

**Lochay Investments Limited
And Subsidiary Undertakings**

Financial Statements

For the year ended 30th September 2003



Lochay Investments Limited

Financial Statements

Year ended 30 September 2003

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Lochay Investments Limited

Officers and Professional Advisors

The board of directors

W G R Thomson

Company secretary

A E Taylor

Registered office

12 Hope Street
Edinburgh
EH2 4DB

Auditors

Scott Moncrieff
Chartered Accountants
& Registered Auditors
17 Melville Street
Edinburgh
EH3 7PH

Principal bankers

Clydesdale Bank plc
Queensferry Street
Edinburgh
EH2 4RD

Lochay Investments and Subsidiary Undertakings

The Director's Report

The director has pleasure in presenting his report and the financial statements of the group for the year ended 30 September 2003.

Principal activities

The principal activities of the company during the year were property development, property trading and related consultancy services.

Director and his interest

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	As at 30th September 2002 and 2003
W G R Thomson	6,000 =====

Auditors

Scott Moncreiff have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed as auditors to the company for the ensuing year.

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 at the end of the year and of its profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on page 8 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on a 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 them to ensure that the financial statements comply with the Companies Act 1985. The director 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.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



W G R Thomson
Director

Approved by the directors on 19th MARCH 2004

Independent Auditors' Report to the Shareholders of Lochay Investments Limited

We have audited the financial statements of Lochay Investments Limited for the year ended 30 September 2003 set out on pages 4 to 18. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8 and 9.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Scott Moncrieff

**Scott Moncrieff
Registered Auditors
Chartered Accountants
17 Melville Street
Edinburgh
EH3 7PH**

Dated:

19 March

2004

Lochay Investments Limited and Subsidiary Undertakings

Group Profit and Loss Account

For the year ended 30 September 2003

	Notes	2003 £	2002 £
Group turnover (including share of associates)		2,823,007	2,204,021
Less: Share of associates		1,848,784	1,343,336
		-----	-----
		974,223	860,685
Cost of sales		134,558	77,671
		-----	-----
Gross profit		839,665	783,014
Administrative expenses		348,775	330,222
		-----	-----
Operating profit	2	490,890	452,792
(Loss)/Gain on sale of investment	4	(140)	86,587
Share of operating profit of associates		356,459	264,265
Income from other fixed asset investments	5	-	-
		-----	-----
		847,209	803,644
Interest receivable		168,284	51,989
Interest payable	6	(323,310)	(329,578)
		-----	-----
Profit on ordinary activities before taxation		692,183	526,055
Tax on profit on ordinary activities	7	225,064	161,014
		-----	-----
Profit for the financial year		467,119	365,041
Proposed interim dividend		-	224,373
		-----	-----
		467,119	140,668
		=====	=====

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

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

The notes on pages 8 to 18 form part of these accounts

Lochay Investments Limited and Subsidiary Undertakings

Group Statement of Recognised Gains and Losses

Year ended 30 September 2003

	2003	2002
	£	£
Profit for the financial year	467,119	140,668
Unrealised profit on revaluation of properties	300,000	798,363
Unrealised profit on associates revaluation of properties	-	200,000
Total gains and losses recognised since the last annual report	<u>767,119</u>	<u>1,139,031</u>

The notes on pages 8 to 18 form part of these financial statements.

Lochay Investments Limited and Subsidiary Undertakings

Group Balance Sheet

As at 30 September 2003

	Notes	£	2003 £	£	2002 £
Fixed assets					
Tangible assets	9		3,929,982		3,549,163
Investments	10		1,241,735		1,078,396
Other investments	10		71,774		71,774
			5,243,491		4,699,333
Current assets					
Stocks	11	68,982		66,198	
Cash at bank		111		2,103	
Debtors	12	1,901,505		1,303,903	
Investments	13	285,382		261,000	
			2,255,980	1,633,204	
Creditors: Amounts falling due within one year	14	974,415		(1,125,595)	
Net current assets			1,281,565		507,609
Total assets less current liabilities			6,525,056		5,206,942
Creditors: Amounts due after more than one year	15		(2,549,627)		(1,998,700)
Provision for liabilities and charges	17		(25,057)		(24,989)
			3,950,372		3,183,253
Capital and reserves					
Called up share capital	19		10,000		10,000
Profit and loss account	20		1,727,906		1,260,787
Revaluation reserve	20		2,212,466		1,912,466
Shareholders' funds	21		3,950,372		3,183,253

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 19th MARCH 2004



W G R Thomson

The notes on pages 8 to 18 form part of these financial statements.

