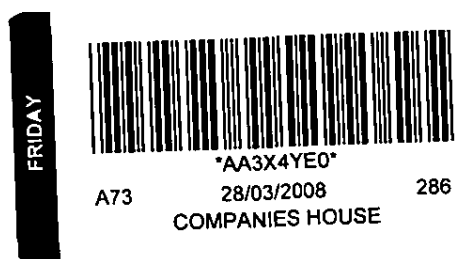


**HERITAGE PROPERTY GROUP  
LIMITED**

**CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2007**

Company Number 03533641



# **HERITAGE PROPERTY GROUP LIMITED**

## **COMPANY INFORMATION**

For the year ended 31 March 2007

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Company Registration Number      03533641

Registered Office                      6 Charlecote Mews  
Staple Gardens  
WINCHESTER  
Hampshire  
SO23 8SR

Directors                                N Ashley  
M G Ashley  
D S Horner

Secretary                                M Hill

Bankers                                 Bank of Scotland  
Oxford Business Centre  
Oxford Business Park South  
Buchan House  
Parkway Court  
OXFORD  
OX4 2JY

and

Barclays Bank plc  
Oxford Group  
PO Box 333  
OXFORD  
OX1 3HS

Auditor                                 Grant Thornton UK LLP  
Registered Auditor  
Chartered Accountants  
1 Westminster Way  
OXFORD  
OX2 0PZ

# **HERITAGE PROPERTY GROUP LIMITED**

## **CONTENTS**

For the year ended 31 March 2007

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# **HERITAGE PROPERTY GROUP LIMITED**

## **REPORT OF THE DIRECTORS**

For the year ended 31 March 2007

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The directors present their report together with the audited financial statements for the year ended 31 March 2007

### **Principal activity**

The Company is engaged in the provision of management, technical, accounting and support services

The Group is also engaged in property development which is undertaken by the trading subsidiary Heritage Homes Wessex Limited

### **Business review**

During the year the Group continued to pursue residential sites in Southern England with a number of schemes in prospect. The final unit on the site in Thatcham was sold during the year and this site is now complete. The construction phase of the site at South Petherton has been concluded and 3 of the 10 units have been sold. In addition to this the Group also sold an area of land on the South Petherton site with consent for 2 commercial units.

With regard to the sites included in the partnership with Wessex Development Capital Limited, the remaining units of the site in Winchester were sold and this site is now complete. The construction of the site in Daventry has been completed and 25 of the 35 units (including 3 commercial units) have now been sold. Furthermore the construction of the final site in the partnership, which is a site near Newbury, is now underway.

The final 3 units at Long Newton have also been sold and this site is now complete.

### **Directors**

The directors who served during the year are set out below:

N Ashley  
M G Ashley  
D S Horner

### **Director's and officers' liability insurance**

The Company has, as permitted by S309(a) of the Companies Act 1985, maintained insurance cover on behalf of the Directors and Company Secretary indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

# HERITAGE PROPERTY GROUP LIMITED

## REPORT OF THE DIRECTORS

For the year ended 31 March 2007

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### Directors' responsibilities for the financial statements

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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 that 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

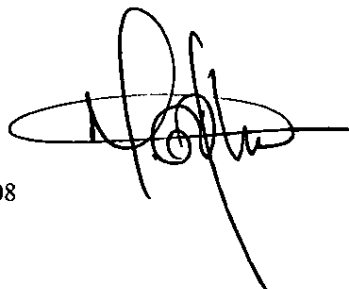
Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with Section 385 of the Companies Act 1985.

