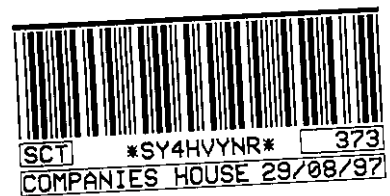


DALMONACH PROPERTIES LIMITED
REGISTERED AT COMPANIES HOUSE, EDINBURGH
REGISTERED NUMBER 163151

REPORT AND FIRST ANNUAL ACCOUNTS
for the year ended 28th February 1997



Dalmonach Properties Limited

DIRECTORS' REPORT for the year ended 28th February 1997

The directors submit their first annual report and accounts for the company for the year ended 28th February 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the acquisition and letting of property and the application for planning permissions for the sites.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later) were as follows:

	Ordinary shares of £1 each	
	1997	1996
B P Caulfield	45	45
R N Schooling	45	45
J M Caulfield	5	5
P A Schooling	<u>5</u>	<u>5</u>
	100	100

SMALL COMPANY EXEMPTIONS

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985 on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.

ON BEHALF OF THE BOARD



Brian Caulfield
Managing director

31st March 1997

Dalmonach Properties Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 28th February 1997

Company law requires the directors to prepare financial statements for each financial year 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 the 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 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.

REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF Dalmonach Properties Limited

The accounts for the year ended 28th February 1997 are set out on pages 3 to 7. These accounts have been prepared from the accounting records and from information collected for this purpose to represent a true and fair view of the affairs of the company, this remaining the sole responsibility of the directors of the company.

To comply with the directors' responsibilities, the accounts have been prepared on a consistent approach in line with company accounting policy from a set of accounting records which are held for auditing purpose and wherein any and all judgements and estimates made on the basis of these records are the sole responsibility of the directors of the company.

It is the opinion of the directors of the company that:

- the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985
- having regard to and on the basis of the information contained on those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act and
 - ii) the company satisfied the conditions for the exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not at any time within the year specified, fall within any of the categories of companies not entitled to exemption specified in section 249B(1) (a) to (f).

Richard Schooling ACCA 

Dalmonach Properties Limited

FIRST ANNUAL PROFIT AND LOSS ACCOUNT
for the year ended 28th February 1997

	Note	1996/7 £ Continuing operations
TURNOVER	2	6,465.40
Cost of sales		<u>nil</u>
GROSS PROFIT		6,465.40
Net operating expenses	3	<u>(6,355.33)</u>
OPERATING PROFIT		110.07
Interest receivable and similar income		nil
Interest payable and similar income		nil
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		110.07
Losses brought forward		nil
PROFIT CARRIED FORWARD		110.07

Statement of total recognised gains and losses
for the year ended 28th February 1997

The profit of £110.07 comprised the whole of the company's recognised gains or losses for the year.

The appended notes form part of these accounts.

Dalmonach Properties Limited

**FIRST ANNUAL BALANCE SHEET
for the year ended 28th February 1997**

	Notes	£	1996/7 £
FIXED ASSETS			
Tangible assets	4		nil
CURRENT ASSETS			
Debtors	5	nil	
Cash at bank or in hand		<u>210.07</u>	
		210.07	
CREDITORS: Amounts falling due within one year	6		<u>nil</u>
NET CURRENT LIABILITIES			nil
NET ASSETS			<u>210.07</u>
CAPITAL AND RESERVES			
Called up share capital	7		100.00
Profit and Loss account			<u>110.07</u>
			<u>210.07</u>

The directors are satisfied that the company was entitled to exemption under Subsection (2) of Section 249A of the Companies Act 1985 and that no member or members requested an audit pursuant to subsection (2) of Section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for: (i) ensuring that the company keeps accounting records which comply with Section 221; and (ii) preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so wherein the company is entitled to these special exemptions as a small company.

These accounts were approved by the Board of Directors on 31st March 1997 and signed on its behalf by:

Brian Caulfield
Director



Dalmonach Properties Limited

NOTES TO THE ACCOUNTS for the year ended 28th February 1997

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these accounts are set out below and have been consistently applied therein.

Basis of preparation of accounts

The accounts have been prepared under the historical cost convention.

Depreciation

Depreciation where applicable has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Fixtures and fittings	25% per annum of net book value
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Deferred taxation

Deferred taxation 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 or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over a period of the lease.

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of rent paid by tenants during the year. All turnover was derived from activities within the UK.

3. OPERATING PROFIT

Operating expenses comprised solely administrative expenses with no charge for any of Auditor's remuneration, hire for lease of plant and machinery, depreciation of owned assets, etc, but includes for bank charges and start-up loan payments.

Dalmonach Properties Limited

NOTES TO THE ACCOUNTS for the year ended 28th February 1997

4. FIXED TANGIBLE ASSETS

No assets chargeable for this financial year.

5. DEBTORS

1997

£

Trade debtors

nil

Other debtors

nil

nil

6. CREDITORS: Amounts falling due within one year

1997

£

Bank loans and overdrafts

nil

Trade creditors

nil

Other taxes and security costs

nil

Director's credit accounts

nil

Other creditors

nil

nil

7. CALLED UP SHARE CAPITAL

1997

£

Authorised

100 Ordinary shares of £1 each

100.00

Allotted, called up and fully paid

100 Ordinary shares of £1 each

100.00

8. RECONCILIATION IN MOVEMENT OF SHAREHOLDERS' FUNDS

1997

£

Profit for first financial year

110.07

Share capital issued

100.00

Net change to shareholders funds

110.07

Dalmonach Properties Limited

NOTES TO THE ACCOUNTS
for the year ended 28th February 1997

	R N & P A Schooling £	B P & J M Caulfield £
9. SCHEDULE OF DIRECTORS' CURRENT ACCOUNTS		
Opening balance	nil	nil
Repaid during year	<u>nil</u>	<u>nil</u>
	<u>nil</u>	<u>nil</u>