HOLYROOD SECURITIES LIMITED

Report and Accounts

31 January 2000





Registered Number : SC192541

DIRECTORS
Kenneth Liddell Tough
Kenneth Ross

SECRETARY
Kenneth Ross

REGISTERED OFFICE
Elphinstone House
295 Fenwick Road
Glasgow
G46 6UH

AUDITORS
Ernst & Young
George House
50 George Square
Glasgow
G2 1RR

ERNST & YOUNG

DIRECTORS' REPORT

The directors submit their report and accounts for the period from incorporation on 14 January 1999 to 31 January 2000.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS
The company did not trade during the year.

DIRECTORS AND THEIR INTERESTS
The share capital of Holyrood Securities is owned equally by the Kenneth Ross Inter Vivos Trust and the Kenneth Tough Inter Vivos Trust. The directors of the company are trustees of their respective trust.

The company's Articles of Association do not require the directors to retire by rotation.

CLOSE COMPANY STATUS
The company is a close company within the meaning of the Income and Corporation Tax Act 1988.

AUDITORS
Ernst & Young were appointed as auditors during the period. Accordingly, a resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

ERNST & YOUNG

On behalf of the Board

Kenneth Liddell Tough
Director

20 March 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group, and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors confirm that the accounts comply with the above requirements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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REPORT OF THE AUDITORS
to the shareholders of Holyrood Securities Limited

We have audited the accounts on pages 5 to 7, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts 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 accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 January 2000 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young
Registered Auditor
Glasgow

20 March 2001

BALANCE SHEET
at 31 January 2000

	Notes	2000 £
FIXED ASSETS		
Tangible assets	2	281,562
CURRENT ASSETS		
Debtors	3	2
CREDITORS: amounts falling due within one year	4	(281,562)
NET CURRENT LIABILITIES		(281,560)
TOTAL ASSETS LESS CURRENT LIABILITIES		2
CAPITAL AND RESERVES		
Called up share capital	5	2
EQUITY SHAREHOLDERS' FUNDS		2

The accounts 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.

Kenneth Liddell Tough Director

Kenneth Ross Director

20 March 2001

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NOTES TO THE ACCOUNTS
at 31 January 2000

1. ACCOUNTING POLICIES

Basis of preparation
The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cashflow statement on the grounds that it is a small company.

Investment properties
Certain of the company's properties are held for long term investment. Investment properties are accounted for in accordance with SSAP 19, as follows:

(i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, 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; and

(ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

2. TANGIBLE FIXED ASSETS

	2000 £
Investment property additions at cost	281,562

The directors are satisfied that the above costs approximate to the valuation of investment properties at 31 January 2000. Investment property additions include interest capitalised of £11,562.

3. DEBTORS

	2000 £
Other debtors	2

There are no amounts due after more than one year included in debtors.

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NOTES TO THE ACCOUNTS
at 31 January 2000

4. CREDITORS: amounts falling due within one year

	2000 £
Bank overdraft	210,562
Other creditors	71,000
	281,562

The bank overdraft is secured over the investment property.

5. CALLED UP SHARE CAPITAL

	2000 *No.*
Authorised:	
Ordinary shares of £1 each	100

	£
Allotted, issued and fully paid:	
Ordinary shares of £1 each	2

6 TRANSACTIONS WITH DIRECTORS

During the year Ken Ross and Ken Tough jointly sold property at market value to Holyrood Securities Limited for the sum of £270,000.

Included in 'Other creditors' (note 4) is a loan of £70,000 from the directors of the company, Kenneth Tough and Kenneth Ross. The loan is non interest bearing and repayable at the discretion of the directors.

7 RELATED PARTY TRANSACTIONS

'Other creditors' (note 4) include a loan of £1,000 from Elphinstone Group Limited to Holyrood Securities Limited, a company which both directors have an interest in. The loan is non interest bearing and repayable at the discretion of the directors.

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