Company No. SC222113

SALTIRE PROPERTY SERVICES LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 30 April 2004

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SALTIRE PROPERTY SERVICES LIMITED

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Directors
Robert J Wotherspoon
Peter F Warden

Secretary
Roderick Urquhart WS
16 Heriot Row
Edinburgh
EH3 6HR

Registered Office
11 Glenfinlas Street
Edinburgh
EH3 6AQ

Bankers
Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

DIRECTORS' REPORT

The directors submit their report and unaudited financial statements for the year ended 30 April 2004.

Principal activity
The company's principal activity is the provision of property management services.

Results and dividends
The profit for the period after taxation was £998 (2003: £763).

The directors do not recommend the payment of a dividend.

Directors
The directors of the company and their interest in the share capital during the period was as follows:

	2004	2003
R J Wotherspoon	-	-
P F Warden	-	-

The interests of both R J Wotherspoon and P F Warden are held through Saltire Property Management Limited, a company incorporated in Scotland and their interests are disclosed in the accounts of that company.

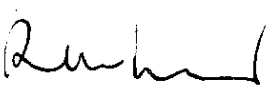
Statement of directors responsibilities
Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements,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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. They are 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 companies provisions
The directors have prepared this report in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



RODERICK URQUHART WS
Secretary

6.12 2004

SALTIRE PROPERTY SERVICES LIMITED

PROFIT and LOSS ACCOUNT

For the year ended 30 April 2004

	Notes	2004 £	2003 £
Turnover	2	535,282	498,848
Administrative expenses		(534,934)	(498,358)
Operating profit		348	490
Interest receivable		868	804
Interest payable	3	-	(215)
Profit on ordinary activities before taxation		1,216	1,079
Taxation	5	(218)	(316)
Profit on ordinary activities after taxation		998	763
Retained reserves brought forward		1,197	434
Retained profits carried forward	9	2,195	1,197

A statement of recognised gains and losses is not shown as all gains and losses are shown in the above profit and loss account.

All activities relate to continuing activities.

The notes on pages 6 to 8 form part of these financial statements.

BALANCE SHEET

As at 30 April 2004

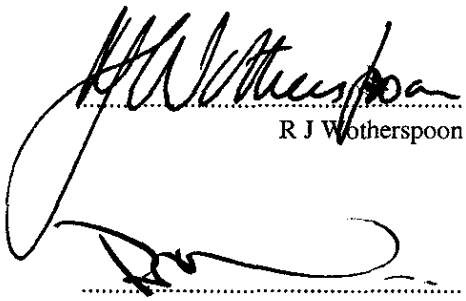
	Notes	2004 £	2003 £
Current assets			
Debtors	6	100	100
Cash at bank and in hand		38,247	36,917
		38,347	37,017
Creditors: amounts falling due within one year	7	(36,052)	(35,720)
Net assets		2,295	1,297
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	2,195	1,197
Equity shareholders' funds	10	2,295	1,297

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The directors:-

1. confirm that for the period ended 30 April 2004 the company was entitled to the exemption under subsection (1) of section 249A of the Companies Act 1985;
2. confirm that no notice requiring an audit had been deposited under subsection (2) of section 249B in relation to the financial statements for the financial period; and
3. acknowledge their responsibilities for:
   (a) ensuring that the company keeps accounting records which comply with section 221, and;
   (b) preparing financial statements which give a true and fair view of the state of the affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the company.

The financial statements were approved by the Board of Directors and signed on its behalf by:



..... Director
R J Wotherspoon

..... Director
P F Warden

6 Dec 2004

The notes on pages 6 to 8 form part of these financial statements.

NOTES to the FINANCIAL STATEMENTS

For the period ended 30 April 2004

1. Principal accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost convention.

Deferred taxation
Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Cash flow statement
The company is a small company as defined by S247 of the Companies Act 1985 and is entitled to exemption from the preparation of a cash flow statement as required under FRS 1. Consequently, a cash flow statement has not been prepared.

2. Turnover

Turnover represents the amounts derived from the provision of property management services. All turnover is stated net of value added tax and is generated from within the United Kingdom.

3. Interest payable

	2004	2003
	£	£
Bank interest	-	215

4. Directors and employees

	2004	2003
	£	£
Staff costs:		
Wages and salaries	458,950	412,366
Social Security costs	41,560	34,771
	500,510	447,137

The average monthly number of employees during the year was 30 (2003: 30).

The directors did not receive any emoluments during the year.

5. Taxation

	2004	2003
	£	£
Corporation tax on profits of the year	215	171
Under provision in previous year	3	145
	218	316

NOTES to the FINANCIAL STATEMENTS

For the period ended 30 April 2004

5. Taxation (cont.)

The tax assessment for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	1,216	1,079
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2003:19%)	231	205
Effects of:		
Relief for profits taxed at small companies rate	(16)	(34)
Previous year under provision	3	145
	218	316

6. Debtors

	2004 £	2003 £
Amounts due by parent undertaking	100	100

7. Creditors: amounts falling due within one year

	2004 £	2003 £
Corporation Tax	215	171
Taxation and social security	14,038	16,749
Accruals and deferred income	21,799	18,800
	36,052	35,720

8. Share capital

	Authorised		Allotted, called up and fully paid	
	2004 No.	2003 No.	2004 £	2003 £
Ordinary shares of £1 each	100	100	100	100

NOTES to the FINANCIAL STATEMENTS (cont.)

For the period ended 30 April 2004

9. Profit and loss account	2004 £	2003 £
At 1 May 2003	1,197	434
Profit for the year	998	763
At 30 April 2004	2,195	1,197

10. Reconciliation of movements in shareholder's funds	2004 £	2003 £
At 1 May 2003	1,297	534
Profit for the year	998	763
At 30 April 2004	2,295	1,297

11. Ultimate controlling party and related party transactions

The company's immediate controlling party is Saltire Property Management Limited, which owns 100% of the share capital of the company.

The ultimate controlling party of the company is one of its directors, R J Wotherspoon, who is the majority shareholder of Saltire Property Management Limited.

During the year the company was charged £20,000 in management fees by Saltire Property Management Limited (2003: £17,000).