### Small company provision

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

M G Ashley  
Director  
27 March 2008





## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HERITAGE PROPERTY GROUP LIMITED**

We have audited the group and parent company financial statements ("the financial statements") of Heritage Property Group Limited for the year ended 31 March 2007 which comprise the principal accounting policies, the consolidated profit and loss account, the company profit and loss account, the consolidated balance sheet, the company balance sheet and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 the 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 information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HERITAGE  
PROPERTY GROUP LIMITED (CONTINUED)**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 March 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2007

*Grant Thornton UK LLP*

**GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
OXFORD  
28 March 2008**

# **HERITAGE PROPERTY GROUP LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 March 2007

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The principal accounting policies of the Group have remained unchanged from the previous year and are set out below

### **BASIS OF CONSOLIDATION**

The group financial statements consolidate those of the Company and its subsidiary undertakings (see note 7) drawn up to 31 March 2007. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting

### **GOODWILL**

Goodwill arising on consolidation and other purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over 20 years

### **TURNOVER**

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding VAT and trade discounts. House sales are recognised upon exchange of contracts, provided that completion takes place within a reasonable time after the year end

The purchase of part-exchange houses is regarded as an incentive for the sale of new houses. Subsequent sale of part-exchange houses is therefore excluded from turnover and the profit/(loss) arising is included in cost of sales

### **DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are

Freehold property	2% Straight line
Fixtures and fittings	20% Straight line
Computer equipment	33 1/3% Straight line

### **INVESTMENTS**

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities

## **HERITAGE PROPERTY GROUP LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 March 2007

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#### **STOCKS AND WORK IN PROGRESS**

Stocks and work in progress are stated at the lower of cost and net realisable value. The cost of land includes acquisition costs and development enhancement costs. The cost of work in progress includes direct labour, materials and related construction overheads. Net realisable value means estimated selling price less all further costs required for completion.

Typically each development that the Company participates in constitutes several properties, the costs of which are taken to the profit and loss account such that in so far as possible a consistent level of profit in relation to sales price is achieved throughout a development.

Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **JOINT VENTURES**

The Group has entered into partnership agreements with other parties in relation to the development of certain projects. These are accounted for in accordance with FRS 9, Associates and Joint Ventures, as joint arrangements not comprising entities. Consequently the Group accounts directly for its part of the assets, liabilities, results and cash flows under such arrangements.

#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

# HERITAGE PROPERTY GROUP LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2007

	Note	2007 £	2006 £
Turnover	1	6,067,624	4,918,778
Cost of sales		<u>(5,296,301)</u>	<u>(4,821,148)</u>
<b>Gross profit</b>		<b>771,323</b>	<b>97,630</b>
Administrative expenses		<u>(667,446)</u>	<u>(801,540)</u>
<b>Operating profit/(loss)</b>		<b>103,877</b>	<b>(703,910)</b>
Interest payable and similar charges	2	(8,064)	(13,660)
Interest receivable and similar income	2	<u>17,864</u>	<u>7,147</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	1	<b>113,677</b>	<b>(710,423)</b>
Tax on profit/(loss) on ordinary activities	4	-	-
<b>Profit/(loss) transferred to/(from) reserves</b>	13	<u><b>113,677</b></u>	<u><b>(710,423)</b></u>

The accompanying accounting policies and notes form an integral part of these financial statements

# HERITAGE PROPERTY GROUP LIMITED

## COMPANY PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2007

	Note	2007 £	2006 £
Turnover	1	319,499	195,310
Cost of sales		<u>(159,750)</u>	<u>(97,655)</u>
<b>Gross profit</b>		<b>159,749</b>	<b>97,655</b>
Administrative expenses		<u>(546,780)</u>	<u>(648,180)</u>
<b>Operating loss</b>		<b>(387,031)</b>	<b>(550,525)</b>
Interest payable and similar charges	2	<u>(8,064)</u>	<u>(8,624)</u>
<b>Loss on ordinary activities before taxation</b>	1	<b>(395,095)</b>	<b>(559,149)</b>
Tax on loss on ordinary activities	4	-	-
<b>Loss transferred from reserves</b>	13	<u><b>(395,095)</b></u>	<u><b>(559,149)</b></u>

The accompanying accounting policies and notes form an integral part of these financial statements

