

MB PROPERTY COMPANY (EDINBURGH) LIMITED

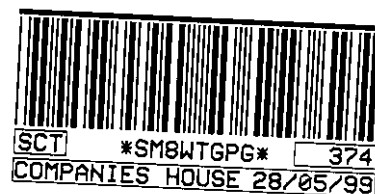
Company Registered No. 077601

ACCOUNTS

for the year ended

31ST MARCH 1999

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DEREK WEBSTER & CO.

136 BAKER STREET,

LONDON. W1M 2DU

M B PROPERTY COMPANY (EDINBURGH) LIMITED

DIRECTORS' REPORT

The directors present their report to the members, together with the annual accounts for the year ended 31st March 1999.

PRINCIPAL ACTIVITY :

The principal activity of the company remains that of property investors and the provision of property management services.

FREEHOLD PROPERTY :

The freehold property was written down to its estimated market value on 31st March 1994. The directors do not consider there is need for any adjustment to this amount.

DIRECTORS :

The directors of the company and their interests in shares of the company are set out below. There were no changes in the composition of the board of directors during the year.

	<i>Ordinary Shares of £1 each</i>	
	<i>31.3.1999</i>	<i>31.3.1998</i>
R.H.J. Mackie	500	500
Mrs. I.M. Mackie	300	300
	<hr/>	<hr/>
	800	800
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DIRECTORS' RESPONSIBILITIES :

Company law requires the 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 profit or loss of the company for that period. In preparing those accounts, the directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

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

Approved by the board of directors on 24 May 1999
and signed on their behalf by :

Ishbel M. Mackie

I.M. MACKIE Director

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF
M B PROPERTY COMPANY (EDINBURGH) LIMITED

We report on the accounts for the year ended 31st March 1999, set out on pages 3 to 9.

Respective Responsibilities of Directors and Reporting Accountants :

As described on page 1, the company's director is responsible for the preparation of accounts, and he considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion :

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion :

In our opinion :

- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to and on the basis of, the information contained in 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 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, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

Date : 24 May 1999

DEREK WEBSTER & CO.
Chartered Accountants
136 Baker Street,
London. W1M 2DU

M B PROPERTY COMPANY (EDINBURGH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1999

	<i>Notes</i>	<i>1999</i> £	<i>1998</i> £
TURNOVER	1(b)	41,600	41,600
Administrative expenses	2	<u>(37,972)</u>	<u>(28,516)</u>
Operating profit	2	3,628	13,084
Bank interest receivable and similar income	3	<u>14,339</u>	<u>13,721</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,967	26,805
Tax on profit on ordinary activities	4	<u>7,528</u>	<u>5,864</u>
PROFIT FOR THE FINANCIAL YEAR		10,439	20,941
RETAINED PROFIT BROUGHT FORWARD		<u>221,319</u>	<u>200,378</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£231,758</u></u>	<u><u>£221,319</u></u>

CONTINUING OPERATIONS :

All turnover and expenses for the year arose in respect of continuing activities.

TOTAL RECOGNISED GAINS AND LOSSES :

The company has no recognised gains or losses for the year other than those recognised in the profit and loss account.

The notes on pages 5 to 9 form an integral part of these accounts.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

BALANCE SHEET AS AT 31ST MARCH 1999

	<i>Notes</i>	<u>1999</u>	<u>1998</u>
		£	£
FIXED ASSETS :			
Tangible assets	5	157,321	164,491
CURRENT ASSETS :			
Debtors	6	13,056	1,694
Cash at bank and in hand		165,183	156,942
		<u>178,239</u>	<u>158,636</u>
CREDITORS - amounts falling due within one year	7	9,656	9,137
NET CURRENT ASSETS		<u>168,583</u>	<u>149,499</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		325,904	313,990
CREDITORS - amounts falling due after more than one year	8	93,146	91,671
		<u>£232,758</u>	<u>£222,319</u>
CAPITAL AND RESERVES :			
Called up share capital	9	1,000	1,000
Profit and loss account		231,758	221,319
SHAREHOLDERS FUNDS	10	<u>£232,758</u>	<u>£222,319</u>

For the financial year ended 31st March 1999 the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 (of the Act) and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the 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 the Companies Act 1985, so far as applicable to the company.

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

**Approved by the board of directors on 24 May 1999
and signed on their behalf by :**

.....  **R.H.J. MACKIE Director**

The notes on pages 5 to 9 form an integral part of these accounts.

