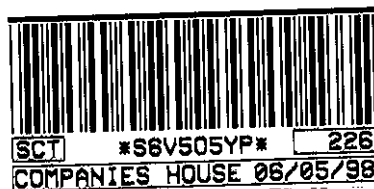


# F M Developments Limited

Annual report  
for the period from 10 February 1997 to 31 December 1997

Registered no: SC172175



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# **F M Developments Limited**

## **Annual report for the period from 10 February 1997 to 31 December 1997**

	<b>Page</b>
Directors and advisers	1
Report of the directors	2
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Principal accounting policies	7
Notes to the financial statements	9

**F M Developments Limited****Directors and advisers****Directors**

J Milne  
J T Milne  
J Forbes

**Secretary**

J Milne

**Registered auditors**

Reeves & Neylan  
4 Atholl Crescent  
Perth  
PH1 5NG

**Solicitors**

W & J Burness  
16 Hope Street  
Charlotte Square  
Edinburgh  
EH2 4DD

**Bankers**

Royal Bank of Scotland plc  
19 High Street  
Laurencekirk  
Kincardineshire AB3 1AA

**Registered office**

4 Atholl Crescent  
Perth  
PH1 5NG

## **F M Developments Limited**

### **Report of the directors for the period from 10 February 1997 to 31 December 1997**

The directors present their report and the audited financial statements for the period ended 31 December 1997. This report has been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 applicable to small companies.

#### **Results and dividends**

The trading profit for the period, after taxation, amounted to £190,328. The retained profit for the period of £190,328 will be transferred to reserves.

The directors do not recommend the payment of a dividend.

#### **Review of the business and future developments**

The company's principal activities during the period were property development, the letting of property and related management services. Both the level of business and the year end financial position were satisfactory, and the directors expect the present level of activity will be sustained for the foreseeable future.

#### **Fixed assets**

Movements in fixed assets during the period are set out in note 7 to the financial statements.

#### **Directors and their interests**

The directors and their interest in the shares of the company were as follows:

##### **Ordinary shares of £1 each**

Stephen Mabbot	-
Brian Reid	-
J Milne	1
J T Milne	1
J Forbes	1

#### **Directors' responsibilities**

The directors are required by UK company law 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 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, 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 special provisions of Part VII of the Companies Act 1985 applicable to small companies. 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.

**F M Developments Limited**

**Report of the director  
for the period from 10 February 1997 to 31 December 1997**

**Auditors**

A resolution to reappoint the auditors, Reeves & Neylan, will be proposed at the annual general meeting.

**By order of the board**

X *Jamethan Milne*

**J Milne**  
**Secretary**  
29 April 1998

## **Report of the auditors to the shareholders of F M Developments Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

As described on page 2 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 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Reeves & Neylan**  
**Chartered Accountants and Registered Auditors**  
Perth  
29 April 1998

# F M Developments Limited

## Profit and loss account for the period from 10 February 1997 to 31 December 1997

	Note	£
Turnover	1	1,974,890
Cost of sales		<u>1,566,205</u>
Gross profit		408,685
Administrative expenses		<u>122,703</u>
		285,982
Other operating income		<u>47,389</u>
Operating profit	2	333,371
Interest receivable	4	32
Interest payable and similar charges	5	<u>89,651</u>
Profit on ordinary activities before taxation		243,752
Tax on profit on ordinary activities	6	<u>53,424</u>
Retained profit for the financial period		<u><u>190,328</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The accounting policies and notes on pages 7 to 12 form part of these financial statements.

# F M Developments Limited

## Balance sheet at 31 December 1997

	Note	£	£
<b>Fixed assets</b>			
Tangible assets	7		398,063
<b>Current assets</b>			
Stocks and work in progress	8	1,334,688	
Debtors	9	<u>86,191</u>	
		1,420,879	
<b>Creditors: amounts falling due within one year</b>	10	<u>1,628,611</u>	
<b>Net current liabilities</b>			<u>(207,732)</u>
<b>Net assets</b>			<u>190,331</u>
<b>Capital and reserves</b>			
Called up share capital	12		3
Profit and loss account	13		<u>190,328</u>
	14		<u>190,331</u>

The financial statements were approved by the directors on 29 April 1998 and signed on their behalf by:



**J Milne**  
Director

The accounting policies and notes on pages 7 to 12 form part of these financial statements.



## **F M Developments Limited**

### **Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

These financial statements are prepared in accordance with the historical cost convention as modified to include revaluation of investment properties.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase price, together with any incidental costs of acquisition.