# HERITAGE PROPERTY GROUP LIMITED

## CONSOLIDATED BALANCE SHEET

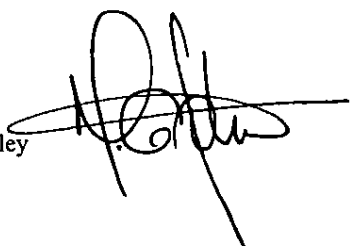
AS AT 31 MARCH 2007

	Note	2007 £	2006 £
<b>Fixed Assets</b>			
Intangible	5	1,127,168	1,194,584
Tangible	6	<u>116,135</u>	<u>116,362</u>
		1,243,303	1,310,946
<b>Current assets</b>			
Stocks	8	4,940,513	8,197,880
Debtors	9	205,448	137,286
Cash at bank and in hand		<u>545,542</u>	<u>525,392</u>
		5,691,503	8,860,558
<b>Creditors: amounts falling due within one year</b>	10	<u>(5,462,954)</u>	<u>(8,763,879)</u>
<b>Net current assets</b>		228,549	96,679
<b>Total assets less current liabilities</b>		<u>1,471,852</u>	<u>1,407,625</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(645,017)</u>	<u>(694,467)</u>
<b>Net Assets</b>		<u>826,835</u>	<u>713,158</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,167,001	2,167,001
Share premium account	13	158,000	158,000
Profit and loss account	13	<u>(1,498,166)</u>	<u>(1,611,843)</u>
		826,835	713,158

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 January 2005)

The financial statements were approved by the Board of Directors and authorised for issue on 27 March 2008 and are signed on their behalf by

M G Ashley  
Director



The accompanying accounting policies and notes form an integral part of these financial statements

# HERITAGE PROPERTY GROUP LIMITED

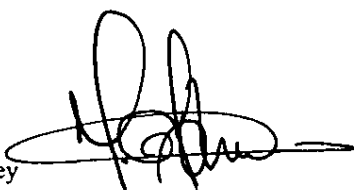
## COMPANY BALANCE SHEET

AS AT 31 MARCH 2007

	Note	2007 £	2006 £
<b>Fixed Assets</b>			
Intangible	5	713,051	757,463
Tangible	6	141,986	145,034
Investments	7	862,150	862,150
		<u>1,717,187</u>	<u>1,764,647</u>
<b>Current assets</b>			
Debtors	9	274,126	605,331
Cash at bank and in hand		3,705	38,685
		<u>277,831</u>	<u>644,016</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(239,307)</u>	<u>(208,407)</u>
<b>Net current assets</b>		38,524	435,609
<b>Total assets less current liabilities</b>		<u>1,755,711</u>	<u>2,200,256</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(645,017)</u>	<u>(694,467)</u>
<b>Net Assets</b>		<u>1,110,694</u>	<u>1,505,789</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,167,001	2,167,001
Share premium account	13	158,000	158,000
Profit and loss account	13	(1,214,307)	(819,212)
		<u>1,110,694</u>	<u>1,505,789</u>

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 January 2005)

The financial statements were approved by the Board of Directors and authorised for issue on 27 March 2008 and are signed on their behalf by

  
 M G Ashley  
 Director

The accompanying accounting policies and notes form an integral part of these financial statements

# HERITAGE PROPERTY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2007

### 1 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit/(loss) before taxation are attributable to the Group and the Company's principal activities and arise wholly in the United Kingdom

The profit/(loss) on ordinary activities before taxation is stated after

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
Auditor's remuneration	18,500	7,850	15,634	4,825
Amortised Goodwill	67,416	44,412	67,416	44,412
Depreciation	4,740	3,048	6,384	3,048

### 2 NET INTEREST

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
<b>Interest payable</b>				
On bank loans	8,064	8,064	8,624	8,624
Other interest payable and similar charges	-	-	5,036	-
	8,064	8,064	13,660	8,624
<b>Interest receivable</b>				
On bank deposits and similar income	15,859	-	7,147	-
Late completion interest	2,005	-	-	-
	17,864	-	7,147	-
	(9,800)	8,064	6,513	8,624

# HERITAGE PROPERTY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2007

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year, including directors' remuneration were as follows

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
Wages and salaries	353,935	353,935	351,020	351,020
Social security costs	43,362	43,362	39,476	39,476
Employees Pension cost	13,038	13,038	15,030	15,030
	<u>410,335</u>	<u>410,335</u>	<u>405,526</u>	<u>405,526</u>
The average number of employees during the year was	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

Directors' remuneration during the year was as follows

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
Directors remuneration (including benefits in kind)	<u>221,265</u>	<u>221,265</u>	<u>215,946</u>	<u>215,946</u>
The number of directors who participate in money purchase pension schemes was	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit/(loss) for the year and represents

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
Corporation tax at 19% (2006 19%)	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Deferred tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group has tax losses of approximately £2,325,000 (2006 £1,955,000) available for offset against future operating profits, subject to Her Majesty's Revenue and Customs approval. The Group has not recognised any deferred tax asset in respect of these losses or accelerated capital allowances due to there being insufficient certainty regarding its recovery.

