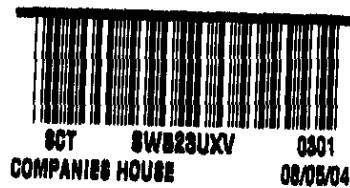


145713

Report of the Directors and  
Financial Statements for the Year Ended 31 July 2003  
for  
Hartfield Homes Limited



Hartfield Homes Limited

Contents of the Financial Statements  
for the Year Ended 31 July 2003

|                                     | Page |
|-------------------------------------|------|
| Company Information                 | 1    |
| Report of the Directors             | 2    |
| Profit and Loss Account             | 3    |
| Balance Sheet                       | 4    |
| Notes to the Financial Statements   | 5    |
| Report of the Accountants           | 9    |
| Trading and Profit and Loss Account | 10   |

Hartfield Homes Limited

Company Information  
for the Year Ended 31 July 2003

**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 2003

The directors present their report with the financial statements of the company for the year ended 31 July 2003.

**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 2003.

**DIRECTORS**

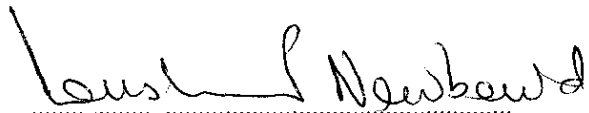
The directors during the year under review were:

Mrs C Newbould  
D Newbould

The beneficial interests of the directors holding office on 31 July 2003 in the issued share capital of the company were as follows:

|                           |                |               |
|---------------------------|----------------|---------------|
|                           | <b>31.7.03</b> | <b>1.8.02</b> |
| <b>Ordinary £1 shares</b> |                |               |
| Mrs C Newbould            | 10,000         | 10,000        |
| D Newbould                | 10,000         | 10,000        |

**ON BEHALF OF THE BOARD:**

  
.....  
- Director

Date: 24th May 2004

Hartfield Homes Limited

Profit and Loss Account  
for the Year Ended 31 July 2003

|                                                      | Notes | 31.7.03 |          | 31.7.02 |           |
|------------------------------------------------------|-------|---------|----------|---------|-----------|
|                                                      |       | £       | £        | £       | £         |
| <b>TURNOVER</b>                                      |       |         | 683,406  |         | 909,070   |
| Cost of sales                                        |       |         | 560,961  |         | 792,143   |
| <b>GROSS PROFIT</b>                                  |       |         | 122,445  |         | 116,927   |
| Distribution costs                                   |       | 36,912  |          | 43,798  |           |
| Administrative expenses                              |       | 74,703  |          | 63,828  |           |
|                                                      |       |         | 111,615  |         | 107,626   |
|                                                      |       |         | 10,830   |         | 9,301     |
| Other operating income                               |       |         | 1,185    |         | 80,967    |
| <b>OPERATING PROFIT</b>                              | 3     |         | 12,015   |         | 90,268    |
| Interest payable and similar charges                 | 4     |         | 2,931    |         | 4,595     |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       |         | 9,084    |         | 85,673    |
| Tax on profit on ordinary activities                 | 5     |         | -        |         | -         |
| <b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>  |       |         | 9,084    |         | 85,673    |
| Deficit brought forward                              |       |         | (11,954) |         | (97,627)  |
| <b>DEFICIT CARRIED FORWARD</b>                       |       |         | £(2,870) |         | £(11,954) |

**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 profits for the current and previous years.

Hartfield Homes Limited

Balance Sheet

31 July 2003

|                                                                |       | 31.7.03 |          | 31.7.02 |          |
|----------------------------------------------------------------|-------|---------|----------|---------|----------|
|                                                                | Notes | £       | £        | £       | £        |
| <b>FIXED ASSETS:</b>                                           |       |         |          |         |          |
| Tangible assets                                                | 6     |         | 118,512  |         | 84,586   |
| <b>CURRENT ASSETS:</b>                                         |       |         |          |         |          |
| Stocks                                                         | 7     | 282,592 |          | 111,510 |          |
| Debtors                                                        | 8     | 11,948  |          | 37,747  |          |
| Cash at bank                                                   |       | 5,719   |          | 40,194  |          |
|                                                                |       | 300,259 |          | 189,451 |          |
| <b>CREDITORS: Amounts falling due within one year</b>          | 9     | 363,878 |          | 228,228 |          |
| <b>NET CURRENT LIABILITIES:</b>                                |       |         | (63,619) |         | (38,777) |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>                  |       |         | 54,893   |         | 45,809   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 10    |         | 37,763   |         | 37,763   |
|                                                                |       |         | £17,130  |         | £8,046   |
| <b>CAPITAL AND RESERVES:</b>                                   |       |         |          |         |          |
| Called up share capital                                        | 13    |         | 20,000   |         | 20,000   |
| Profit and loss account                                        |       |         | (2,870)  |         | (11,954) |
| <b>SHAREHOLDERS' FUNDS:</b>                                    | 14    |         | £17,130  |         | £8,046   |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2003 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) 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 4th May 2004

