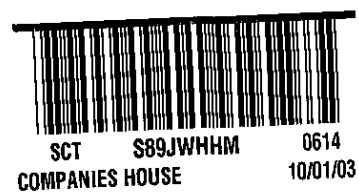


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Report of the Directors and
Financial Statements for the Year Ended 31 July 2002
for
Hartfield Homes Limited



Hartfield Homes Limited

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for the Year Ended 31 July 2002

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Hartfield Homes Limited

Company Information

for the Year Ended 31 July 2002

DIRECTORS:

Mrs C Newbould
D Newbould

SECRETARY:

D Newbould

REGISTERED OFFICE:

Pentland House
Pentland Mains
Loanhead
Midlothian
EH20 9QG

REGISTERED NUMBER:

145713

ACCOUNTANTS:

Douglas J Martin & Co.
40/42 Brantwood Avenue
Dundee
DD3 6EW

Hartfield Homes Limited

Report of the Directors
for the Year Ended 31 July 2002

The directors present their report with the financial statements of the company for the year ended 31 July 2002.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2002.

DIRECTORS

The directors during the year under review were:

Mrs C Newbould
D Newbould

The beneficial interests of the directors holding office on 31 July 2002 in the issued share capital of the company were as follows:

	31.7.02	1.8.01
Ordinary £1 shares		
Mrs C Newbould	10,000	10,000
D Newbould	10,000	10,000

ON BEHALF OF THE BOARD:


- DIRECTOR

Dated:

21st December 2002

Hartfield Homes Limited

Profit and Loss Account
for the Year Ended 31 July 2002

	Notes	31.7.02		31.7.01	
		£	£	£	£
TURNOVER			909,070		423,416
Cost of sales			792,143		361,172
GROSS PROFIT			116,927		62,244
Distribution costs		43,798		23,783	
Administrative expenses		63,828		47,579	
			107,626		71,362
			9,301		(9,118)
Other operating income			80,967		-
OPERATING PROFIT/(LOSS)	3		90,268		(9,118)
Interest receivable and similar income			-		2,730
			90,268		(6,388)
Interest payable and similar charges	4		4,595		2,906
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			85,673		(9,294)
Tax on profit/(loss) on ordinary activities	5		-		-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION			85,673		(9,294)
Deficit brought forward			(97,627)		(88,333)
DEFICIT CARRIED FORWARD			£(11,954)		£(97,627)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

Hartfield Homes Limited

Balance Sheet

31 July 2002

		31.7.02		31.7.01	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		84,586		93,010
CURRENT ASSETS:					
Stocks	7	111,510		87,942	
Debtors	8	37,747		11,390	
Cash at bank		40,194		23,044	
		189,451		122,376	
CREDITORS: Amounts falling due within one year	9	228,228		216,874	
NET CURRENT LIABILITIES:			(38,777)		(94,498)
TOTAL ASSETS LESS CURRENT LIABILITIES:			45,809		(1,488)
CREDITORS: Amounts falling due after more than one year	10		37,763		76,139
			£8,046		£(77,627)
CAPITAL AND RESERVES:					
Called up share capital	13		20,000		20,000
Profit and loss account			(11,954)		(97,627)
SHAREHOLDERS' FUNDS:	14		£8,046		£(77,627)

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their 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.

ON BEHALF OF THE BOARD:


- DIRECTOR

Approved by the Board on 21st December 2002

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 July 2002

1. **ACCOUNTING POLICIES**

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Plant and machinery	- 15% on reducing balance
Office equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

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

2. **STAFF COSTS**

	31.7.02	31.7.01
	£	£
Wages and salaries	<u>43,798</u>	<u>23,783</u>

The average monthly number of employees during the year was as follows:

	31.7.02	31.7.01
Administration	<u>2</u>	<u>2</u>

3. **OPERATING PROFIT/(LOSS)**

The operating profit (2001 - operating loss) is stated after charging:

	31.7.02	31.7.01
	£	£
Depreciation - owned assets	9,810	8,934
Loss on disposal of fixed assets	<u>285</u>	<u>-</u>
Directors' emoluments	<u>-</u>	<u>-</u>

Notes to the Financial Statements
for the Year Ended 31 July 2002

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	31.7.02	31.7.01
	£	£
Bank interest & charges	902	2,906
Loan interest	3,693	-
	<u>4,595</u>	<u>2,906</u>

5. **TAXATION**

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2002 nor for the year ended 31 July 2001.