1. ACCOUNTING POLICIES :

a) Cash Flow Statement :

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

b) Turnover :

Turnover represents the invoiced value of property management services.

c) Depreciation :

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each assets over its estimated useful life :

Leasehold property	over the period of the lease
Office equipment	20% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided on the freehold property, as this is held for investment purposes.

d) Freehold and Leasehold Properties :

The value of the leasehold property is included at cost. The freehold property, being an investment property, is included at its estimated market value on 31st March 1999. The freehold property is not being depreciated, which is in accordance with Statement of Standard Accounting Practice No. 19.

e) Deferred Taxation :

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or assets will crystallise in the foreseeable future.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1999 (CONTINUED)

2. OPERATING PROFIT :

The operating profit is stated after charging :	1999	1998
	£	£
Depreciation on tangible fixed assets	3,129	3,750
Exceptional item (see Note below)	15,000	-
Directors' remuneration	<u>2,500</u>	<u>2,500</u>

Administrative expenses include a charge of £15,000, being the amount written off the cost of the freehold property in order to reduce it to its estimated market value on 31 March 1999.

3. BANK INTEREST RECEIVABLE AND SIMILAR INCOME :

	1999	1998
	£	£
Rent receivable	6,355	8,330
Interest received	<u>7,984</u>	<u>5,391</u>
	<u>£14,339</u>	<u>£13,721</u>

4. TAX ON PROFITS OF ORDINARY ACTIVITIES :

The tax charge is based on the profit on ordinary activities for the year and comprises:-

	1999	1998
	£	£
United Kingdom corporation tax at 21%	7,600	5,900
Under/(over)provision in previous year	<u>(72)</u>	<u>(36)</u>
	<u>£ 7,528</u>	<u>£ 5,864</u>

Deferred taxation has not been provided as it is not considered a material factor in the context of this company's affairs.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1999 (CONTINUED)

5. TANGIBLE FIXED ASSETS :

	<i>Freehold Property £</i>	<i>Leasehold Property £</i>	<i>Office Equipment £</i>	<i>Fixtures and Fittings £</i>	<i>Motor Vehicles £</i>	<i>Total £</i>
Cost :						
At 31.3.98	87,500	83,630	2,091	2,742	16,745	192,708
Disposal	-	-	-	-	(16,745)	(16,745)
Addition	-	-	-	-	16,256	16,256
Diminution in value	(15,000)	-	-	-	-	(15,000)
At 31.3.99	<u>72,500</u>	<u>83,630</u>	<u>2,091</u>	<u>2,742</u>	<u>16,256</u>	<u>177,219</u>
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Depreciation :						
At 31.3.98	-	14,546	1,618	2,371	9,682	28,217
Disposal	-	-	-	-	(11,448)	(11,448)
Charge for year	-	1,212	95	56	1,766	3,129
At 31.3.99	<u>-</u>	<u>15,758</u>	<u>1,713</u>	<u>2,427</u>	<u>-</u>	<u>19,898</u>
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Net Book Value :						
At 31.3.99	<u>£72,500</u>	<u>£67,872</u>	<u>£ 378</u>	<u>£ 315</u>	<u>£16,256</u>	<u>£157,321</u>
At 31.3.98	<u>£87,500</u>	<u>£69,084</u>	<u>£ 473</u>	<u>£ 371</u>	<u>£ 7,063</u>	<u>£164,491</u>

The freehold property is included at its estimated market value on 31st March 1999 (see Note 1(d)).

There were no commitments for capital expenditure at 31st March 1999.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1999 (CONTINUED)

6. DEBTORS :

Amounts falling due within one year :	1999	1998
	£	£
Accrued bank interest	830	1,441
Other debtors	11,000	136
Prepayments	<u>1,226</u>	<u>117</u>
	<u><u>£13,056</u></u>	<u><u>£ 1,694</u></u>

7. CREDITORS :

Amounts falling due within one year :	1999	1998
	£	£
Accruals	2,056	3,173
Corporation tax	<u>7,600</u>	<u>5,964</u>
	<u><u>£ 9,656</u></u>	<u><u>£ 9,137</u></u>

8. LONG-TERM CREDITORS :

Amounts falling due after more than one year :	1999	1998
Directors' loans	<u><u>£ 93,146</u></u>	<u><u>£ 91,671</u></u>

The loans from directors are unsecured and interest-free. Repayment will not be sought for the immediate future.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1999 (CONTINUED)

9. CALLED UP SHARE CAPITAL :	1999	1998
Authorised :		
200,000 ordinary shares of £1 each	<u>£200,000</u>	<u>£200,000</u>
Allotted, called up and fully paid :		
1,000 ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
 10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS :	 1999	 1998
	£	£
Profit for the financial year	10,439	20,941
Opening shareholders' funds	<u>222,319</u>	<u>201,378</u>
Closing shareholders' funds	<u>£232,758</u>	<u>£222,319</u>