# HERITAGE PROPERTY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2007

### 5 INTANGIBLE FIXED ASSETS

	<b>Purchased Goodwill £</b>	<b>Purchased Goodwill £</b>
	<b>Group</b>	<b>Company</b>
<b>Cost</b>		
At 31 March 2006 and 31 March 2007	<u>1,348,481</u>	<u>888,356</u>
<b>Amortisation</b>		
As at 31 March 2006	153,897	130,893
Provided in the year	<u>67,416</u>	<u>44,412</u>
At 31 March 2007	<u>221,313</u>	<u>175,305</u>
<b>Net book amount at 31 March 2007</b>	<u><b>1,127,168</b></u>	<u><b>713,051</b></u>
<b>Net book amount at 31 March 2006</b>	<u><b>1,194,584</b></u>	<u><b>757,463</b></u>

The purchased goodwill within the Group relates to the acquisition of Heritage Homes Wessex Limited and BPO Limited and represents the excess of the consideration over the fair value of the assets acquired

The purchased goodwill within the Company relates to the acquisition of BPO Limited and represents the excess of the consideration over the fair value of the assets acquired

**HERITAGE PROPERTY GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2007

**6 TANGIBLE FIXED ASSETS****Group**

	<b>Freehold Land and buildings</b>	<b>Computer &amp; office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 31 March 2006	137,946	15,557	153,503
Additions	-	4,513	4,513
At 31 March 2007	<u>137,946</u>	<u>20,070</u>	<u>158,016</u>
<b>Depreciation</b>			
At 31 March 2006	24,184	12,957	37,141
Provided in the year	3,048	1,692	4,740
At 31 March 2006	<u>27,232</u>	<u>14,649</u>	<u>41,881</u>
<b>Net book amount at 31 March 2007</b>	<u><b>110,714</b></u>	<u><b>5,421</b></u>	<u><b>116,135</b></u>
<b>Net book amount at 31 March 2006</b>	<u><b>113,762</b></u>	<u><b>2,600</b></u>	<u><b>116,362</b></u>

**Company**

	<b>Freehold Land and buildings</b>	<b>Computer &amp; office equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 31 March 2006 and 31 March 2007	<u>169,218</u>	<u>1,552</u>	<u>170,770</u>
<b>Depreciation</b>			
At 31 March 2006	24,184	1,552	25,736
Provided in the year	3,048	-	3,048
At 31 March 2007	<u>27,232</u>	<u>1,552</u>	<u>28,784</u>
<b>Net book amount at 31 March 2007</b>	<u><b>141,986</b></u>	<u><b>-</b></u>	<u><b>141,986</b></u>
<b>Net book amount at 31 March 2006</b>	<u><b>145,034</b></u>	<u><b>-</b></u>	<u><b>145,034</b></u>

# HERITAGE PROPERTY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2007

### 7 INVESTMENTS

#### Company

	Shares in Group Undertakings £
Cost	
At 31 March 2006 and 31 March 2007	<u>862,150</u>

At 31 March 2007 the Company held the following interest in subsidiary undertakings

	Class of share capital held	Proportion held	Nature of Business
Heritage Homes Wessex Limited	Ordinary	100%	Property Development
BPO Limited	Ordinary	100%	Dormant
Heritage Commercial Properties Limited *	<u>Ordinary</u>	<u>100%</u>	<u>Dormant</u>

\* Shares were held by the subsidiary undertaking Heritage Homes Wessex Limited

### 8 STOCKS

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
Work in progress	<u>4,940,513</u>	<u>-</u>	<u>8,197,880</u>	<u>-</u>