The notes form part of these financial statements

**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 tax**

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

**2. STAFF COSTS**

|                    | 31.7.03       | 31.7.02       |
|--------------------|---------------|---------------|
|                    | £             | £             |
| Wages and salaries | <u>36,912</u> | <u>43,798</u> |

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

|                | 31.7.03  | 31.7.02  |
|----------------|----------|----------|
| Administration | <u>2</u> | <u>2</u> |

**3. OPERATING PROFIT**

The operating profit is stated after charging:

|                                  | 31.7.03  | 31.7.02    |
|----------------------------------|----------|------------|
|                                  | £        | £          |
| Depreciation - owned assets      | 20,766   | 9,810      |
| Loss on disposal of fixed assets | <u>-</u> | <u>285</u> |
| Directors' emoluments            | <u>-</u> | <u>-</u>   |

Notes to the Financial Statements  
for the Year Ended 31 July 2003

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|                         | 31.7.03      | 31.7.02      |
|-------------------------|--------------|--------------|
|                         | £            | £            |
| Bank interest & charges | 879          | 902          |
| Loan interest           | 2,052        | 3,693        |
|                         | <u>2,931</u> | <u>4,595</u> |

**5. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2003 nor for the year ended 31 July 2002.

**6. TANGIBLE FIXED ASSETS**

|                        | Freehold<br>property | Plant and<br>machinery | Office<br>equipment | Motor<br>vehicles | Totals         |
|------------------------|----------------------|------------------------|---------------------|-------------------|----------------|
|                        | £                    | £                      | £                   | £                 | £              |
| <b>COST:</b>           |                      |                        |                     |                   |                |
| At 1 August 2002       | 30,000               | 64,436                 | 11,731              | 14,896            | 121,063        |
| Additions              | -                    | 16,415                 | 536                 | 37,740            | 54,691         |
|                        | <u>30,000</u>        | <u>80,851</u>          | <u>12,267</u>       | <u>52,636</u>     | <u>175,754</u> |
| <b>DEPRECIATION:</b>   |                      |                        |                     |                   |                |
| At 1 August 2002       | -                    | 21,534                 | 6,050               | 8,892             | 36,476         |
| Charge for year        | -                    | 8,897                  | 933                 | 10,936            | 20,766         |
|                        | <u>-</u>             | <u>30,431</u>          | <u>6,983</u>        | <u>19,828</u>     | <u>57,242</u>  |
| <b>NET BOOK VALUE:</b> |                      |                        |                     |                   |                |
| At 31 July 2003        | <u>30,000</u>        | <u>50,420</u>          | <u>5,284</u>        | <u>32,808</u>     | <u>118,512</u> |
| At 31 July 2002        | <u>30,000</u>        | <u>42,902</u>          | <u>5,680</u>        | <u>6,004</u>      | <u>84,586</u>  |

**7. STOCKS**

|                          | 31.7.03        | 31.7.02        |
|--------------------------|----------------|----------------|
|                          | £              | £              |
| Stock & Work-in-progress | <u>282,592</u> | <u>111,510</u> |

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

|               | 31.7.03       | 31.7.02       |
|---------------|---------------|---------------|
|               | £             | £             |
| V.A.T.        | -             | 9,112         |
| Trade debtors | <u>11,948</u> | <u>28,635</u> |
|               | <u>11,948</u> | <u>37,747</u> |

Notes to the Financial Statements  
for the Year Ended 31 July 2003

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

|                                            | 31.7.03<br>£   | 31.7.02<br>£   |
|--------------------------------------------|----------------|----------------|
| Bank loans and overdrafts<br>(see note 11) | -              | 14,191         |
| Trade creditors                            | 100,641        | 119,672        |
| Directors' loan account                    | 142,748        | 47,925         |
| AIB - loan                                 | 28,840         | 29,188         |
| Loan - other                               | 83,950         | 7,700          |
| V.A.T.                                     | 3,193          | -              |
| Social security & other taxes              | 3,156          | 8,117          |
| Accruals                                   | 1,350          | 1,435          |
|                                            | <u>363,878</u> | <u>228,228</u> |

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

|                | 31.7.03<br>£  | 31.7.02<br>£  |
|----------------|---------------|---------------|
| Long term loan | <u>37,763</u> | <u>37,763</u> |

