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SCOTTISH TRUST MANAGERS LIMITED

CONTENTS

	Page
Company information	1
Report of the Directors	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-10



SCOTTISH TRUST MANAGERS LIMITED

COMPANY INFORMATION

Directors

C S R Stroyan

E Y Whittingdale

P H Lawson

S A Talbot-Williams

C J Eccles

Secretary

R W Toye

Registered office

5 New Bridge Street
London
EC4V 6HT

Auditors

Robson Rhodes
Chartered Accountants
186 City Road
London EC1V 2NU

SCOTTISH TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements of the company for the year ended 31st March 1995.

Principal activity

The principal activity of the company is property investment.

Review of the business

During the year, the company continued to develop its investment portfolio in domestic property in the London area. One property was acquired comprising one flat and the interest in a property of four flats was sold. In addition a long lease was granted on a flat acquired in 1994. All of the flats were let as at 31st March 1995. The company continues to look for further investment opportunities.

Results and dividend

The profit for the year after tax amounted to £8,293 in comparison with the loss of £8,906 in 1994. The directors do not recommend the payment of a dividend.

Fixed assets

The movement in tangible fixed assets in the year is set out in note 7 to the financial statements.

Directors

The directors who held office during the year are detailed on page 1.

The following directors serving at the end of the year had interests in the share capital of the company at 31st March:

	Ordinary 'B' £1 shares	
	1995	1994
S A Talbot-Williams	25	25
C J Eccles	25	25

No other directors had any beneficial interest in the shares of the company. The interests of the directors in the shares of the ultimate parent undertaking, Iowa Land Company Limited, are disclosed in the accounts of that company.

SCOTTISH TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS **(Continued)**

Statement of directors' responsibilities for financial statements

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 or loss of the company for that period. In preparing these financial statements, the directors have:

- * selected suitable accounting policies and applied them consistently;
- * made judgements and estimates that are reasonable and prudent;
- * followed applicable accounting standards; and
- * prepared the financial statements on the going concern basis.

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 and detection of fraud and other irregularities.

Auditors

The auditors, Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

Approval

The report of the directors was approved by the Board on 23rd May 1995 and signed on its behalf by:



Roger W Toye
Secretary

SCOTTISH TRUST MANAGERS LIMITED

AUDITORS REPORT TO THE SHAREHOLDERS OF SCOTTISH TRUST MANAGERS LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared on the basis of 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 affairs of the company as at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

London
23rd May 1995

SCOTTISH TRUST MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1995

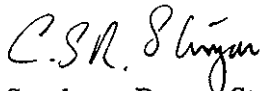
	Note	1995 £	1994 £
Turnover: continuing operations		16,546	3,705
Less Administration expenses		(13,217)	(10,249)
		<hr/>	<hr/>
Operating profit/(loss): continuing operations		3,329	(6,544)
Profit on disposal of investment property		25,317	11,299
		<hr/>	<hr/>
Profit before interest		28,646	4,755
Interest receivable	3	919	233
Interest payable	4	(20,772)	(13,894)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		8,793	(8,906)
Tax on profit on ordinary activities	6	(500)	-
		<hr/>	<hr/>
Profit/(loss) for the financial year	12	8,293	(8,906)
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses other than the loss for the 24 months ended 31st March 1995.

SCOTTISH TRUST MANAGERS LIMITED**BALANCE SHEET**
at 31st March 1995

	Note	1995 £	1994 £
Tangible assets	7	212,500	203,121
Current assets			
Debtors	8	401	14,636
Cash at bank		2,881	2,270
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	9	3,282 (7,881)	16,906 (100,451)
		<hr/>	<hr/>
Net current liabilities		(4,599)	(83,545)
		<hr/>	<hr/>
Total assets less current liabilities		207,901	119,576
Creditors: Amounts falling due after more than one year	10	(152,000)	(121,090)
		<hr/>	<hr/>
Net assets/(liabilities)		55,901	(1,514)
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Called up share capital	11	8,000	8,000
Revaluation reserve	12	49,122	-
Other reserve	12	3,065	3,065
Profit and loss account	12	(4,286)	(12,579)
		<hr/>	<hr/>
Shareholders' funds		55,901	(1,514)
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Board on 23rd May 1995 and signed on its behalf by:


Colin Strathearn Ropner Stroyan
Director

SCOTTISH TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain land and buildings.

