

**Heritage Projects (Edinburgh)  
Limited**

Directors' Report and  
Financial Statements

For the year ended 31 January 1996

Registered number: 97137

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# Heritage Projects (Edinburgh) Limited

## DIRECTORS

PG Adams  
Dr PV Addyman  
DP Lang

## SECRETARY

S Dollond

## REGISTERED OFFICE

19 York Place  
Edinburgh EH1 3EL

## AUDITORS

Binder Hamlyn  
St Paul's House  
Park Square  
Leeds LS1 2PJ

## BANKERS

The Royal Bank of Scotland plc  
6 Nessgate  
York YO1 1FY

# Heritage Projects (Edinburgh) Limited

## Directors' report

for the year ended 31 January 1996

### Financial Statements

The directors present their report and financial statements for the year ended 31 January 1996.

### 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 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 accounts; and
- 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 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.

### Principal activities and review of the business

The company continues to seek appropriate end uses for its major asset, the Tolbooth Kirk at Edinburgh.

### Results and dividends

The loss for the year amounted to £249,991. The directors are unable to recommend the payment of a dividend for the year end 31 January 1996 and the loss for the year will be taken to accumulated losses.

### Fixed assets

Details of movements in fixed assets are disclosed in note 5 to the financial statements. In the opinion of the directors the net realisable value of the assets in the course of construction is £450,000.

# Heritage Projects (Edinburgh) Limited

## Directors' report (continued)

for the year ended 31 January 1996

### Directors

The directors during the year were as follows:

PG Adams

Dr PV Addyman

DP Lang

### Directors' interests in shares

The directors who held office at 31 January 1996 had no interests in the shares of the company at any time during the year under review.

Their interests in the shares of the immediate parent undertaking are as disclosed in its financial statements.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 24 October 1996

A handwritten signature in black ink, appearing to be 'P. G. Adams', written over a horizontal line.

Director

# BINDER HAMLYN

## Heritage Projects (Edinburgh) Limited

### Auditors' report

for the year ended 31 January 1996

To the Shareholders of Heritage Projects (Edinburgh) Limited

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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Andersen Worldwide

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St Paul's House  
Park Square  
Leeds LS1 2PJ

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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.

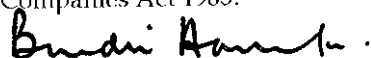
### Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty as to the future funding of the company. The company incurred a loss during the year ended 31 January 1996 and, at that date, its liabilities exceeded its assets. The company's management accounts indicate that a further loss is anticipated in the following period. The company is dependent on the continued financial support of the company's bankers, loan creditors, ultimate parent undertaking and the group's guarantors.

In view of the significance of the fact that the preparation of the financial statements on a going concern basis assumes that adequate financial support will be forthcoming, we consider that these disclosures should be brought to your attention. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company's affairs as at 31 January 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

27 November 1996

# Heritage Projects (Edinburgh) Limited

## Profit and loss account

For the year ended 31 January 1996

	Notes	1996 £	1995 £
Administrative expenses		(35,212)	(157,555)
Amounts written off tangible fixed assets	5	(561,334)	-
Deferred credit release	8	346,698	-
Other income		-	3,175
<b>Operating loss</b>	2	<u>(249,848)</u>	<u>(154,380)</u>
Interest payable and similar charges	3	(143)	(90)
<b>Loss on ordinary activities before and after taxation</b>	10	<u>(249,991)</u>	<u>(154,470)</u>

There were no recognised gains and losses other than the loss for the year. All of the above results derive from continuing activities and there were no acquisitions in the period.

# Heritage Projects (Edinburgh) Limited

## Balance sheet

as at 31 January 1996

	Notes	1996 £	1995 £
<b>Fixed assets</b>			
Tangible assets	5	450,000	1,011,334
<b>Current assets</b>			
Debtors	6	9	9
Cash at bank and in hand		283	1,315
		292	1,324
<b>Creditors: Amounts falling due within one year</b>	7	(522,937)	(488,614)
<b>Net current liabilities</b>		(522,645)	(487,290)
<b>Total assets less current liabilities</b>		(72,645)	524,044
<b>Creditors: Amounts falling due after more than one year</b>	8	(1,053,700)	(1,400,398)
<b>Net liabilities</b>		(1,126,345)	(876,354)
<b>Capital and reserves</b>			
Called-up share capital	9	75,000	75,000
Profit and loss account	10	(1,201,345)	(951,354)
<b>Shareholders' funds (all equity)</b>		(1,126,345)	(876,354)

