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**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004
FOR
ERSKINE ESTATES LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

	Page
Company Information	1
Report of the Director	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6
Report of the Accountants	10

ERSKINE ESTATES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

DIRECTOR:	G M P Shaw
SECRETARY:	MBM Secretarial Services Limited
REGISTERED OFFICE:	39 Castle Terrace Edinburgh EH2 3BH
REGISTERED NUMBER:	SC 128010
ACCOUNTANTS:	LWC Accountants LLP 18 Greenside Lane Edinburgh EH1 3AH
BANKERS:	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR

ERSKINE ESTATES LIMITED

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

The director presents his report with the financial statements of the company for the year ended 30 September 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of commercial property investment.

DIRECTOR

G M P Shaw was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	30/9/04	1/10/03
Ordinary £1 shares	-	7,291

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
G M P Shaw - Director

Date: 7 June 2005

ERSKINE ESTATES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

		<u>30/9/04</u>	<u>30/9/03</u>
	Notes	£	£
TURNOVER		60,613	50,699
Administrative expenses		<u>25,367</u>	<u>27,255</u>
OPERATING PROFIT	2	35,246	23,444
Interest receivable and similar income		<u>4,743</u>	<u>4,005</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		39,989	27,449
Tax on profit on ordinary activities	3	<u>7,377</u>	<u>5,255</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		32,612	22,194
Retained profit brought forward		<u>91,669</u>	<u>69,475</u>
RETAINED PROFIT CARRIED FORWARD		<u>£124,281</u>	<u>£91,669</u>

The notes form part of these financial statements

ERSKINE ESTATES LIMITED

BALANCE SHEET **30 SEPTEMBER 2004**

		<u>30/9/04</u>		<u>30/9/03</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		77,236		62,148
Investments	5		<u>36,000</u>		<u>-</u>
			113,236		62,148
CURRENT ASSETS:					
Debtors	6	30,985		35,293	
Cash at bank		<u>194,023</u>		<u>189,753</u>	
		225,008		225,046	
CREDITORS: Amounts falling due within one year	7	<u>32,676</u>		<u>14,942</u>	
NET CURRENT ASSETS:			<u>192,332</u>		<u>210,104</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			305,568		272,252
PROVISIONS FOR LIABILITIES AND CHARGES:	8		<u>704</u>		<u>-</u>
			<u>£304,864</u>		<u>£272,252</u>
CAPITAL AND RESERVES:					
Called up share capital	9		38,124		38,124
Share premium	10		142,459		142,459
Profit and loss account			<u>124,281</u>		<u>91,669</u>
SHAREHOLDERS' FUNDS:			<u>£304,864</u>		<u>£272,252</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2004.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.


The notes form part of these financial statements

ERSKINE ESTATES LIMITED

**BALANCE SHEET
30 SEPTEMBER 2004**

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


.....
G M P Shaw - Director

Approved by the Board on 7 June 2005

The notes form part of these financial statements

ERSKINE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and except as noted below, in accordance with the Financial Reporting Statements for Smaller Entities (effective June 2002).

Turnover

Turnover represents rent receivable from properties held.

Investment properties and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on cost

Properties, which are held for investment purposes, are shown as tangible fixed assets at cost.

In accordance with Statement of Standard Accounting Practice No.19, no depreciation or amortisation is provided in respect of freehold properties and leasehold investment properties with over 20 years to run, but contrary to that standard, investment properties have not been revalued.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirement of the Companies Act concerning depreciation or amortisation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Investments

Investments are held at cost less any provision diminution in value.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30/9/04	30/9/03
	£	£
Depreciation - owned assets	173	538
Profit on disposal of fixed assets	(476)	-
	<u>-</u>	<u>-</u>
Director's emoluments	-	-

ERSKINE ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	30/9/04 £	30/9/03 £
Current tax:		
UK corporation tax	6,673	5,257
Prior year adjustment	-	(2)
Total current tax	6,673	5,255
Deferred taxation	704	-
Tax on profit on ordinary activities	<u>7,377</u>	<u>5,255</u>

