



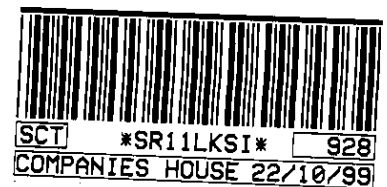
**DUNEDIN GROUP LIMITED**

**Report and Financial Statements**

**31 December 1998**

**Deloitte & Touche  
39 George Street  
Edinburgh EH2 2HZ**

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**REPORT AND FINANCIAL STATEMENTS 1998**

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**REPORT AND FINANCIAL STATEMENTS 1998**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

R B Barry  
S Gibson  
I Lomas

**REGISTERED OFFICE**

Shepherd & Wedderburn  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

**BANKERS**

Royal Bank of Scotland  
36 St Andrew Square  
Edinburgh  
EH2 2YB

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
39 George Street  
Edinburgh  
EH2 2HZ

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1998.

**ACTIVITIES**

The company is an investment holding company whose operating subsidiaries are involved in property investment and development in the United Kingdom.

**REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The company remained a holding company during the year.

The directors are satisfied with the company's state of affairs and its future prospects.

**RESULTS AND DIVIDENDS**

The company made neither a profit nor a loss in the period.

**DIRECTORS AND THEIR INTERESTS**

The directors shown on page 1 served throughout the year.

There are no directors' interests requiring disclosure under the Companies Act 1985.

Details of directors' interests in the ultimate parent company, Dunedin Property Limited, are disclosed in that company's financial statements.

**AUDITORS**

Deloitte & Touche offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

By order of the Board

R B Barry  
Secretary

21/4 1999

**STATEMENT OF 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 as at the end of the financial year and of the profit or loss of the company for that 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
- state whether applicable accounting standards have been followed
- 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. 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.



## AUDITORS' REPORT TO THE MEMBERS OF

### DUNEDIN GROUP LIMITED

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Chartered Accountants and Registered Auditors

18 May 1999



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1998**

	Note	Continuing Activities	
		1998 £000	1997 £000
<b>TURNOVER</b>		-	-
Other operating charges		-	-
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		-	-
		<hr/>	<hr/>

There are no recognised gains or losses in the year other than those passing through the profit and loss account.



**BALANCE SHEET**  
**31 December 1998**

	Note	1998 £000	1997 £000
<b>FIXED ASSETS</b>			
Investments	5	<u>7,078</u>	<u>7,078</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts due from subsidiary undertaking		1	1
<b>CREDITORS: amounts falling due within one year</b>	6	<u>(593)</u>	<u>(593)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(592)</u>	<u>(592)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,486</u>	<u>6,486</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	6,486	6,486
Profit and loss account	8	-	-
<b>EQUITY SHAREHOLDERS' FUNDS</b>	8	<u>6,486</u>	<u>6,486</u>

These financial statements were approved by the Board of Directors on 21/4 1999.

Signed on behalf of the Board of Directors

R B Barry





**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**

**1. ACCOUNTING POLICIES**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Turnover**

Turnover represents the gross amount of dividends receivable from investments.

**Investment**

Investments are included at cost less provision to reflect any diminution in carrying value.

**2. TURNOVER**

The turnover is attributable to management charges to subsidiary companies.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The auditors' remuneration is charged in the financial statements of Dunedin Property Limited, the parent undertaking.

No directors received any emoluments during the year.

The average number of employees during the year was nil.

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

No charge to tax arises on the result for the period.

**5. INVESTMENTS**

	1998 £000	1997 £000
Shares in subsidiary undertakings at cost	7,078	7,078

The company owns 100% of the issued ordinary share capital of Dunedin Property Investment Company Limited and Dunedin Development Company Limited, both of which are incorporated in Great Britain, and involved in property investment and development. The company has not prepared consolidated financial statements as it is a subsidiary of Dunedin Property Limited which has prepared consolidated financial statements.

In the opinion of the directors the value of the shares in the subsidiary undertakings are not less than the amounts stated.

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £000	1997 £000
Amount due to parent undertaking	593	593


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1998**
**7. SHARE CAPITAL**

	Authorised £000	Allotted and fully paid £000
<b>Ordinary shares of £1 each:</b>		
At 31 December 1997	6,486	6,486
At 31 December 1998	<u>6,486</u>	<u>6,486</u>

**8. SHAREHOLDERS' FUNDS**

	Share Capital £000	Profit and Loss Account £000	Total £000
At 1 January 1998	6,486	-	6,486
Result for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1998	<u>6,486</u>	<u>-</u>	<u>6,486</u>

**9. INTERCOMPANY GUARANTEES**

Bank loans and overdrafts within the Group are secured by a bond and floating charge over all the assets of the Company, supported by unlimited intercompany composite guarantees covering Dunedin Property Limited, Dunedin Group Limited, Dunedin Property Investment Company Limited and Dunedin Development Company Limited.

**10. PARENT UNDERTAKING**

These financial statements have been included in the consolidated financial statements of the parent undertaking, Dunedin Property Limited, a company incorporated in Great Britain.

Copies of the financial statements for Dunedin Property Limited can be obtained from its registered office at Shepherd & Wedderburn, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.

**11. RELATED PARTY TRANSACTIONS**

The company has relied upon the exemption available in Financial Reporting Standard No 8 not to make disclosure of transactions with other group companies.