11. **LOANS AND OVERDRAFTS**

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

|                                                   | 31.7.03<br>£ | 31.7.02<br>£  |
|---------------------------------------------------|--------------|---------------|
| Amounts falling due within one year or on demand: |              |               |
| Bank overdrafts                                   | <u>-</u>     | <u>14,191</u> |

12. **SECURED DEBTS**

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

13. **CALLED UP SHARE CAPITAL**

|                                  |          |                   |               |               |
|----------------------------------|----------|-------------------|---------------|---------------|
| Authorised:                      |          |                   |               |               |
| Number:                          | Class:   | Nominal<br>value: | 31.7.03<br>£  | 31.7.02<br>£  |
| 50,000                           | Ordinary | £1                | <u>50,000</u> | <u>50,000</u> |
| Allotted, issued and fully paid: |          |                   |               |               |
| Number:                          | Class:   | Nominal<br>value: | 31.7.03<br>£  | 31.7.02<br>£  |
| 20,000                           | Ordinary | £1                | <u>20,000</u> | <u>20,000</u> |

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

|                                     |         |          |
|-------------------------------------|---------|----------|
|                                     | 31.7.03 | 31.7.02  |
|                                     | £       | £        |
| Profit for the financial year       | 9,084   | 85,673   |
|                                     | <hr/>   | <hr/>    |
| Net addition to shareholders' funds | 9,084   | 85,673   |
| Opening shareholders' funds         | 8,046   | (77,627) |
|                                     | <hr/>   | <hr/>    |
| Closing shareholders' funds         | 17,130  | 8,046    |
|                                     | <hr/>   | <hr/>    |
| Equity interests                    | 17,130  | 8,046    |
|                                     | <hr/>   | <hr/>    |

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 2003 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

Date: .....

Hartfield Homes Limited

Trading and Profit and Loss Account  
for the Year Ended 31 July 2003

|                                | 31.7.03 |         | 31.7.02 |         |
|--------------------------------|---------|---------|---------|---------|
|                                | £       | £       | £       | £       |
| <b>Sales</b>                   |         | 683,406 |         | 909,070 |
| <b>Cost of sales:</b>          |         |         |         |         |
| Purchases                      |         | 560,961 |         | 792,143 |
| <b>GROSS PROFIT</b>            |         | 122,445 |         | 116,927 |
| <b>Other income:</b>           |         |         |         |         |
| Miscellaneous                  |         | 1,185   |         | 80,967  |
|                                |         | 123,630 |         | 197,894 |
| <b>Expenditure:</b>            |         |         |         |         |
| Wages                          | 36,912  |         | 43,798  |         |
| Insurances                     | 10,340  |         | 9,328   |         |
| Telephone                      | 4,834   |         | 3,677   |         |
| Post, stationery & advertising | 473     |         | 1,369   |         |
| Licences, fees & subscriptions | 241     |         | 249     |         |
| Travel & subsistence           | -       |         | 161     |         |
| Motor expenses                 | 28,711  |         | 25,652  |         |
| Repairs & maintenance          | -       |         | 512     |         |
| Accountancy fees               | 1,225   |         | 1,225   |         |
| Legal & professional fees      | 4,052   |         | 354     |         |
| Bad debts                      | 3,867   |         | 10,571  |         |
| Light & heat                   | 164     |         | 135     |         |
| Miscellaneous expenses         | 30      |         | 500     |         |
|                                |         | 90,849  |         | 97,531  |
|                                |         | 32,781  |         | 100,363 |
| <b>Finance costs:</b>          |         |         |         |         |
| Bank interest & charges        | 879     |         | 902     |         |
| Loan interest                  | 2,052   |         | 3,693   |         |
|                                |         | 2,931   |         | 4,595   |
|                                |         | 29,850  |         | 95,768  |
| <b>Depreciation:</b>           |         |         |         |         |
| Plant & machinery              | 8,897   |         | 7,630   |         |
| Office equipment               | 933     |         | 1,003   |         |
| Motor vehicles                 | 10,936  |         | 1,177   |         |
|                                |         | 20,766  |         | 9,810   |
| Carried forward                |         | 9,084   |         | 85,958  |

Hartfield Homes Limited

Trading and Profit and Loss Account  
for the Year Ended 31 July 2003

|                                                   | 31.7.03 |               | 31.7.02 |                |
|---------------------------------------------------|---------|---------------|---------|----------------|
|                                                   | £       | £             | £       | £              |
| Brought forward                                   |         | 9,084         |         | 85,958         |
| <b>(Loss)/Profit on disposal of fixed assets:</b> |         |               |         |                |
| Plant & machinery                                 | -       |               | (796)   |                |
| Motor vehicles                                    | -       |               | 511     |                |
|                                                   |         | -             |         | (285)          |
| <b>NET PROFIT</b>                                 |         | <b>£9,084</b> |         | <b>£85,673</b> |