
McDOWELL & Co. (SCOTLAND) LIMITED

COMPANY NO: SC145242

DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999



McDOWELL & Co. (SCOTLAND) LIMITED

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OFFICERS AND PROFESSIONAL ADVISERS

Directors

V. Mallya
T. V. Lakshmikanthan
J. A. Melrose
J. Vallabh

Secretary

J. A. Melrose

Registered Office

Keillour Castle
Methven
Perthshire
PH1 3RA

Solicitors

Condies
2 Tay Street
Perth
PH1 5LJ

Accountants

Chandler & Georges
Chartered Accountants
75 Westow Hill
Crystal Palace
London SE19 1TX

DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 1999

The Directors present their report and the company's accounts for the past year ended 31 December 1999.

Activities

The company did not achieve any trading results during the period under review.

Directors and their interests

The directors who served during the period were:

V. Maliya
T. V. Lakshmikanthan
J. A. Melrose
J. Vallabh

None of the directors had at any time any interest in the company's share capital.

Accountants

The reporting accountants, Messrs. Chandler & Georges, have indicated their willingness to continue to act for the company. Accordingly a resolution to confirm their re-appointment will be proposed at the forthcoming Annual General Meeting.

By order of the board



J. A. Melrose
Secretary

Date: 15 SEPTEMBER 2000

ACCOUNTANTS' REPORT TO THE DIRECTORS
ON THE UNAUDITED ACCOUNTS OF McDOWELL & Co. (SCOTLAND) LIMITED

As described on page 5 you are responsible for the preparation of the accounts and you consider that the company is exempt from an audit. In accordance with your instructions and in order to assist you to fulfil your responsibilities, we have prepared the accounts on pages 4 to 8 from the accounting records and from information and explanations supplied to us.

Chandler & Georges
Chartered Accountants
75 Westow Hill
London SE19 1TX

Date:

 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
Turnover		—	—
Administrative expenses		(7,816)	(7,760)
Interest payable and similar charges		(6,906)	(8,857)
		<hr/>	<hr/>
Loss before Taxation	2	(14,722)	(16,617)
Taxation	3	—	—
		<hr/>	<hr/>
Loss for the financial year		(14,722)	(16,617)
Profit and Loss account brought forward		(86,782)	(70,165)
		<hr/>	<hr/>
Profit and Loss account carried forward		<u>£ (101,504)</u>	<u>£ (86,782)</u>

The notes referred to above form part of these accounts

BALANCE SHEET
AS AT 31 DECEMBER 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
FIXED ASSETS			
Tangible assets	4	<u>133,697</u>	<u>141,135</u>
CURRENT ASSETS			
Cash as Bank		648	647
CREDITORS : Amounts falling due within one year	5	<u>(158,174)</u>	<u>(148,610)</u>
NET CURRENT LIABILITIES		<u>(157,526)</u>	<u>(147,963)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(23,829)	(6,828)
CREDITORS: Amounts falling due after more than one year	6	(77,673)	(79,952)
TOTAL NET LIABILITIES		<u>£ (101,502)</u>	<u>£ (86,780)</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account		<u>(101,504)</u>	<u>(86,782)</u>
		<u>£ (101,502)</u>	<u>£ (86,780)</u>

The notes referred to above form part of these accounts.

The accounts are approved by the board on **15 SEPTEMBER 2000**

The directors:

1. confirm that for the year ended 31 December 1998 the company was entitled to the exemption under subsection (1) of the section 249A of the Companies Act 1985;

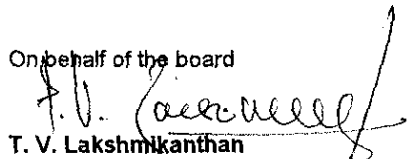
2. confirm that no notice requiring an audit had been deposited under subsection (2) of section 249B in relation to the accounts for the financial year; and

3. acknowledge their responsibility for;

a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and

b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of section 226, and which otherwise comply without the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

On behalf of the board


T. V. Lakshminathan
Director

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below;

(a) Accounting Convention

The accounts have been prepared under the historical cost convention.

