

MB PROPERTY COMPANY (EDINBURGH) LIMITED

Company Registered No. 077601

ACCOUNTS

for the year ended

31ST MARCH 1995

DEREK WEBSTER & CO.

136 BAKER STREET,

LONDON. W1M 2DU

PP.



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 1995.

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 further 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.

	Ordinary Shares of £1 each	
	31.3.1995	31.3.1994
R.H.J. Mackie	500	500
Mrs. I.M. Mackie	300	300
	----	----
	800	800
	=====	=====

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 directors have taken advantage, in the preparation of their report, of the special exemptions applicable to small companies contained in Part III Schedule 8 to the Companies Act 1985.

Approved by the board of directors on 23rd May 1995
and signed on their behalf by :

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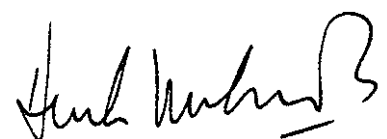
I.M. MACKIE Director

**ACCOUNTANTS REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
MB PROPERTY COMPANY (EDINBURGH) LIMITED**

We have prepared on the basis of the information contained in the company's accounting records and provided by you, and without carrying out an audit or other procedures, the accounts set out on pages 3 to 8. The accounts have been prepared in accordance with the applicable requirements of the Companies Act 1985.

As described on page 1 the directors are responsible for the accounts and they believe the company is fully exempt from audit.

We have not conducted an audit on the accounts in accordance with Auditing Standards nor carried out any procedures in accordance with the Standards for Reporting Accountants issued by the Auditing Practices Board. Accordingly we do not express an opinion thereon.



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

Date : 23rd May 1995

M B PROPERTY COMPANY (EDINBURGH) LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1995**

	Notes	Year to 31.03.94	Year to 31.03.93
		£	£
TURNOVER	1(b)	28,000	28,000
Administrative expenses		(14,751)	(44,874)
Operating profit/(loss)	2	13,249	(16,874)
Bank interest receivable and similar income	4	10,501	10,016
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		23,750	(6,858)
Tax on profit on of ordinary activities	5	5,981	5,553
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		17,769	(12,411)
RETAINED PROFIT BROUGHT FORWARD		145,179	157,590
RETAINED PROFIT CARRIED FORWARD		<u>£162,948</u>	<u>£145,179</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 8 form an integral part of these accounts.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

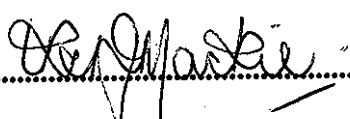
BALANCE SHEET AS AT 31ST MARCH 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS :					
Tangible assets	6		167,093		170,486
CURRENT ASSETS :					
Debtors	7	504		510	
Cash at bank and in hand		90,277		67,566	
		<u>90,781</u>		<u>68,076</u>	
CREDITORS - amounts falling due within one year	8	8,885		9,232	
NET CURRENT ASSETS			<u>81,896</u>		<u>58,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			248,989		229,330
CREDITORS - amounts falling due after more than one year	9		85,041		83,151
			<u>£163,948</u>		<u>£146,179</u>
CAPITAL AND RESERVES :					
Called up share capital	10		1,000		1,000
Profit and loss account			162,948		145,179
SHAREHOLDERS FUNDS	11		<u>£163,948</u>		<u>£146,179</u>

For the financial year ended 31st March 1995 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 directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8 Part III of the Companies Act 1985.

Approved by the board of directors on 23rd May 1995
and signed on their behalf by :

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R.H.J. MACKIE Director

The notes on pages 5 to 8 form an integral part of these accounts.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1995

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
Furniture	20% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

No depreciation is provided on freehold land and building held for investment.

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 1994 and the directors do not consider there is need for any further adjustment to this amount. The freehold property is not 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 1995 (CONTINUED)

2. OPERATING PROFIT :

The operating profit is stated after charging :	1995 £	1994 £
Exceptional item (see Note 3)	-	28,145
Depreciation on tangible fixed assets	3,393	4,099
Directors' remuneration	2,000	2,000
Accountants' remuneration (1994 : including audit)	<u>1,250</u>	<u>1,800</u>

3. EXCEPTIONAL ITEM :

The previous years administrative expenses include a charge of £28,145 being a write down of the cost of the freehold property to its open market value as at 31st March 1994, as estimated by the directors. This item has arisen in respect of continuing activities.

4. BANK INTEREST RECEIVABLE AND SIMILAR INCOME :	1995 £	1994 £
Rent receivable	8,340	8,379
Interest received	<u>2,161</u>	<u>1,637</u>
	<u>£10,501</u>	<u>£10,016</u>

5. TAX ON PROFITS OF ORDINARY ACTIVITIES :

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

	1995 £	1994 £
United Kingdom corporation tax at 25%	6,300	6,000
Overprovision in previous year	<u>(319)</u>	<u>(447)</u>
	<u>£ 5,981</u>	<u>£ 5,553</u>

Deferred taxation has not been provided as it is not the intention of the directors to dispose of the properties in the immediate future. Deferred tax liabilities will therefore not crystallise.

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1995 (CONTINUED)

6. TANGIBLE FIXED ASSETS :

	Freehold Property £	Leasehold Property £	Furniture £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost :						
Cost/valuation at 31.3.94 and 31.3.95	87,500	83,630	1,505	2,742	14,409	189,786
	-----	-----	-----	-----	-----	-----
Depreciation :						
At 31.3.94	-	9,698	1,267	2,031	6,304	19,300
Charge for year	-	1,212	48	107	2,026	3,393
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At 31.3.95	-	10,910	1,315	2,138	8,330	22,693
	-----	-----	-----	-----	-----	-----
Net Book Value :						
At 31.3.95	£87,500	£72,720	£ 190	£ 604	£ 6,079	£167,093
	=====	=====	=====	=====	=====	=====
At 31.3.94	£87,500	£73,932	£ 238	£ 711	£ 8,105	£170,486
	=====	=====	=====	=====	=====	=====

The freehold property is included at the estimated market value on 31st March 1994. The resulting diminution below its cost value was written off to the profit and loss account in the year ended 31st March 1994..

There were no commitments for capital expenditure at 31st March 1995.

7. DEBTORS :

Amounts falling due within one year :	1995 £	1994 £
Other debtors	135	135
Prepayments	369	375
	-----	-----
	£ 504	£ 510
	=====	=====

M B PROPERTY COMPANY (EDINBURGH) LIMITED

NOTES TO THE ACCOUNTS - 31ST MARCH 1995 (CONTINUED)

8. CREDITORS :

Amounts falling due within one year :	1995	1994
	£	£
Accruals	2,585	3,232
Corporation tax	6,300	6,000
	<u>£ 8,885</u>	<u>£ 9,232</u>

9. LONG-TERM CREDITORS :

Amounts falling due after more than one year :	1995	1994
Directors' loans	<u>£85,041</u>	<u>£83,151</u>

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

10. CALLED UP SHARE CAPITAL :

	1995	1994
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>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS :

	1995	1994
	£	£
Profit/(loss) for the financial year	17,769	(12,411)
Opening shareholders' funds	145,179	157,590
Closing shareholders' funds	<u>£162,948</u>	<u>£145,179</u>