#### **Depreciation**

Certain of the company's properties are held for long term investments and, in accordance with SSAP19:

- i) Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve.
- ii) No depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years of the lease remaining.
- iii) Compliance with SSAP19 is a departure from the Companies Act 1985 necessary to give a true and fair view.

Other fixed assets are depreciated in order to write off the cost of the assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Motor vehicles	25
Tools and office equipment	15

#### **Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. Where necessary, provision is made for obsolete, slow moving and defective stocks. Short term contracts are stated at cost less progress payments received and receivable.

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the turnover and the related cost for that contract.

#### **Cash flow statement**

The company is exempt from the requirement to publish a cash flow statement under FRS1.

**F M Developments Limited****Principal accounting policies****Turnover**

Turnover represents the value of properties sold which fall within the company's ordinary activities.

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, for all material timing differences to the extent that it is probable that a liability or asset will crystallise.

# F M Developments Limited

## Notes to the accounts

for the period from 10 February 1997 to 31 December 1997

### 1 Turnover

Turnover represents the value of properties sold which fall within the company's ordinary activities and the value of management services provided in the period.

### 2 Operating profit

Operating profit is arrived at after charging:

	£
Auditors' remuneration - audit services	<u>4,800</u>

### 3 Directors' emoluments

	£
Fees	74,290
Social security costs	<u>7,115</u>
	<u>81,405</u>

### 4 Interest receivable

	£
Interest accrued on retentions held	<u>32</u>

### 5 Interest payable and similar charges

	£
On bank overdrafts	<u>89,651</u>

### 6 Taxation on profit on ordinary activities

	£
Corporation tax @ 22%	<u>53,424</u>
	<u>53,424</u>

### 7 Tangible fixed assets

	Total £	Motor vehicles £	Investment properties £	Tools and office equipment £
<b>Cost</b>				
Additions in period	399,924	6,164	391,624	2,136
<b>At 31 December 1997</b>	<u>399,924</u>	<u>6,164</u>	<u>391,624</u>	<u>2,136</u>
<b>Depreciation</b>				
Charge for period	1,861	1,541	-	320
<b>At 31 December 1997</b>	<u>1,861</u>	<u>1,541</u>	<u>-</u>	<u>320</u>
<b>Written down value</b>				
<b>At 31 December 1997</b>	<u>398,063</u>	<u>4,623</u>	<u>391,624</u>	<u>1,816</u>

# F M Developments Limited

## Notes to the accounts

for the period from 10 February 1997 to 31 December 1997

### 8 Stocks

	£
Work in progress	<u>1,334,688</u>

### 9 Debtors

	£
Trade debtors	47,576
Other debtors	<u>38,615</u>
	<u>86,191</u>

### 10 Creditors: amounts falling due within one year

	£
Bank overdrafts	1,309,044
Trade creditors	28,495
Corporation tax payable	53,424
Taxation and social security payments	11,603
Accruals	14,907
Deferred income	12,502
Directors loans	134,817
Other creditors	<u>63,819</u>
	<u>1,628,611</u>

The bank overdrafts are secured by a standard security over 9 Great Stuart Street and a floating charge over all other assets of the company.

### 11 Deferred taxation

Deferred taxation has not been provided in the financial statements because it is considered to be immaterial. The amounts unprovided are as follows:

	Amount provided £	Amount unprovided £
Tax effect of timing difference due to:		
Excess of tax allowances over depreciation	<u>-</u>	<u>295</u>

### 12 Called up share capital

	£
Authorised	
Ordinary shares of £1 each	<u>1,000,000</u>
Allotted, called up and fully paid	
Ordinary shares of £1 each	<u>3</u>

# **F M Developments Limited**

## **Notes to the accounts for the period from 10 February 1997 to 31 December 1997**

### **13 Profit and loss account**

	<b>£</b>
Retained profit for the period	<u>190,328</u>
At 31 December 1997	<u><u>190,328</u></u>

### **14 Reconciliation of movements in shareholders' funds**

	<b>£</b>
Profit for the financial period	190,328
Called up share capital	<u>3</u>
Closing shareholders' funds	<u><u>190,331</u></u>

### **15 Capital commitments**

The company has contracted to purchase properties for resale or investment at £1,065,000.

### **16 Related party transactions**

J T Milne purchased property from the company for £120,000 at open market value as determined by an independent surveyor.

J Milne rents a flat from the company at an open market rent. A debtor has been included in the financial statements for £2,400. This was paid post year end.