(b) Fixed Asset Depreciation

Depreciation is provided to write off the cost of all tangible assets over their estimated useful lives using the straight line method at the following rates:

Freehold land and buildings	Nil
Fixtures and fittings	10%
Vehicles	25%
Computer equipment	25%
Fixed plant and machinery	10%
Other plant i.e. fork lift trucks etc.	20%

(c) Foreign currency translation

Foreign currency assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Transaction in foreign currencies are recorded at the rate prevailing on the day of the transaction. All differences are taken to the profit and loss account.

2. LOSS BEFORE TAXATION

	<u>1999</u>	<u>1998</u>
This is stated after charging:		
Depreciation - own assets	£ 7,438	£ 7,438

None of the directors received any remuneration from the company during the year.

3. TAXATION

The company is a close company within the meaning of section 414 of the Income and Corporation Taxes Act 1988.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999

4. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Fixtures fittings & equipment	Motor vehicles	Total
COST				
At 1 January 1999	122,228	11,128	25,300	158,656
Additions				0
Disposals				0
At 31 December 1999	<u>£ 122,228</u>	<u>£ 11,128</u>	<u>£ 25,300</u>	<u>£ 158,656</u>
DEPRECIATION				
At 1 January 1999		5,008	12,513	17,521
Provided in year		1,113	6,325	7,438
Disposals				0
At 31 December 1999	<u>£ 0</u>	<u>£ 6,121</u>	<u>£ 18,838</u>	<u>£ 24,959</u>
NET BOOK VALUE				
At 31 December 1999	<u>£ 122,228</u>	<u>£ 5,007</u>	<u>£ 6,462</u>	<u>£ 133,697</u>
At 31 December 1998	<u>£ 122,228</u>	<u>£ 6,120</u>	<u>£ 12,787</u>	<u>£ 141,135</u>

5. CREDITORS: Amounts falling due within one year

	1999	1998
Bank loan	9,925	11,406
Amounts owed to the parent company	19,998	19,998
Other creditors and accrued expenses	128,251	117,206
	<u>£ 158,174</u>	<u>£ 148,610</u>

6. CREDITORS: Amounts falling due after more than one year

Bank Loan	<u>£ 77,673</u>	<u>£ 79,952</u>
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7. BANK LOAN

This is repayable by instalments as follows:

Within one year	9,925	11,406
Between two and five years	49,625	57,028
After more than five years	28,048	22,924
	<u>£ 87,598</u>	<u>£ 91,358</u>

The bank loan is secured under a legal mortgage over the company's freehold land and buildings.

8. SHARE CAPITAL

Ordinary shares of £1 each:		
Authorized	<u>£ 100,000</u>	<u>£ 100,000</u>
Issued and fully paid	<u>£ 2</u>	<u>£ 2</u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1999

9. CONTROL

The company is controlled by the companies Aardvark Ltd. and Tortoise Ltd. both registered in the Isle of Man, which hold one share each.

10. RECONCILIATION OF SHAREHOLDERS FUNDS

	<u>1999</u>	<u>1998</u>
Opening shareholders' funds	(86,780)	(70,163)
Retained loss for the financial year	<u>(14,722)</u>	<u>(16,617)</u>
Closing shareholder' funds	<u>(101,502)</u>	<u>(86,780)</u>

 DETAILED PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 1999

	<u>1999</u>	<u>1998</u>
Turnover	---	---
Administrative expenses		
Accountancy fees	353	294
Bank charges	10	13
Depreciation	7,438	7,438
Loss on disposal of motor vehicle	---	---
Registrar of companies	15	15
	<u>(7,816)</u>	<u>(7,760)</u>
Interest payable and similar charges		
Bank Interest paid	<u>(6,906)</u>	<u>(8,857)</u>
Loss before taxation	<u>(14,722)</u>	<u>(16,617)</u>