Lochay Investments Limited

Balance Sheet

As at 30 September 2003

	Notes	£	2003 £	£	2002 £
Fixed assets					
Tangible assets	9		179,982		75,163
Investments	10		71,924		71,924
			<u>251,906</u>		<u>147,087</u>
Current assets					
Cash at bank		111		1,887	
Debtors and prepayments	12	1,901,054		1,299,649	
Investments	13	285,382		261,000	
		<u>2,186,547</u>		<u>1,562,536</u>	
Creditors: Amounts falling due within one year	14	(1,372,554)		(916,388)	
Net current assets			<u>813,993</u>		<u>646,148</u>
			<u>1,065,899</u>		<u>793,235</u>
Creditors: Amounts due after more than one year					
	15		(217,000)		(217,000)
Provision for liabilities and charges	17		(6,319)		(4,432)
			<u>842,580</u>		<u>571,803</u>
Capital and reserves					
Called up share capital	19		10,000		10,000
Profit and loss account	20		832,580		561,803
Shareholder's funds			<u>842,580</u>		<u>571,803</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 19th MARCH 2004



W G R Thomson

The notes on pages 8 to 18 form part of these financial statements

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements

For the year ended 30 September 2003

1. Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985.

Lochay Investments Limited owns the entire share capital of Lukmore McIlroy LP Limited. This principal activity of this company is residential property development. The directors intend to recognise future profits made by this company within Lukmore Properties Limited. In the year to 30 September 2003 no profit or loss was made and the net assets of Lukmore McIlroy LP Limited were £2. In order to show a true and fair view the accounts of Lukmore McIlroy LP Limited have been consolidated within Lukmore Properties Limited rather than Lochay Investments Limited.

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 Group Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax

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:

Plant and equipment	25% straight line
---------------------	-------------------

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for their use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements

For the year ended 30 September 2003

1. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Deferred taxation is provided in respect of the tax effect of all timing differences in accordance with FRS 19.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Post retirement benefits

The group contributes to a money purchase scheme on behalf of the director. The assets of the scheme are held separately from those of the group. The director of the company is one of the trustees of the scheme and the scheme is self administered. The amount charged against profits represents the contributions paid to the scheme in respect of the accounting period.

2. Operating profit

Operating profit is stated after charging:

	2003	2002
	£	£
Auditors' remuneration	4,150	2,775
Depreciation	12,423	3,359
Operating lease rentals – land and buildings	44,800	6,023
	=====	=====

3. Director's emoluments

The director's aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	217,512	102,136
Value of company pension contributions to money purchase schemes	5,800	5,000
	-----	-----
	223,312	107,136
	=====	=====

The number of directors who are accruing benefits under company pension schemes were as follows:

	2003	2002
	No.	No.
Money purchase schemes	1	1
	====	====

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements (Contd.)

For the year ended 30 September 2003

4. (Loss)/Gain on sale of investment

	2003	2002
	£	£
(Loss)/Gain on sale of investment property	(140)	86,587
	<u>=====</u>	<u>=====</u>

5. Income from other fixed asset investments

	2003	2002
	£	£
Gain on sale of shares in associated companies	-	-
	<u>=====</u>	<u>=====</u>

6. Interest payable

	2003	2002
	£	£
Share of associates interest	117,218	124,306
Other interest	206,092	205,272
	<u>-----</u>	<u>-----</u>
	<u>=====</u>	<u>=====</u>

7. Tax on profit on ordinary activities

	2003	2002
	£	£
	£	£
(a) Analysis of charge in period		
UK corporation tax on profits/(losses) of the period	221,727	135,435
Adjustment in respect of previous periods	(263)	(4,119)
	<u>-----</u>	<u>-----</u>
Total current tax	221,464	131,316
Deferred Tax		
Origination and reversal of timing differences	4,079	(1,830)
Adjustment in respect of previous periods	(479)	31,528
	<u>-----</u>	<u>-----</u>
Total deferred tax	3,600	29,698
	<u>-----</u>	<u>-----</u>
Tax on profit/(loss) on ordinary activities	<u>=====</u>	<u>=====</u>

Lochay Investments Limited and Subsidiary Undertakings**Notes to the Financial Statements (Contd.)****For the year ended 30 September 2003****7. Tax on profit on ordinary activities (contd.)****(b) Factors affecting tax charge for period**

The tax assessed for the period is higher than the expected tax credit as explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	774,582	525,737
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax 30% (2002: 30%)	232,844	157,721
Expenses not deductible for tax purposes	7,868	11,606
Adjustment for tax purposes in connection with disposal of property	(596)	(1,357)
Capital allowances for period in excess of depreciation	(7,611)	1,830
Group relief surrender	(451)	0
Marginal relief	(10,327)	(34,365)
Adjustments in respect of previous periods	(263)	(4,119)
Current tax charge for period	221,464	131,316

(c) Factors affecting future tax charges

No provision has been made for £568,500 of tax in respect of gains arising from the revaluation of fixed assets.

8. Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £270,777 (2002 –Profit £169,661)

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements (Contd.)