The financial statements on pages 5 to 10 were approved by the Board on 24 October 1996



Director

# Heritage Projects (Edinburgh) Limited

## Notes to the financial statements

### 1 Accounting policies

#### a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, and on a going concern basis.

#### b) Going concern basis

The company incurred a loss during the year ended 31 January 1996 and, at that date, its liabilities exceeded its assets. The company's management accounts indicate that a further loss is anticipated in the following financial period. The company is dependent on the continued financial support of its immediate parent undertaking and the group's guarantors. The directors have projected their anticipated cash requirements for the coming year and have obtained adequate facilities to enable the company to continue operations. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis

#### c) Fixed assets and depreciation

Fixed assets are stated at the lower of cost or net realisable value. No annual depreciation will be provided on expenditure in connection with the design and construction of the centre until after the opening of the centre to the public.

#### d) Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing difference between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

### 2 Operating loss

is stated after charging or (crediting):

	1996	1995
	£	£
Auditors' remuneration	950	1,100
Amounts written off tangible fixed assets (note 5)	561,334	-
Deferred credit release (note 8)	(346,698)	-
Exceptional professional fees	-	121,255
Rental income	-	(3,175)



# Heritage Projects (Edinburgh) Limited

## Notes to the financial statements (continued)

### 3 Interest payable and similar charges

	1996 £	1995 £
On bank overdraft repayable within five years not by instalments	<u>143</u>	<u>90</u>

### 4 Taxation

The company has tax losses available to be carried forward for set off in future accounting periods.

### 5 Tangible fixed assets

	Assets in course of construction £
<b>Cost</b>	
1 February 1995	1,011,334
Provision for diminution in value	<u>(561,334)</u>
31 January 1996	<u>450,000</u>
<b>Net book value</b>	
31 January 1996	<u>450,000</u>
 Net book value	
31 January 1995	<u>1,011,334</u>

In the opinion of the directors the net realisable value of the asset in the course of construction is £450,000.

### 6 Debtors

	1996 £	1995 £
Other debtors	<u>9</u>	<u>9</u>

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

	1996 £	1995 £
Trade creditors	61	-
Amounts owed to immediate parent undertaking	517,876	479,884
Accruals and deferred income	<u>5,000</u>	<u>8,730</u>
	<u>522,937</u>	<u>488,614</u>

# Heritage Projects (Edinburgh) Limited

## Notes to the financial statements (continued)

### 8 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Parent undertaking interest free loan with no fixed repayment term	1,053,700	1,053,700
Deferred credit	-	346,698
	<u>1,053,700</u>	<u>1,400,398</u>

The deferred credit, representing grants received from government and statutory bodies in earlier years has been released to profit and loss account as, in the opinion of the directors, the amounts are not repayable.

### 9 Called up share capital

	Number	£
(1) Authorised		
£1 Ordinary shares	<u>500,000</u>	<u>500,000</u>

	Number	£
(2) Allotted and fully paid		
£1 Ordinary shares	<u>75,000</u>	<u>75,000</u>

### 10 Accumulated losses

	£
1 February 1995	(951,354)
Loss for the year	(249,991)
31 January 1996	<u>(1,201,345)</u>

### 11 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Loss for the financial year	(249,991)	(154,470)
Opening shareholders' funds	(876,354)	(721,884)
Closing shareholders' funds	<u>(1,126,345)</u>	<u>(876,354)</u>

# Heritage Projects (Edinburgh) Limited

## Notes to the financial statements (continued)

### 12 Financial commitments

The company is a party to a lease for the rental of land and buildings. This lease is due to expire more than five years after the balance sheet date. No rental payments are due within the coming twelve months.

### 13 Directors

No director received any remuneration during the year for their services as a director of the company.

### 14 Parent undertakings

#### (1) Ultimate parent undertaking

The directors regard Heritage Projects Limited, a company incorporated in Hong Kong, as the company's ultimate parent undertaking.

#### (2) Immediate parent undertaking

The directors regard Heritage Projects (Management) Limited, a company incorporated in England and Wales as the company's immediate parent undertaking.