6. **TANGIBLE FIXED ASSETS**

	Freehold property	Plant and machinery	Office equipment	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 August 2001	50,000	45,010	11,438	17,361	123,809
Additions	-	35,541	292	-	35,833
Disposals	(20,000)	(16,115)	-	(2,465)	(38,580)
At 31 July 2002	<u>30,000</u>	<u>64,436</u>	<u>11,730</u>	<u>14,896</u>	<u>121,062</u>
DEPRECIATION:					
At 1 August 2001	-	16,959	5,047	8,793	30,799
Charge for year	-	7,630	1,003	1,177	9,810
Eliminated on disposals	-	(3,055)	-	(1,078)	(4,133)
At 31 July 2002	<u>-</u>	<u>21,534</u>	<u>6,050</u>	<u>8,892</u>	<u>36,476</u>
NET BOOK VALUE:					
At 31 July 2002	<u>30,000</u>	<u>42,902</u>	<u>5,680</u>	<u>6,004</u>	<u>84,586</u>
At 31 July 2001	<u>50,000</u>	<u>28,051</u>	<u>6,392</u>	<u>8,567</u>	<u>93,010</u>

7. **STOCKS**

	31.7.02	31.7.01
	£	£
Stock & Work-in-progress	<u>111,510</u>	<u>87,942</u>

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

	31.7.02	31.7.01
	£	£
V.A.T.	9,112	-
Trade debtors	<u>28,635</u>	<u>11,390</u>
	<u>37,747</u>	<u>11,390</u>

Notes to the Financial Statements
for the Year Ended 31 July 2002

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

	31.7.02	31.7.01
	£	£
Bank loans and overdrafts (see note 11)	14,191	12,027
Trade creditors	119,672	28,362
Directors' loan account	47,925	121,092
AIB - loan	29,188	30,828
Loan - other	7,700	13,000
V.A.T.	-	9,970
Social security & other taxes	8,117	1,375
Accruals	1,435	220
	<u>228,228</u>	<u>216,874</u>

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

	31.7.02	31.7.01
	£	£
Long term loan	<u>37,763</u>	<u>76,139</u>

11. **LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	31.7.02	31.7.01
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>14,191</u>	<u>12,027</u>

12. **SECURED DEBTS**

There is a floating charge over the assets of the Company.

13. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.7.02	31.7.01
50,000	Ordinary	£1	<u>£ 50,000</u>	<u>£ 50,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.7.02	31.7.01
20,000	Ordinary	£1	<u>£ 20,000</u>	<u>£ 20,000</u>

Hartfield Homes Limited

Notes to the Financial Statements
for the Year Ended 31 July 2002

14. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31.7.02	31.7.01
	£	£
Profit/(Loss) for the financial year	85,673	(9,294)
	<u>85,673</u>	<u>(9,294)</u>
Net addition/(reduction) to shareholders' funds	(77,627)	(68,333)
Opening shareholders' funds	<u>8,046</u>	<u>(77,627)</u>
Closing shareholders' funds	<u>8,046</u>	<u>(77,627)</u>
Equity interests	<u>8,046</u>	<u>(77,627)</u>

Hartfield Homes Limited

Report of the Accountants to the Directors of
Hartfield Homes Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 July 2002 set out on pages three to eight 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.

Douglas J Martin & Co.
40/42 Brantwood Avenue
Dundee
DD3 6EW



Dated:

17/12/02