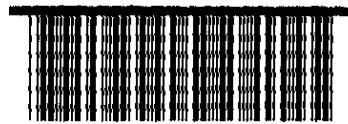


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GILMOREHILL LEASING LTD
REPORT AND FINANCIAL STATEMENTS
Year to 31 July 2003



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REPORT AND FINANCIAL STATEMENTS
For the year to 31 July 2003

CONTENTS

Company Information	2.
Directors' Report	3.
Statement of Directors' Responsibilities	4.
Report of the Auditors	5.
Profit and Loss Account	6.
Balance Sheet	7.
Notes to the Financial Statements	8 - 10.

COMPANY INFORMATION

Directors	Mr. Michael Yuille Mr. Graham Paterson
Secretary	Mr. Graham Paterson
Auditors	Ernst & Young LLP George House 50 George Square Glasgow G2 1RR
Bankers	Clydesdale Bank Plc 30 St. Vincent Place Glasgow G1 2HL
Registered Office	13 The Square University of Glasgow Glasgow G12 8QQ

DIRECTORS' REPORT

The directors present their report and accounts for the year to 31 July 2003.

PRINCIPAL ACTIVITIES

The company did not trade during the year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

Mr. Michael Yuille

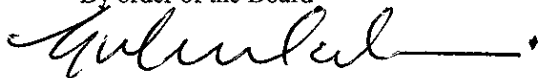
Mr. Graham Paterson

No director had an interest in the share capital of the company.

AUDITORS

A resolution to appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board



Graham Paterson, Secretary

25th November 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 follow the Corporate Governance Procedure of the University of Glasgow as detailed in the Financial Statements of the University. The parent undertaking, GU Holdings Ltd, reports regularly and formally on behalf of the Company to the University Court of the University of Glasgow via the Finance Committee. Annual Accounts are also presented to the University Court of the University of Glasgow.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GILMOREHILL LEASING LIMITED

We have audited the company's financial statements for the year ended 31 July 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 9. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 July 2003 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Glasgow
25 November 2003

PROFIT & LOSS ACCOUNT
for the year to 31 July 2003

	Note	2003 £	2002 £
TURNOVER	2	NIL	286,296
Administration expenses		(233)	(605)
OPERATING (LOSS)/PROFIT	3	<u>(233)</u>	<u>285,691</u>
Gain on sale of fixed asset		NIL	347,680
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(233)</u>	<u>633,371</u>
Tax on loss on ordinary activities	4	NIL	NIL
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(233)</u></u>	<u><u>633,371</u></u>

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

BALANCE SHEET
as at 31 July 2003

	Note	2003 £	2002 £
CURRENT ASSETS			
Debtors	5	266	93,804
CREDITORS: amounts falling due within one year	6	(152,517)	(245,822)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(152,251)	(152,018)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(152,251)	(152,018)
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Accumulated loss		(152,253)	(152,020)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS FUNDS	8	(152,251)	(152,018)
		<hr/> <hr/>	<hr/> <hr/>

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 25th November 2003.

Graham Paterson, Director

NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 July 2003

1. ACCOUNTING POLICIES

Fundamental accounting concept

The financial statements have been prepared on the going concern concept because the ultimate parent undertaking has agreed to provide adequate funds for the company to meet its liabilities as they fall due.

Accounting Convention

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

Leasing

Lease income receivable under operating leases is credited to the profit and loss account on a straight line basis over the period of the lease.

Deferred Taxation

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

2. TURNOVER

Turnover represents the total invoice value, excluding value added tax, of lease income receivable during the year.

3. OPERATING LOSS

The operating loss is stated after charging:	2003	2002
	£	£
Auditors' remuneration - audit services	220	1,020
	<u> </u>	<u> </u>

The directors receive no remuneration in respect of their services to the company.

4. TAX ON LOSS ON ORDINARY ACTIVITIES

The company has a nil taxable result for the year. Deferred tax assets have not been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year to 31 July 2003

5. **DEBTORS**

	2003	2002
	£	£
Amounts due from subsidiary undertaking	NIL	93,804
VAT Recoverable	266	NIL
	<u>266</u>	<u>93,804</u>

6. **CREDITORS:** amounts due within one year

	2003	2002
	£	£
Accruals	NIL	1,300
Bank overdraft	152,517	230,550
VAT Payable	NIL	13,972
	<u>152,517</u>	<u>245,822</u>

The bank overdraft is guaranteed by the ultimate parent undertaking.

7. **SHARE CAPITAL**

	2003	2002
	£	£
Authorised:		
Equity Interests: 1000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
Equity interests: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

8. **RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	£
Shareholders' funds at 31 July 2002	(152,018)
Loss for the year	(233)
Shareholders' funds at 31 July 2003	<u>(152,251)</u>

9. **ULTIMATE PARENT UNDERTAKING**

The directors consider that the University Court of the University of Glasgow (a body corporate created under the Universities (Scotland) Act 1889) is the company's ultimate parent undertaking. The company's parent undertaking is GU Holdings Ltd. The company has taken advantage of the exemption from disclosing transactions with fellow group companies as permitted by FRS8.