4. TANGIBLE FIXED ASSETS

	Investment properties	Motor vehicles	Office equipment	Totals
	£	£	£	£
COST:				
At 1 October 2003	61,583	17,900	1,390	80,873
Additions	-	14,128	1,557	15,685
Disposals	-	(17,900)	-	(17,900)
At 30 September 2004	<u>61,583</u>	<u>14,128</u>	<u>2,947</u>	<u>78,658</u>
DEPRECIATION:				
At 1 October 2003	-	17,335	1,390	18,725
Charge for year	-	141	32	173
Eliminated on disposals	-	(17,476)	-	(17,476)
At 30 September 2004	-	-	<u>1,422</u>	<u>1,422</u>
NET BOOK VALUE:				
At 30 September 2004	<u>61,583</u>	<u>14,128</u>	<u>1,525</u>	<u>77,236</u>
At 30 September 2003	<u>61,583</u>	<u>565</u>	-	<u>62,148</u>

5. FIXED ASSET INVESTMENTS

	£
COST:	
Additions	<u>36,000</u>
At 30 September 2004	<u>36,000</u>
NET BOOK VALUE:	
At 30 September 2004	<u>36,000</u>

ERSKINE ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

5. FIXED ASSET INVESTMENTS - continued

	30/9/04	30/9/03
	£	£
Unlisted investments	<u>36,000</u>	<u>-</u>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30/9/04	30/9/03
	£	£
Trade debtors	2,892	9,700
Amounts due from related party	26,093	25,593
Director's current account	<u>2,000</u>	<u>-</u>
	<u>30,985</u>	<u>35,293</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	30/9/04	30/9/03
	£	£
Trade creditors	13,000	6,499
Social security & other taxes	3,201	1,371
Taxation	6,673	5,257
Accruals and deferred income	<u>9,802</u>	<u>1,815</u>
	<u>32,676</u>	<u>14,942</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	30/9/04	30/9/03
	£	£
Deferred tax	<u>704</u>	<u>-</u>

	Deferred tax
	£
Provision for year	<u>704</u>
Balance at 30 September 2004	<u>704</u>

Deferred tax provision

	30/9/04	30/9/03
	£	£
Deferred taxation	<u>704</u>	<u>-</u>
	<u>704</u>	<u>-</u>

ERSKINE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2004

9. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	30/9/04 £	30/9/03 £
38,124	Ordinary	£1	<u>38,124</u>	<u>38,124</u>

Allotted and issued: Number:	Class:	Nominal value:	30/9/04 £	30/9/03 £
38,124	Ordinary shares	£1	<u>38,124</u>	<u>38,124</u>

10. SHARE PREMIUM

	30/9/04 £	30/9/03 £
Brought forward	<u>142,459</u>	<u>142,459</u>

11. ULTIMATE PARENT COMPANY

On 30 September 2004, Erskine Properties Limited became the ultimate parent company after a share for share exchange made the company a 100% subsidiary.

12. TRANSACTIONS WITH DIRECTOR

At the year end, the company was owed £2,000 (2003 - £nil) by G M P Shaw in respect of personal expenses paid by the company. The maximum overdrawn balance during the year was £2,000.

During the year, the company acquired a 10% share in a property, the other 90% being acquired by G M P Shaw, director. The transaction was carried out on the open market.

13. RELATED PARTY DISCLOSURES

G M P Shaw is also a director of Erskine Properties Limited. At 30 September 2004 Erskine Properties Limited owed £26,093 (2003: £25,593) to Erskine Estates Limited. The movement in the year relates to cash advances from the company to Erskine Properties Limited and the management charge for the year due to Erskine Properties Limited of £14,000 (2003 - £14,000).

Included within trade debtors (note 5) is £2,500 (2003: £2,500) due by S Shaw, a member of the director's close family.



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ERSKINE ESTATES LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTOR OF
ERSKINE ESTATES LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 September 2004 set out on pages three to nine and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

LWC Accountants LLP

LWC Accountants LLP
18 Greenside Lane
Edinburgh
EH1 3AH

Date: 7 June 2005