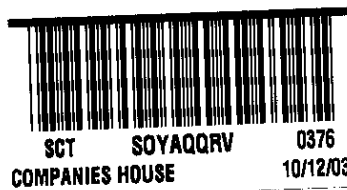


P.F.M. (PROPERTY) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2003



P.F.M. (PROPERTY) LIMITED

COMPANY INFORMATION

Directors	Douglas Morrison Grace Morrison
Secretary	Douglas Morrison
Company number	SC190849
Registered office	160 Argyll Street, Dunoon, Argyll. PA23 7NA.
Accountants	Wylie & Bisset, 160 Argyll Street, Dunoon, Argyll. PA23 7NA.

P.F.M. (PROPERTY) LIMITED

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P.F.M. (PROPERTY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2003

The directors present their report and financial statements for the year ended 30 April 2003.

Principal activities

The principal activity of the company continued to be that of property letting.

Directors

The following directors have held office since 1 May 2002:

Douglas Morrison

Grace Morrison

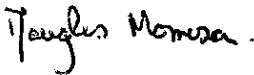
Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 2003	1 May 2002
Douglas Morrison	1	1
Grace Morrison	1	1

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

On behalf of the board



Douglas Morrison

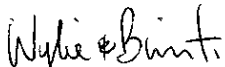
Director

27 November 2003

P.F.M. (PROPERTY) LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF P.F.M. (PROPERTY) LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 April 2003, set out on pages 3 to 6 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.


Wylie & Bisset,

Chartered Accountants

27 November 2003

160 Argyll Street,
Dunoon,
Argyll.
PA23 7NA.

P.F.M. (PROPERTY) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2003

		2003	2002
	Notes	£	£
Turnover		12,000	12,000
Administrative expenses		(5,739)	(5,358)
Operating profit	2	6,261	6,642
Interest payable and similar charges		(3,480)	(4,226)
Profit on ordinary activities before taxation		2,781	2,416
Tax on profit on ordinary activities	3	-	-
Profit on ordinary activities after taxation	7	2,781	2,416

P.F.M. (PROPERTY) LIMITED

BALANCE SHEET AS AT 30 APRIL 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		122,236		126,949
Current assets					
Creditors: amounts falling due within one year	5	(121,501)		(128,995)	
Net current liabilities			(121,501)		(128,995)
Total assets less current liabilities			735		(2,046)
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account	7		733		(2,048)
Shareholders' funds			735		(2,046)

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, 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 this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 27 November 2003

Douglas Morrison
Director

P.F.M. (PROPERTY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Heritable Property	2% straight line
Fixtures & Fittings	20% straight line

2 Operating profit	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	4,713	4,713

3 Taxation

Current tax charge	-	-
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4 Tangible fixed assets

	Land and buildings	Other tangible fixed assets	Total
	£	£	£
Cost			
At 1 May 2002 & at 30 April 2003	128,603	10,706	139,309
Depreciation			
At 1 May 2002	7,716	4,644	12,360
Charge for the year	2,572	2,141	4,713
At 30 April 2003	10,288	6,785	17,073
Net book value			
At 30 April 2003	118,315	3,921	122,236
At 30 April 2002	120,887	6,062	126,949

P.F.M. (PROPERTY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2003

5	Creditors: amounts falling due within one year	2003	2002
		£	£
	Bank loans and overdrafts	52,140	59,243
	Other creditors	69,361	69,752
		<u>121,501</u>	<u>128,995</u>
6	Share capital	2003	2002
		£	£
	Authorised		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
7	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 May 2002		(2,048)
	Retained profit for the year		<u>2,781</u>
	Balance at 30 April 2003		<u>733</u>