For the year ended 30 September 2003

9. Tangible fixed assets

Group	Investment Property	Tenants Improvements £	Furniture & Equipment £	Total £
Cost or valuation				
At 1 October 2002	3,474,000	17,231	62,839	3,554,070
Additions	-	98,126	19,116	117,242
Disposals	24,000	-	-	24,000
Revaluation	300,000	-	-	300,000
	-----	-----	-----	-----
At 30 September 2003	3,750,000	115,357	81,955	3,947,312
	-----	-----	-----	-----
Depreciation				
At 1 October 2002	-	-	4,907	4,907
Charge for year	-	-	12,423	12,423
Disposals	-	-	-	-
	-----	-----	-----	-----
At 30 September 2003	-	-	17,330	17,330
	-----	-----	-----	-----
Net book value				
At 30 September 2003	3,750,000	115,357	64,625	3,929,982
	=====	=====	=====	=====
At 30 September 2002	3,474,000	17,231	57,932	3,549,163
	=====	=====	=====	=====

Revaluation of fixed assets

The investment properties were on the basis of open market value at 30 September 2003. The historical cost of these properties was £2,247,381. If the properties were sold at stated values, a tax liability of £388,000 would crystallise.

Company	Tenants Improvements £	Furniture & Equipment £	Total £
Cost or valuation			
At 1 October 2002	17,231	62,839	80,070
Additions	98,126	19,116	117,242
Disposals	-	-	-
	-----	-----	-----
At 30 September 2003	115,357	81,955	197,312
	-----	-----	-----
Depreciation			
At 1 October 2002	-	4,907	4,907
Charge for period	-	12,423	12,423
Disposals	-	-	-
	-----	-----	-----
At 30 September 2003	-	17,330	17,330
	-----	-----	-----
Net book value			
At 30 September 2003	115,357	64,625	179,982
	=====	=====	=====
At 30 September 2002	17,231	57,932	75,163
	=====	=====	=====

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements (Contd.)

For the year ended 30 September 2003

10. Investments

Group	Other Investments £
Cost	
At 1 October 2002	71,774
Additions	-
Disposals	-

At 30 September 2003	71,774
	=====
Net book value	
At 30 September 2003	71,774
	=====
At 30 September 2002	71,774
	=====

Shares in subsidiary undertakings

Name of company	Holding	Proportion held	Business
Lochay Properties Limited	Ordinary Shares	100%	Property Investment
E G Retail Limited	Ordinary Shares	100%	Retail Property Development

Both of the subsidiary companies are registered in Scotland.

Shares in associated undertakings

Name of company	Holding	Proportion held	Business
Keiller (Edinburgh) Limited	Ordinary Shares	50%	Property Dealing

The associated company is registered in Scotland.

Share of assets of associates:

Gross assets	3,477,653
Gross liabilities	2,235,918

Share of net assets	1,241,735
	=====

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements (Contd.)

For the year ended 30 September 2003

10. Investments (contd.)

Company

	Group Companies	Other Investments	Shares in Associates	Total
	£	£	£	£
Cost				
At 1 October 2002	100	71,774	50	71,924
Additions	-	-	-	-
Disposals	-	-	-	-
	-----	-----	-----	-----
At 30 September 2002	-	-	-	-
	=====	=====	=====	=====
Net book value				
At 30 September 2003	100	71,774	50	71,924
	=====	=====	=====	=====
At 30 September 2002	100	71,774	50	71,924
	=====	=====	=====	=====

11. Stocks

	2003	Group 2002	2003	Company 2002
	£	£	£	£
Properties held for resale	68,982	66,198	-	-
	=====	=====	=====	=====

12. Debtors

	2003	Group 2002	2003	Company 2002
	£	£	£	£
Trade debtors	12,249	131,633	12,249	11,858
Other debtors	460,056	1,172,016	459,605	1,140,380
Prepayments	7,933	254	7,933	254
Amounts owed by group undertakings	1,421,267	-	1,421,267	147,157
	-----	-----	-----	-----
	1,901,505	1,303,903	1,901,054	1,299,649
	=====	=====	=====	=====

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements(Contd.)

For the year ended 30 September 2003

13. Investments

	2003	Group	2003	Company
	£	2002	£	2002
	£	£	£	£
Other investments	285,382	261,000	285,382	261,000
	=====	=====	=====	=====

Current asset investments comprise investments in projects being undertaken by third parties. The return on these investments will consist of the amount of the investment plus a share of profits.

