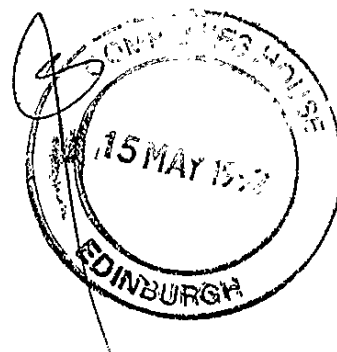


New Edinburgh Limited
Report and Accounts

For the period from 19 July 1990
(date of incorporation) to 31 December 1991

Registered number 126384



New Edinburgh Limited

Directors' report

The directors have pleasure in presenting their report together with the accounts of the company for the period from 19 July 1990 (date of incorporation) to 31 December 1991.

Activity and change of name

The company was incorporated on 19 July 1990 as Pacific Shelf 356 Limited and changed its name to New Edinburgh Limited on 23 November 1990. The company commenced its trade of commercial land development on 21 December 1990.

Results and dividend

The results for the period are set out in the profit and loss account on page 4. The loss for the period retained and transferred to reserves is £1,410,324. The directors do not recommend payment of a dividend for the period.

Business review and future developments

The company is a joint venture between Edinburgh Development & Investment Limited and The Miller Group Limited, established to develop a 124 acre greenfield site to the west of Edinburgh. The site is well placed for existing and proposed road links and is also adjacent to the airport and the main Glasgow/Edinburgh rail line.

Planning permission has been obtained for Phase 1 of the infrastructure works comprising some 42 acres of business space. Further phases will bring the total available business space to 88 acres. It is anticipated that the company will be involved in developing and selling the entire site over the next six years.

On 24 January 1992 the company announced that Scottish Equitable Life Assurance Society will take the first occupation totalling 20 acres of Phase 1. Interest has also been expressed in other parts of the site and the company plans a controlled phased development based on demand levels over the next six years. Construction work commenced on the Phase 1 infrastructure works on 24 February 1992 and further construction will be announced in due course, including the development of a Park Centre.

The company intends to develop the balance of the site as a retail park and also have some industrial space. The directors look forward to an exciting future for the company in completing the development of its site.

Directors and directors' interests

The directors of the company during the period were:

A Cockburn	(original director, resigned 13 November 1990)
G Kerevan	(appointed 13 November 1990)
W Ross	(appointed 13 November 1990)
KM Miller	(appointed 21 December 1990)
DSF Young	(appointed 21 December 1990)
PH Miller	(appointed 23 July 1991)
J Paske	(appointed 19 March 1991, resigned 23 July 1991)

The directors had no interests in the shares of the company.

Political and charitable donations

The company made no political or charitable donations in the period.

New Edinburgh Limited

Directors' report (*Continued*)

Auditors

The directors appointed KPMG Peat Marwick as the first auditors of the company. In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Peat Marwick as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


Secretary

Edinburgh

9 March 1992

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Report of the auditors to the members of
New Edinburgh Limited

We have audited the accounts on pages 4 to 8 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1991 and of its loss and source and application of funds for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

Chartered Accountants
Registered Auditor

9 March 1992

New Edinburgh Limited

Profit and loss account

for the period from 19 July 1990 (date of incorporation)
to 31 December 1991

	Notes	£
Turnover		-
Cost of sales		(409,191)
		<hr/>
Gross loss		(409,191)
Administrative expenses		(219,234)
		<hr/>
Interest receivable		(628,425)
Interest payable	2	612,817
		(1,394,716)
		<hr/>
Loss on ordinary activities before taxation	3	(1,410,324)
Tax on loss on ordinary activities	4	-
		<hr/>
Retained loss for the financial year		<u>(1,410,324)</u>

Note

The company commenced its commercial land development activity on 21 December 1990 and the above results relate to the period from that date to 31 December 1991.

New Edinburgh Limited

Statement of source and application of funds
for the period from 19 July 1990 (date of incorporation)
to 31 December 1991

	£
Application of funds	
Loss on ordinary activities before taxation	(1,410,324)
Further application of funds	
Purchase of tangible fixed assets	(87,382)
	<hr/>
	(1,497,706)
Source of funds	
Proceeds of issue of share capital	3,599,703
Creditors due after more than one year	17,439,425
	<hr/>
	21,039,128
	<hr/>
Increase in working capital	<u>19,541,422</u>
Components of increase in working capital	
Stocks	15,490,628
Debtors	72,777
Creditors	(498,671)
	<hr/>
	15,064,734
Movement in net liquid funds	
Cash at bank and in hand	4,476,688
	<hr/>
	<u>19,541,422</u>

New Edinburgh Limited

Notes to the accounts

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's accounts.

Basis of preparation

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

Stocks

Stocks, which comprise land and commercial development work in progress, are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of timing differences if liabilities are likely to crystallise in the foreseeable future.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Furniture and office equipment	4 years
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2. Interest payable

Interest payable on bank loans and overdraft and other loans repayable within five years	£ <u>1,394,716</u>
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3. Loss on ordinary activities before taxation

This is arrived at after charging: Auditors' remuneration Directors' emoluments	 1,500 <u> </u>
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4. Tax on loss on ordinary activities

There is no charge for taxation by reason of trading losses arising in the period. Losses of approximately £1,165,000 are available to be carried forward for relief against trading profits in future years, and interest eligible for relief when paid amounts to £262,000.

New Edinburgh Limited

Notes to the accounts (continued)

5. Tangible fixed assets

	<u>Furniture</u> £	<u>Office equipment</u> £	<u>Total</u> £
<i>Cost</i>			
Additions during period and cost at 31.12.91	77,652	9,730	87,382
<i>Depreciation</i>			
Charge for period and cumulative depreciation at 31.12.91	-	-	-
<i>Net book value</i>			
At 31.12.91	<u>77,652</u>	<u>9,730</u>	<u>87,382</u>

The tangible fixed assets were not brought into use during the period and accordingly no depreciation has been charged.

6. Debtors

	£
Other debtors	50,283
Accrued income	22,494
	<u>72,777</u>

7. Creditors: amounts falling due within one year

Trade creditors	139,852
Accruals and deferred income	358,819
	<u>498,671</u>

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

Unsecured loan notes 1991/2005	<u>17,439,425</u>
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The unsecured loan notes carry interest at a variable rate. The directors consider that these loan notes will not be redeemed in 1992.

9. Share capital

	£
Authorised, allotted, called up and fully paid:	
50,000 ordinary 'A' shares of £1 each	50,000
50,000 ordinary 'B' shares of £1 each	50,000
	<u>100,000</u>

The ordinary shares were allotted during the year in order to provide initial working capital. The consideration received by the company amounted to £3,599,703 giving rise to a share premium of £3,499,703.