

ROK DEVELOPMENTS LIMITED

Report and Financial Statements

30 June 2000

**Deloitte & Touche
Lomond House
9 George Square
Glasgow
G2 1QQ**



REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

J P Quinn

SECRETARY

J A Cheetham

REGISTERED OFFICE

Unit 23
9 Munro Road
Springkerse Industrial Estate
Stirling
FK7 7UU

BANKERS

The Royal Bank of Scotland plc
Stirling Pitt Terrace Branch
2 Pitt Terrace
Stirling
FK8 2EX

SOLICITORS

Kerr and Co.
10 Albert Place
Stirling
FK8 2QL

AUDITORS

Deloitte & Touche
Lomond House
9 George Square
Glasgow
G2 1QQ

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 30 June 2000.

ACTIVITY

The principal activity of the company is the letting and management of industrial property.

RESULTS, DEVELOPMENTS AND FUTURE PROSPECTS

The trading profit of the company for the year after taxation amounted to £33,275 (1999 – £50,676). The director does not recommend the payment of a final dividend and recommends that the balance of £33,275 (1999 – £50,676) be transferred to reserves.

DIRECTOR

The present membership of the Board is set out on page 1.

The director did not have any interest in the share capital of the company at any time during the year. The interest of the director in the share capital of the ultimate parent company, ROK Holdings Limited, is shown in that company's financial statements.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board

5 Allen Chestnut

Secretary
2nd MARCH 2001

STATEMENT OF 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 as at the end of the financial year 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 judgements and estimates that are reasonable and prudent; and
- 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.

AUDITORS' REPORT TO THE MEMBERS OF

ROK DEVELOPMENTS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of director and auditors

As described on page 3 the company's director is responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 judgements 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 at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Chartered Accountants and Registered Auditors

2 April... 2001

PROFIT AND LOSS ACCOUNT**Year ended 30 June 2000**

	Note	2000 £	1999 £
TURNOVER	2	161,139	168,690
Operating expenses		(116,078)	(106,794)
OPERATING PROFIT		45,061	61,896
Interest payable and similar charges	3	(3,817)	(7,220)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	41,244	54,676
Tax on profit on ordinary activities	5	(7,969)	(4,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		33,275	50,676
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		(81,095)	(131,771)
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		(47,820)	(81,095)

Turnover and operating profit for the current and prior years derive from continuing activities.

There are no recognised gains or losses for the years ended 30 June 1999 or 30 June 2000 other than as stated in the profit and loss account above.

BALANCE SHEET
30 June 2000

	Note	2000 £	1999 £
FIXED ASSETS	7	750,000	750,000
CURRENT ASSETS			
Debtors	8	33,329	28,669
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(81,147)	(109,762)
NET CURRENT LIABILITIES		(47,818)	(81,093)
TOTAL ASSETS LESS CURRENT LIABILITIES		702,182	668,907
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Revaluation reserve	12	750,000	750,000
Profit and loss account		(47,820)	(81,095)
EQUITY SHAREHOLDERS' FUNDS	13	702,182	668,907

These financial statements were approved by the Board of Directors on *2nd March* 2001.

Signed on behalf of the Board of Directors



Director

NOTES TO THE ACCOUNTS

Year ended 30 June 2000

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for the revaluation of leasehold property.

Leasehold properties

Depreciation has not been charged on long leasehold or heritable property. It is the company's policy to maintain properties to such a standard that the value of the property, in the opinion of the directors, is not impaired by the passage of time. As a consequence, any element of depreciation would, in the opinion of the directors, be immaterial.

This policy is not in accordance with the Companies Act 1985 or Financial Reporting Standard 15 (Tangible Fixed Assets).

Deferred tax

Deferred tax is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

2. TURNOVER

Turnover is the invoiced value of rental income stated after the deduction of value added tax and arises wholly from the principal activities of the company within the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Bank overdraft interest	3,817	7,220

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	1,140	1,100

No employee or director remuneration is paid by the company.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
Corporation tax at 19% (1999 - 21%)	7,969	4,000

6. LEASEHOLD PROPERTY

Leasehold property at 9 Munro Road, Stirling, was valued on 2 March 1999 by Shepherd, Chartered Surveyors, on the basis of Open Market Value. The property has no historic cost value. The whole valuation

NOTES TO THE ACCOUNTS

Year ended 30 June 2000

of £750,000 (1999 - £750,000) has been reflected in a revaluation reserve. The director is of the opinion that the value of the property did not significantly change between the date of the valuation and 30 June 2000.

NOTES TO THE ACCOUNTS
Year ended 30 June 2000

7. TANGIBLE FIXED ASSETS

	Leasehold property £	Total £
At valuation (see note 6)		
At 1 July 1999 and 30 June 2000	750,000	750,000

8. DEBTORS

	2000 £	1999 £
Trade debtors	13,928	9,878
Prepayments and accrued charges	19,121	18,791
Corporation tax recoverable	280	-
	<u>33,329</u>	<u>28,669</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	423	247
Bank overdraft	40,890	73,319
Accruals and deferred income	28,671	27,366
Corporation tax payable	8,249	4,000
Other taxes and social security	2,914	4,830
	<u>81,147</u>	<u>109,762</u>

The bank overdraft is secured by a bond and floating charge over the assets of the company and by an unlimited intercompany gross guarantee to the Group's bankers. At 30 June 2000, the total amount due to the Group's bankers was £3,796,736 (1999 - £3,688,951).

10. DEFERRED TAX

	2000 £	1999 £
Potential but unprovided deferred tax in relation to the revaluation of properties:		
On revaluation surpluses	<u>225,000</u>	<u>232,500</u>

NOTES TO THE ACCOUNTS

Year ended 30 June 2000

11. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	100	100
Allotted, issued and fully paid		
Ordinary shares of £1 each	2	2

12. REVALUATION RESERVE

	2000 £	1999 £
Surplus on revaluation	750,000	750,000

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the period	33,275	50,676
Net addition to shareholders' funds	33,275	50,676
Opening shareholders' funds	668,907	618,231
Closing shareholders' funds	702,182	668,907

14. OPERATING LEASE COMMITMENTS

At 30 June 2000, the company had annual commitments in respect of non-cancellable operating leases as follows:

	Land and buildings £
Expiring after 5 years	120,000

15. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of ROK Holdings Limited, a company registered in Scotland and controlled by the director, for which consolidated financial statements are prepared.

16. RELATED PARTY TRANSACTIONS

As stated in note 15, the company is a wholly owned subsidiary of ROK Holdings Limited. The company has therefore taken advantage of the exemptions available under Financial Reporting Standard 8 with regards to the non-disclosure of transactions between group companies.