### 9 DEBTORS

	2007 £ Group	2007 £ Company	2006 £ Group	2006 £ Company
Trade debtors	123,628	114,849	46,439	37,660
Amount owed by group undertaking	-	135,187	-	546,455
Other debtors	48,902	19,354	49,525	12,345
Prepayments, sundry debtors and accrued income	28,182	-	36,586	4,135
Deferred tax asset	<u>4,736</u>	<u>4,736</u>	<u>4,736</u>	<u>4,736</u>
	<u>205,448</u>	<u>274,126</u>	<u>137,286</u>	<u>605,331</u>

# HERITAGE PROPERTY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2007

### 10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2007 £	2006 £	2006 £
	Group	Company	Group	Company
Bank loans	3,422,452	112,924	6,697,936	124,554
Trade creditors	1,269,538	11,377	1,124,856	21,824
Social securities and other taxes	14,328	29,915	11,224	11,224
Loan - GCPL	549,250	-	700,000	-
Amounts payable on contracts	109,096	-	163,063	-
Sundry creditors, accruals and deferred income	98,290	85,091	66,800	50,805
	<u>5,462,954</u>	<u>239,307</u>	<u>8,763,879</u>	<u>208,407</u>

The bank loans are secured on the property held by the Group

### 11 CREDITORS. AMOUNTS FALLING DUE AFTER ONE YEAR

	2007 £	2007 £	2006 £	2006 £
	Group	Company	Group	Company
Loan from Director	<u>645,017</u>	<u>645,017</u>	<u>694,467</u>	<u>694,467</u>

### 12 SHARE CAPITAL

	2007 £	2006 £
<b>Authorised</b>		
Ordinary shares of £1 each	<u>2,167,001</u>	<u>2,167,001</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>2,167,001</u>	<u>2,167,001</u>

### 13 SHARE PREMIUM ACCOUNT AND RESERVES

	Share Premium £	Profit and loss account £	Share Premium £	Profit and loss account £
	Group	Group	Company	Company
At 31 March 2006	158,000	(1,611,843)	158,000	(819,212)
Profit/(loss) for the financial year	-	113,677	-	(395,095)
At 31 March 2007	<u>158,000</u>	<u>(1,498,166)</u>	<u>158,000</u>	<u>(1,214,307)</u>

## **HERITAGE PROPERTY GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2007

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#### **14 CAPITAL COMMITMENTS**

Neither the Group nor the Company had any capital commitments at 31 March 2007 or 31 March 2006

#### **15 CONTINGENT LIABILITIES**

Neither the Group nor the Company had any contingent liabilities at 31 March 2007 or 31 March 2006

#### **16 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES**

The Heritage Property Group is exempt from disclosing its transactions with members of the group in accordance with Financial Reporting Standard No 8

The loan disclosed in creditors falling due after more than one year is from Neil Ashley who is the majority share holder in the company During the year the company made repayments of £49,450 (2006 £nil)

During the year the company received £192,499 (2006 £190,310) of fees from Clarson Goff Management Limited Clarson Goff Management Limited is 65% owned by Neil Ashley and a related trust

During the year the subsidiary company, Heritage Homes Wessex Limited, made payments of £45,000 (2006 £nil) to G C Property Limited, a company in which the directors have an interest In addition, G C Property Limited has agreed to accept its share of the assets and liabilities arising from the joint development project and as a result has written off £105,750 of the loan used to fund the development of this project At 31 March 2007, Heritage Homes Wessex owed £549,250 (2006 £700,000) to G C Property Limited in relation to the joint development project which has now been completed

#### **17 RETIREMENT BENEFITS**

The Company operates a defined contribution pension scheme for the benefit of the directors and senior managers The assets of the scheme are administered by trustees in a fund independent from those of the Company

#### **18 CONTROLLING RELATED PARTY**

Neil Ashley is the controlling related party of the Company and the Group by virtue of his majority shareholding in Heritage Property Group Limited

#### **19 POST BALANCE SHEET EVENTS**

On 31 January 2008, the Group repaid £200,000 of the loan balance due to G C Property Limited This was funded through a loan of £200,000 advanced to the Group by the majority shareholder, Neil Ashley