

Hopetoun Quay Limited

Directors' report and financial statements

For period from 20th October 1998 to 31 December 1999
Registered number SC190454

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Directors' report and financial statements

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Directors' report

The directors present their annual report and audited financial statements for the period from 20 October 1998 to 31 December 1999.

Business review and future developments

The principal activity of the company is that of property development.

Incorporation and change of name

The company was incorporated on 20 October 1998 as M M & S (2502) Limited. By special resolution dated 30 April 1999 the company changed its name to Hopetoun Quay Limited.

Share capital

On incorporation one subscriber share was allocated to each of Vindex Limited and Vindex Services Limited. These shares were transferred to British Waterways Board and Miller Investments Northern Limited respectively on 23 April 1999. During the period the issued share capital was increased to 100 so that Miller Investments Northern now have 51 shares and British Waterways Board have 49 shares.

Results and dividends

The profit for the financial period amounted to £108,497. The directors do not recommend payment of a dividend.

Directors

The directors of the company during the period were:

Graham Clarke (appointed 23 April 1999)
David Fisher (appointed 23 April 1999)
Philip Miller (appointed 23 April 1999)
James Stirling (appointed 23 April 1999)
Andrew Sutherland (appointed 30 September 1999)
Marlene Wood (appointed 23 April 1999)
David Robinson (appointed 23 April 1999, resigned 30 September 1999)
Vindex Limited (appointed 20 October 1998, resigned 23 April 1999)
Vindex Services Limited (appointed 20 October 1998, resigned 23 April 1999)

Auditors

During the period KPMG were appointed as auditors in accordance with section 385A of the Companies Act 1985. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

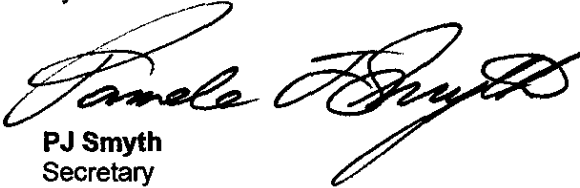
Directors' report *(continued)*

Millennium compliance

No major issues were encountered with the passing of the Millennium and, to date, no third party issues have adversely affected the company. The costs associated with preparing for Millennium compliance were not significant.

The directors believe that the company is at an acceptable state of readiness for any potential failures or issues that may arise in the company year.

By order of the board



PJ Smyth
Secretary

Edinburgh

24 March 2000

Statement of 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 affairs of the company and of the profit or loss for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the auditors to the members of Hopetoun Quay Limited

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its loss for the period for the period from 20th October 1998 (date of incorporation) to 31 December 1999 then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG

Edinburgh
Chartered Accountants

Registered Auditors

6 April 2000

Profit and loss account

for the period 20th October 1998 to 31st December 1999

	Note	1999 £
Turnover	2	200,000
Cost of sales		(12,855)
		<hr/>
Gross profit		187,145
Administrative expenses		(32,552)
		<hr/>
Operating profit		154,593
Interest receivable	4	403
		<hr/>
Profit on ordinary activities before taxation	5	154,996
Tax on profit on ordinary activities	6	(35,990)
		<hr/>
Retained profit for the financial period		119,006
		<hr/> <hr/>

The company has no recognised gains or losses other than the profit for the current financial period.

Balance sheet
31 December 1999

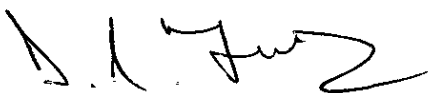
	Note	1999 £
Current assets		
Work in progress	7	1,900,192
Debtors	8	6,109
Cash at bank and in hand		133,993
		<hr/> 2,040,294
Creditors: amounts falling due within one year	9	<hr/> (37,990)
Net assets		<hr/> 2,002,304
Creditors: amounts falling due after more than one year	10	(1,883,198)
		<hr/> 119,106
Capital and reserves		
Called up share capital	11	100
Profit and loss account		119,006
		<hr/> 119,106
Equity shareholders' funds		<hr/> <hr/> 119,106

These accounts were approved by the board of directors on 24th March 2000 and were signed on its behalf by:

Philip Miller
 Director



David Fisher
 Director



Notes

(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules. The financial statements have been prepared on the going concern basis as the shareholders have indicated that they will continue to support the company.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard number 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985.

Development work in progress

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of timing differences if liabilities are likely to crystallise in the foreseeable future.

2. Turnover

Turnover represents rental income. Turnover is stated net of Value Added Tax.

3. Remuneration of directors

The directors did not receive any remuneration from the company during the period.

4	Interest Receivable	1999
		£
	Bank Interest	403
		<hr/>
5	Profit on ordinary activities before taxation	1999
		£
	<i>This is stated after charging:</i>	
	Auditors Remuneration	1,000
		<hr/>
6	Tax on ordinary activities	1999
		£
	Corporation tax	35,990
		<hr/>

Notes (continued)

7	Work in progress	1999 £
	Development site	1,900,192
		<hr/>
8	Debtors	1999 £
	Customs & Excise	3,585
	Other debtors	2,524
		<hr/>
		6,109
		<hr/>
9	Creditors: amounts falling due within one year	1999 £
	Taxation and Social Security	35,990
	Accruals and deferred income	2,000
		<hr/>
		37,990
		<hr/>
10	Creditors: amounts falling due after more than one year	1999 £
	Amounts owed to Parent Undertakings	1,883,198
		<hr/>
		1,883,198
		<hr/>
11	Share capital	1999 £
	<i>Equity</i>	
	<i>Authorised, allotted, called up and fully paid</i>	
	<i>100 ordinary shares of £1 each</i>	100
		<hr/>

Notes (continued)

12 Reconciliation of movements in shareholders' funds

	1999 £
Profit and loss account	
Retained profit for the period	119,006
New share capital subscribed	100
	<hr/>
Closing shareholders' funds	119,106 <hr/>

13 Related Party Disclosures

The company is jointly controlled by Miller Investments Northern Limited and British Waterways.

At the year end shareholder loans of £938,249 and £940,717 were outstanding to Miller Investments Northern Limited and British Waterways Board respectively.