax deducted at source	1,391	1,911
Corporation tax	5,268	1,996
	<u> </u>	<u> </u>
	6,659	3,907
<i>Prior years</i>		
UK corporation tax	12	-
	<u> </u>	<u> </u>
	6,671	3,907
	<u> </u>	<u> </u>

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

7 Gain/(loss) on sale of fixed asset investments

	2000	1999
	£	£
(Loss)/gain on sale of shares	10,776	(3,071)
Gain on sale of fixed asset investment	-	3,125
	10,776	54

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

8 Tangible assets

Investment properties

	Freehold property £
<i>Cost</i>	
At 1 August 1999	373,234
At 31 July 2000	373,234
<i>Depreciation</i>	
At 1 August 1999	-
At 31 July 2000	-
<i>Net Book Value</i>	
At 31 July 2000	373,234
At 31 July 1999	373,234

The director considers the open market value of the properties to be very close to cost and no revaluation of the properties has been required to date as the properties have been acquired within the last few years.

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000 *(Continued)*

9 Investments

UK equities listed on the London Stock Exchange

	£
Market value	
At 1 August 1999	343,599
Disposals in year	(53,032)
Increase in valuation in year	98,370
At 31 July 2000	388,937

The above investments have a cost of £238,211 (1999 £291,243).

The increase in market value has been transferred directly to revaluation reserve.

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Accruals	2,193	8,067
Bank overdraft - secured	-	88,155
Corporation tax	5,268	1,996
Directors loan account	349,819	342,819
	357,280	441,037

The bank overdraft was secured by a floating charge over the assets of the company.

The notes on pages 6 to 12 form part of these financial statements.

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

11 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2000 number	1999 number	2000 £	1999 £
Ordinary shares of £1 each	100	20,000	100	100

12 Reserves

	£
<i>Profit and loss account</i>	
At 1 August 1999	223,340
Retained profit for the year	37,968
At 31 July 2000	261,308
	£
<i>Revaluation reserve</i>	
At 1 August 1999	52,356
Increase/(decrease) in valuation in year	98,370
At 31 July 2000	150,726

Old Street (Investments) Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

13 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the year	37,968	18,246
Unrealised increase/(decrease) in valuation of investments	98,370	37,040
	136,338	55,286
Opening shareholders' funds	275,796	220,510
Closing shareholders' funds	412,134	275,796