

FERRYFIELD HOUSE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

Company No. 158849

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FERRYFIELD HOUSE LIMITED

COMPANY INFORMATION

Directors	J C Campbell D A Fairfoull J B Dunlop
Secretary	D A Fairfoull
Company Number	158849
Registered Office	Carriden Sawmills Carriden Industrial Estate Bo'ness West Lothian EH51 9SQ
Auditors	Scott Oswald Chartered Accountants 1 Royal Terrace Edinburgh EH7 5AD
Solicitors	Dundas & Wilson CS Saltire Court 20 Castle Terrace Edinburgh EH1 2EN
Bankers	The Royal Bank of Scotland plc 2 Bernard Street Edinburgh EH6 6PU

FERRYFIELD HOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

The directors present their report together with the audited financial statements for the year ended 31st March 1999.

Principal Activities

The company's sole activity is to supply facilities management services at its care facility to the Edinburgh Healthcare (NHS) Trust.

Millennium

The company has taken the appropriate steps to cope with any software and hardware problems arising from the year 2000.

Results

The results for the year are set out in the profit and loss account on page 4.

The directors consider the state of the company's affairs to be satisfactory and look forward to modest inflationary profit growth on an annual basis for the year ended March 2000.

Directors

The directors of the company during the year, none of whom were beneficially interested in the share capital, were as follows:

J C Campbell
J B Dunlop
D A Fairfoull

J C Campbell is a director of the parent undertaking, James Walker (Leith) Limited and his interests are disclosed in the financial statements of that company. J B Dunlop and D A Fairfoull held no shares in that company.

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 the company's affairs and of the profit or loss for that year. In preparing these 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;

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 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.

FERRYFIELD HOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

Auditors

A resolution to reappoint Scott Oswald Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

Small Company Exemptions

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and was approved by the board on 27th September 1999, and signed on its behalf by



D A Fairfoull, Secretary
27th September 1999

AUDITORS' REPORT TO THE SHAREHOLDERS OF FERRYFIELD HOUSE LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 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 financial statements and report our opinion to you.

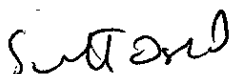
Basis of Opinion

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 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 the 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 as at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Scott Oswald
Chartered Accountants and Registered Auditors
1 Royal Terrace
Edinburgh
EH7 5AD
Date: 8th Oct 1999

FERRYFIELD HOUSE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1999

	Notes	1999 £	1998 £
Turnover	2	795,586	735,727
Cost of Sales		241,315	238,723
Gross Profit		554,271	497,004
Administrative Expenses		234,793	194,005
Operating Profit	3	319,478	302,999
Interest Payable and Similar Charges	4	(114,394)	(148,103)
Profit on Ordinary Activities Before Taxation		205,084	154,896
Tax on Profit on Ordinary Activities	5	35,049	4,872
Profit for the Financial Year		170,035	150,024
Dividends		68,014	60,010
Retained Profit for the Year		102,021	90,014
Retained Profit Brought Forward		143,750	53,736
Retained Profit Carried Forward		245,771	143,750

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

FERRYFIELD HOUSE LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1999

	Notes	£	1999 £	£	1998 £
Fixed Assets					
Tangible assets	6		2,149,026		2,189,048
Current Assets					
Debtors	7	96,578		3,359	
		<u>96,578</u>		<u>3,359</u>	
Creditors: Amounts Falling Due Within One Year	8	<u>724,833</u>		<u>1,648,657</u>	
Net Current Liabilities			(628,255)		(1,645,298)
Total Assets Less Current Liabilities			1,520,771		543,750
Creditors: Amounts Falling Due After More Than One Year	9		875,000		-
			<u>645,771</u>		<u>543,750</u>
Capital and Reserves					
Share capital	12		400,000		400,000
Profit and loss account			<u>245,771</u>		<u>143,750</u>
Shareholders' Funds	13		<u>645,771</u>		<u>543,750</u>

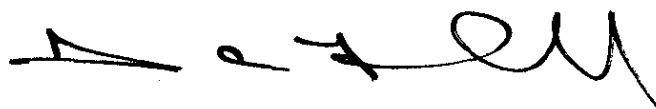
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 27th September 1999 and signed on its behalf by

J C Campbell
Director



D A Fairfoull
Director



FERRYFIELD HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

1 Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that its cash flows are included in the cash flow statement of the parent undertaking.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments by the straight line method over their expected useful lives. The rates and periods generally applicable are:

Land and buildings	- Nil
Furniture and equipment	- 14.3% Straight line

No depreciation is provided on the company's land and buildings. It is the directors' belief that the residual value of these is at least equal to the book value. Having regard to this, it is considered that the depreciation of any such property as required by the Companies Act 1985 and standard accounting practice would not be material.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

2 Turnover

The turnover and operating profit for the year were derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	1999	1998
	£	£
Depreciation of owned assets	40,022	40,022
Auditors' remuneration	1,060	1,030

FERRYFIELD HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

4 Interest Payable and Similar Charges

	1999	1998
	£	£
Bank overdrafts and loans repayable within five years, not by instalments	18,996	24,378
Other interest payable	95,398	123,725
	<u>114,394</u>	<u>148,103</u>

5 Taxation

	1999	1998
	£	£
Based on the profit for the year		
UK corporation tax at 30% (1998: 24%)	35,049	4,872

6 Tangible Fixed Assets

	Land and Buildings	Furniture and Equipment	Total
	£	£	£
Cost			
At 1st April 1998	1,988,935	280,157	2,269,092
At 31st March 1999	1,988,935	280,157	2,269,092
Depreciation			
At 1st April 1998	-	80,044	80,044
Charge for the year	-	40,022	40,022
At 31st March 1999	-	120,066	120,066
Net Book Value			
At 31st March 1999	1,988,935	160,091	2,149,026
<i>At 31st March 1998</i>	<i>1,988,935</i>	<i>200,113</i>	<i>2,189,048</i>

7 Debtors

	1999	1998
	£	£
Trade debtors	95,356	3,359
Other debtors	1,222	-
	<u>96,578</u>	<u>3,359</u>

FERRYFIELD HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

8	Creditors: Amounts Falling Due Within One Year	1999 £	1998 £
	Bank overdraft	135,029	1,260,064
	Bank loan (Note 10)	125,000	-
	Trade creditors	75,562	62,663
	Amounts owed to parent undertakings	77,954	111,257
	Amounts owed to subsidiary undertakings	119,829	140,388
	Corporation tax	35,049	4,872
	Other taxes and social security	16,775	1,841
	Proposed dividends	128,024	60,010
	Accruals and deferred income	11,611	7,562
		<u>724,833</u>	<u>1,648,657</u>

There is an inter-company guarantee to The Royal Bank of Scotland plc between Walker Timber Limited, James Walker (Leith) Limited, Dundas Building Company Limited, Dundas Estates and Development Company Limited, Ferryfield House Limited, Mearns Kirk House Limited and Thomson & Balfour Limited. Subsequent to the year end Mearns Kirk House Limited was discharged from the inter-company guarantee.

The Edinburgh NHS Trust hold a standard security over the land at Ferryfield House, Pilton Drive, Edinburgh.

The bank loan is repayable in 16 equal instalments over a period of 8 years commencing 8th September 1999.

9	Creditors: Amounts Falling Due After One Year	1999 £	1998 £
	Bank loan (Note 10)	875,000	-

10	Loans	1999 £	1998 £
	Amounts repayable:		
	In one year or less, or on demand	125,000	-
	Between one and five years	500,000	-
		<u>625,000</u>	<u>-</u>
	In five years or more	375,000	-
		<u>1,000,000</u>	<u>-</u>

FERRYFIELD HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

11 Deferred Taxation

No provision has been made for deferred taxation during the year. The amount unprovided in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 30 % (1998: 30%).

	Amount Unprovided	
	1999 £	1998 £
Accelerated capital allowances	83,000	56,000

12 Share Capital

	1999 £	1998 £
Authorised		
400,000 Ordinary shares of £1.00 each	400,000	400,000
Allotted		
400,000 Allotted, called up and fully paid ordinary shares of £1.00 each	400,000	400,000

13 Reconciliation of Shareholders' Funds

	1999 £	1998 £
Profit for the financial year	170,035	150,024
Dividends	(68,014)	(60,010)
Increase in the shareholders' funds	102,021	90,014
Opening shareholders' funds	543,750	453,736
Closing shareholders' funds	645,771	543,750

14 Related Parties

The company's parent undertaking is James Walker (Leith) Limited which is registered in Scotland.

As a wholly owned subsidiary of James Walker (Leith) Limited, advantage has been taken of the exemption granted by Financial Reporting Standard 8, Related Party Disclosures, not to report details of the transactions with entities which are more than 90% controlled by a common parent undertaking.