Turnover

Turnover comprises rental income and introduction commission.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

Investment properties

In accordance with SSAP 19, investment properties are included in the Balance Sheet at an open market value.

2. OPERATING PROFIT/(LOSS)

	1995 £	1994 £
Operating profit/(loss) is arrived at after charging:		
Auditors' remuneration	(2,820)	(2,350)
	<u> </u>	<u> </u>

3. INTEREST RECEIVABLE

	1995 £	1994 £
Bank interest	585	233
Mortgage loan interest	334	-
	<u> </u>	<u> </u>
	919	233
	<u> </u>	<u> </u>

4. INTEREST PAYABLE

	1995 £	1994 £
Interest on a loan from immediate parent undertaking repayable wholly within four years	20,772	13,894
	<u> </u>	<u> </u>

SCOTTISH TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

5. EMPLOYEES AND DIRECTORS

The company has no employees and the directors did not receive any emoluments in the year (1994: Nil).

Interest in transactions

Both C J Eccles and S A Talbot-Williams have received payments for advice on and management of property services and collection of rents amounting to £2,461 and £2,094 respectively (1994: £944 and £1,032).

6. TAXATION

	1995 £	1994 £
Taxation charge for the year		
UK Corporation tax at 33%	500	-
	<u>500</u>	<u>-</u>

7. TANGIBLE ASSETS

	Freehold investment properties £	Long leasehold investment property £	Total £
Open Market value at 1 st April 1994	203,121	-	203,121
Additions in year	1,656	93,774	95,430
Disposals	(135,173)	-	(135,173)
Transfer to Revaluation Reserve	32,896	16,226	49,122
	<u>102,500</u>	<u>110,000</u>	<u>212,500</u>

The properties were revalued by the directors at the balance sheet date at the open market value.

8. DEBTORS

	1995 £	1994 £
Prepayments and accrued income	361	10,636
Other debtors	40	4,000
	<u>401</u>	<u>14,636</u>

SCOTTISH TRUST MANAGERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31st March 1995****9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1995 £	1994 £
Corporation Tax	500	-
Accruals and deferred income	7,381	4,601
Other creditors	-	95,850
	<u>7,881</u>	<u>100,451</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
Loan from immediate parent undertaking repayable between one and four years	152,000	121,090
	<u>152,000</u>	<u>121,090</u>

11. CALLED UP SHARE CAPITAL
Authorised, allotted and fully paid

	1995 £	1994 £
150 "A" ordinary shares of £1 each	150	150
50 "B" ordinary shares of £1 each	50	50
7,800 deferred shares of £1 each	7,800	7,800
	<u>8,000</u>	<u>8,000</u>

12. RESERVES

	Revaluation reserve £	Other reserve £	Profit and loss account £
At 1 st April 1994	-	3,065	(12,579)
Movement during the year	49,122	-	8,293
	<u>49,122</u>	<u>3,065</u>	<u>(4,286)</u>

SCOTTISH TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 1995

13. RECONCILIATION OF SHAREHOLDERS' FUNDS

	1995 £	1994 £
Opening shareholders' funds	(1,514)	7,392
Profit/(loss) for the year	8,293	(8,906)
Transfer to Revaluation Reserve	49,122	-
	<hr/>	<hr/>
Closing shareholders' funds	55,901	(1,514)
	<hr/>	<hr/>

14. PARENT UNDERTAKING

The ultimate parent undertaking is Iowa Land Company Limited, which is incorporated in England and Wales. Group accounts are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Cardiff, CF4 3UZ.