

LARSEN & ROSS (PROPERTIES) LIMITED
(REGISTERED IN SCOTLAND NUMBER 80392)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 1999



LARSEN & ROSS (PROPERTIES) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST OCTOBER 1999

DIRECTORS B.W. LARSEN
 S.F.R. ROSS

SECRETARY A.D. MOFFAT

REGISTERED OFFICE 13A ALVA STREET, EDINBURGH, EH2 4PH

RESULTS AND DIVIDENDS

The directors submit the audited financial statements of the company for the year ended 31st October 1999. The result for the year is as shown in the Profit and Loss Account. The directors do not propose the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activities during the year were property rental and property construction.

FUTURE PROSPECTS

The directors intend that the company will continue its current activities.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year and their interests in the share capital of the company are as follows:

	At 31st October 1999	1998
B.W. Larsen	1	1
S.F.R. Ross	1	1

LARSEN & ROSS (PROPERTIES) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31ST OCTOBER 1999

DIRECTORS RESPONSIBILITIES

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 and loss of the company for that year. In preparing those financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

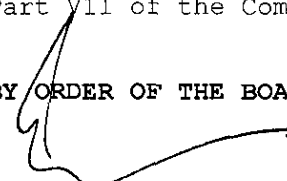
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The accounts for the year have not been audited as the directors have claimed exemption under the Audit Exemption Regulations 1998.

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

BY ORDER OF THE BOARD


A.D. MOFFAT
SECRETARY
18 August 2000

LARSEN & ROSS (PROPERTIES) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 1999

	Note	1999 £	1998 £
Turnover	2	20,875	16,500
Cost of Sales		-	-
Gross profit		20,875	16,500
Administrative expenses		4,986	3,868
Operating profit	3	15,889	12,632
Interest payable and similar charges	4	(151)	(15)
Interest received	5	-	15
Profit from Ordinary Activities Before Taxation		15,738	12,632
Taxation	6	(3,679)	(3,002)
Profit from Ordinary Activities After Taxation	7	12,059	9,630
Retained profits brought forward		72,175	62,545
Retained profits carried forward		84,234	72,175

CONTINUING ACTIVITIES

During the year the company received rental income and incurred administrative expenses, the results of which are contained in the above Profit and Loss Account. The company has no other acquired or discontinued operations during the year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the above financial year.

LARSEN & ROSS (PROPERTIES) LIMITED

CONSOLIDATED BALANCE SHEET

AT 31ST OCTOBER 1999

No Consolidated Balance Sheet has been included as the group is not required to prepare consolidated accounts.

LARSEN & ROSS (PROPERTIES) LIMITED

BALANCE SHEET

AT 31ST OCTOBER 1999

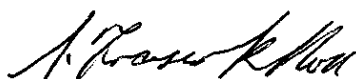
	Note	1999 £	1998 £
FIXED ASSETS			
Tangible Fixed Assets	8	59,771	61,509
Investments	9	2	2
		<hr/>	<hr/>
		59,773	61,511
CURRENT ASSETS			
Stock	10	72,831	20,385
Debtors	11	41,259	36,884
Cash and bank and in hand		325	3,003
		<hr/>	<hr/>
		114,415	60,272
		<hr/>	<hr/>
CREDITORS			
Amounts falling due within one year	12	89,952	49,606
		<hr/>	<hr/>
NET CURRENT ASSETS		24,463	10,666
		<hr/>	<hr/>
NET ASSETS		84,236	72,177
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share capital	13	2	2
Profit and loss account		84,234	72,175
		<hr/>	<hr/>
		84,236	72,177
		<hr/>	<hr/>

The directors have:

- (a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) (total exemption)
- (b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- (c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
- (d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

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 financial statements on pages 3 to 9 were approved by the Board of Directors on 18 August 2000, and were signed on its behalf by:



DIRECTOR

LARSEN & ROSS (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST OCTOBER 1999

1. ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared under the historical cost convention.

b) Depreciation

The cost of fixed assets is written off over their expected useful lives as follows:-

Freehold Property - 2% straight line

c) Stock

Stock is valued at the lower of cost and net realisable value

d) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short term timing differences and all other material timing differences which are not expected to continue in the future.

2. TURNOVER

	1999 £	1998 £
Rental Income	20,875	16,500

3. OPERATING PROFIT is stated after charging

Depreciation of tangible fixed assets	1,738	1,738
Auditors remuneration for audit services	-	100
Directors remuneration	-	-

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest Payable	151	7
Interest on overdue taxation	-	8
	151	15

LARSEN & ROSS (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST OCTOBER 1999

5. INTEREST RECEIVABLE

	1999 £	1998 £
Repayment supplement	-	15

6. TAXATION

U.K. Corporation tax at 21%	3,669	3,016
Adjustment to previous year	10	(14)
	<u>3,679</u>	<u>3,002</u>

7. PROFIT FOR THE FINANCIAL YEAR

Dealt with in the accounts of the company	12,059	9,630
Dealt with in the accounts of the subsidiary	-	-
	<u>12,059</u>	<u>9,630</u>

8. TANGIBLE FIXED ASSETS

	COST £	DEPRECIATION £	NET BOOK VALUE £
Heritable Property			
As at 31st October 1998	86,939	25,430	61,509
Charge for year	-	1,738	(1,738)
	<u>86,939</u>	<u>27,168</u>	<u>59,771</u>

The directors consider that the market value of the property is substantially in excess of its book value.

9. INVESTMENTS

	1999 £	1998 £
Shares in subsidiary company	2	2

The subsidiary company is Inverness Developments Limited a company registered in Scotland. The subsidiary company is wholly owned and has not yet commenced trading.

LARSEN & ROSS (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST OCTOBER 1999

10. STOCK	1999 £	1998 £
Development costs	72,831	20,385

11. DEBTORS

Amount due from subsidiary company	36,884	36,884
Other debtors	4,375	-
	41,259	36,884

It is not expected that the amount due from the subsidiary company will be realised within one year of the balance sheet date.

12. CREDITORS - amounts falling due within one year

Bank overdraft	59,513	800
Accrued charges	2,872	1,348
Other creditors	4,332	4,332
Corporation tax	3,679	3,016
Due to related company	19,556	40,110
	89,952	49,606

LARSEN & ROSS (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST OCTOBER 1999

13. SHARE CAPITAL

	Authorised 1999 & 1998 £	Allotted, Called up and fully paid 1999 & 1998 £
Ordinary shares of £1 each	100	2
	<hr/>	<hr/>

14. PARTICULARS OF TRANSACTIONS INVOLVING DIRECTORS

During the year Larsen and Ross Limited was repaid £7,377 (1998: £7,377) in respect of loans advanced in earlier years. At 31st October 1999 the balance due to Larsen and Ross Limited was £40,110 (1998: £40,110). Both directors have an interest in the share capital of Larsen and Ross Limited.