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DIRECTORS REPORT FOR YEAR TO 31ST JULY 2001

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The directors submit their report and accounts for the year.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 2. The directors do not propose the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

As indicated last year, Realling has been looking for opportunities in property investment and has now entered into a Joint Venture with Symington Mackell Ltd to purchase properties. Realling is providing the deposits for acquisitions and Symington Mackell is negotiating mortgages and letting and will manage the properties as a Joint Venture.

The properties and mortgages will be shared 50/50, Realling earning interest on the deposits and Symington Mackell earning commissions on the lettings. The Joint Venture will account for all rents and outgoings and distribute the balance equally to the two companies. Two properties were purchased towards the end of the financial year but neither had been rented and no income was, therefore, received from the Joint Venture by the year end.

DIRECTORS

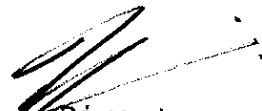
The directors at 31st July and their beneficial interest in the share capital of the company were as follows :-

Mrs A.C.Weir	1	£1 Ordinary Share
Mr I.S.Weir	1	£1 Ordinary Share

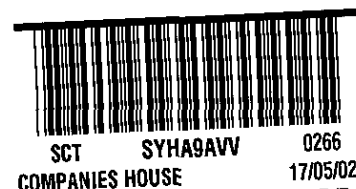
CLOSE COMPANY

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the company.

By order of the Board


Director

Dated : 11th May '02



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PROFIT & LOSS ACCOUNT, YEAR TO 31ST JULY 2001

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	2001	2000
	£	£
INCOME FROM INVESTMENTS	0	8,140
OTHER INCOME AND INTERESTS	0	0
GROSS REVENUE	0	8,140
DEPRECIATION Note 2.	0	(77)
ADMINISTRATIVE EXPENSES	0	8,228
OPERATING LOSS Note 8.	0	(10)
INTEREST PAYABLE Note 9.	0	0
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	0	(10)
TAXATION Note 10.	0	0
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	0	(10)
DIVIDEND ON ORDINARY SHARES Note 11.	0	0
RETAINED PROFIT FOR THE YEAR	0	(10)

There were no recognised gains or losses for the year other than those included in the Revenue account.

BALANCE SHEET AS AT 31ST JULY 2001

=====		2001	2000
		£	£
FIXED ASSETS			
TANGIBLE ASSETS	Note 2.	43,391	0
		-----	-----
		43,391	0
		-----	-----
DEBTORS	Note 3.	8,126	0
		-----	-----
BANK LOAN	Note 4.	34,900	0
CREDITORS	Note 5.	16,820	203
		-----	-----
		51,720	203
		-----	-----
NET CURRENT ASSETS		(43,594)	(203)
		-----	-----
NET ASSETS		(203)	(203)
		-----	-----
CAPITAL & RESERVES			
SHARE CAPITAL	Note 6.	2	2
REVENUE RESERVES	Note 7.	(205)	(205)
		-----	-----
SHAREHOLDERS' FUNDS		(203)	(203)
		=====	=====

For the year ended 31st July 2001 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

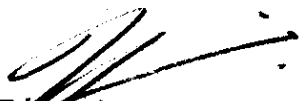
No notice from members requiring an audit has been deposited under section 249B(2).

The directors acknowledge their responsibility for :-

Ensuring the company keeps accounting records which comply with section 221; and

Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The notes on pages 4, 5 and 6 form an integral part of the accounts and Balance Sheet.


Director

Dated : 11th May 02

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NOTES TO THE ACCOUNTS - Year to JULY 2001

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Note 1. ACCOUNTING POLICIES - Basis of preparation of accounts
The accounts are prepared under the historical cost convention and are in accordance with applicable accounting standards. They include the results of the company's operations described in the Directors' Report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1. from the requirement to produce a cash flow statement on the grounds that it is a small company.

Depreciation is provided on all tangible fixed assets on a straight line basis, as follows :-

Heritable Properties	0.00 % - not considered necessary
Furniture	5.00 %

There are no Stocks

No provision for deferred taxation has been made since, in the opinion of the directors, no liability is likely to arise in the foreseeable future.

Directors' Fees are as follows :-

Mrs A.C.Weir	0	
Mr I.S.Weir	0	0
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The directors of the company do not receive any other remuneration.

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NOTES TO THE ACCOUNTS - Year to JULY 2000

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Note 2. Tangible Fixed Assets :-

INVESTMENTS

COST	43,391	
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SALES	0	
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	43,391	
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Less : DEPRECIATION @ 0%	0	
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Add : BROUGHT FORWARD	0	
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	0	43,391.38
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FURNITURE

COST	0	
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Less Sales		
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	0	
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Less : DEPRECIATION @ 5%	0	
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Add : BROUGHT FORWARD	0	
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	0	
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	0	
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	43,391	
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Note 3. DEBTORS Sundry Debtors

	8,126	
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	8,126	
--	-------	--

Note 4. BANK LOANS Mortgages taken on properties

	34,900	
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Note 5. CREDITORS

Interest-free Loan from Shareholders	16,252	
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Sundry Creditors	569	
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Accruals	0	
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	16,820	
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NOTES TO THE ACCOUNTS - Year to JULY 2001

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Note 6. SHARE CAPITAL

	Authorised		Issued & Fully Paid	
	2001	2000	2001	2000
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100 £1 Ordinary Shares	100	100	2	2
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Note 7. RESERVES

Profit & Loss Account

At 21 July 1999 (205)

Retained Profit for the year 0

At 31 July 2000 (205)

Note 8. OPERATING LOSS

This is stated after charging :-

Directors' emoluments	Note 1.	0
Tangible Assets depreciation	Note 2.	0
Auditors' remuneration		0

		0

Note 9. INTEREST PAYABLE

No interest is payable by the company

Note 10. TAXATION

In view if the loss for the year, no provision is deemed necessary either for corporation tax or for deferred taxation.

Note 11. DIVIDEND

No dividend has been declared in view of the result for the year.