14. Creditors: Amounts falling due within one year

	2003	Group	2003	Company
	£	2002	£	2002
	£	£	£	£
Bank loans and overdrafts	702,432	710,378	568,669	635,384
Corporation tax	149,032	267,379	143,076	230,499
Other taxes and social security costs	39,966	23,392	23,238	5,464
Trade creditors	5,507	54,398	2,106	18,126
Other creditors	18,805	7,935	16,430	7,377
Accruals and deferred income	58,673	62,113	6,618	19,538
Loan from subsidiary company	-	-	612,417	-
	-----	-----	-----	-----
	974,415	1,125,595	1,372,554	916,388
	=====	=====	=====	=====

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003	Group	2003	Company
	£	2002	£	2002
	£	£	£	£
Bank loans and overdrafts	702,432	710,378	568,669	635,384
	=====	=====	=====	=====

15. Creditors: Amounts falling due after more than one year

	2003	Group	2003	Company
	£	2002	£	2002
	£	£	£	£
Bank loans and overdrafts	2,117,627	1,566,700	-	-
Other creditors including:				
Other loans	432,000	432,000	217,000	217,000
Other creditors	-	-	-	-
	-----	-----	-----	-----
	2,549,627	1,998,700	217,000	217,000
	=====	=====	=====	=====

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements(Contd.)

For the year ended 30 September 2003

15. Creditors: Amounts falling due after more than one year (contd.)

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank loans and overdrafts	2,117,627	1,566,700	-	-
	=====	=====	=====	=====

Included within the group creditors falling due after more than one year is an amount of £1,593,627 (2002 - £537,700) in respect of liabilities repayable in whole, otherwise than by instalments payable after more than five years from the balance sheet date.

16. Commitment under operating leases

At 30 September 2003 the group had annual commitments under non-cancellable operating leases as set out below:

Group	Land and Buildings	
	2003	2002
	£	£
Operating leases which expire		
After more than 5 years	70,000	70,000
	=====	=====

17. Provisions for liabilities and charges

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Accelerated Capital Allowances	25,057	24,989	6,319	4,432
	=====	=====	=====	=====

18. Related party transactions

The controlling party is the director, W G R Thomson, who holds a majority beneficial interest in the share capital of the company.

During the year a loan of £Nil (2002: £118) due from a subsidiary, E G Retail Limited, was written off.

During the year, fees of £37,432 (2002 £Nil) were receivable from Lukmore (Reading) Limited, a wholly owned subsidiary of Lukmore Properties Limited.

During the year, fees and interest totalling £241,467 (2002: £190,825) were receivable from Kenmore Residential Limited. At the balance sheet date, an amount of £1,421,267 (2002: £628,064) was due from Kenmore Residential Limited. W G R Thomson is a director of that company.

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements(Contd.)

For the year ended 30 September 2003

18. Related party transactions (contd.)

Kenmore Residential Limited is a wholly owned subsidiary of Kenmore Homes Limited. Kenmore Homes Limited also owns 66% of Lukmore Properties Limited. W G R Thomson is a director of Kenmore Homes Limited and owns 50% of its shares.

During the year, interest amounting to £7,500 (2002: £7,500) was payable, at a commercial rate, to H H Thomson, a brother of the director. At the balance sheet date an amount of £75,000 (2002: £75,000) was due to H H Thomson.

During the year, £20,000 (2002: £27,000) of the investment made to DCT Partnership was repaid. The amount outstanding at the balance sheet date was £106,000 (2002: £126,000). The director is a partner in this partnership.

The company leases a property from the director's pension fund. Rental of £70,000 (2002: £70,000) was payable by the company during the year.

At the balance sheet date an amount of £257,000 (2002: £257,000) was due to the director's pension fund. Interest amounting to £19,612 (2002: £16,672) was payable by the group

The company's borrowings are secured by a director's guarantee for £150,000 plus interest, and a cross guarantee from Lochay Properties Limited for £300,000 plus interest.

19. Share capital

Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £1.00 each	10,000	10,000
	=====	=====

Allotted, called up and fully paid:

	2003	2002
	£	£
Ordinary share capital	10,000	10,000
	=====	=====

Lochay Investments Limited and Subsidiary Undertakings

Notes to the Financial Statements(Contd.)

For the year ended 30 September 2002

20. Reserves

Group	Profit and Revaluation	
	Loss account	reserve
	£	£
Opening balance	1,260,787	1,912,466
Profit for the year	467,119	300,000
Revaluation of fixed assets	-	-
	-----	-----
	1,727,906	2,212,466
Proposed dividend	-	-
	-----	-----
Balance carried forward	1,727,906	2,212,466
	=====	=====
Company	Profit and	
	Loss account	
	£	
Opening balance		561,803
Profit for the year		270,777

		832,580
Proposed dividend		-

Balance carried forward		832,580
		=====

21. Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the financial year	467,119	365,041
Other net recognised gains and losses	300,000	998,363
	-----	-----
	767,119	1,363,404
Proposed dividend	-	224,373
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Net addition to funds	767,119	1,139,031
Opening shareholders' equity funds	3,183,253	2,044,222
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Closing shareholders' equity funds	3,950,372	3,183,253
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