

Heritage Homes (Troon) Limited

Directors' Report and Financial Statements

31 December 2001

Registered Number SC211197



Directors' Report and Financial Statements

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Directors' Report

The Directors have pleasure in presenting their first report and audited financial statements for the period from 20 September 2000 (date of incorporation) to 31 December 2001.

Results and Dividends

The result for the period is set out in the profit and loss account.

Activity

The principal activity of the company is that of property development. The directors consider the year end financial position to be satisfactory.

Directors and Directors' Interests

The Directors of the company during the period were:

Ian H MacKay	(appointed 29 September 2000)
Albert W Linden	(appointed 6 October 2000)
Robert R Stevenson	(appointed 6 October 2000, resigned 3 May 2002)
Ewan T Anderson	(appointed 5 November 2001)
Philip Talbot	(appointed 29 September 2000, resigned 5 November 2001)

None of the Directors had any interest in the share capital of the company.

Auditors

During the period KPMG LLP were appointed as auditors. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Ewan T Anderson
Director

17 July 2002

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 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.

Independent Auditor's Report to the Members of Heritage Homes (Troon) Limited

We have audited the financial statements on pages 4 to 8.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Directors' Report and, as described on page 2, 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 1985. 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 Audit 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 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

**KPMG LLP
Chartered Accountants
Registered Auditor**

18 July 2002

Profit and loss account

For the period ended 31 December 2001

	<i>Note</i>	16 months to 31 December 2001 £
Turnover		3,157,385
Cost of sales		(2,436,881)
		<hr/>
Gross profit		720,504
Administrative expenses		(625,554)
		<hr/>
Operating profit		94,950
Net interest payable	3	(94,950)
		<hr/>
Profit on ordinary activities before taxation		-
Taxation on profit on ordinary activities	4	-
		<hr/>
Retained profit for the period		-
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There are no recognised gains or losses other than those disclosed above.

Balance sheet

As at 31 December 2001

	<i>Note</i>	2001 £
Current assets		
Debtors	6	425,436
		<hr/> 425,436
Creditors: amounts falling due within one year	7	(419,636)
		<hr/>
Net current assets		5,800
Creditors: amounts falling due in more than one year	8	(5,700)
		<hr/>
Net assets		100
		<hr/>
Capital and reserves		
Called up share capital	9	100
Profit and loss account		-
		<hr/>
		100
		<hr/>

These financial statements were approved by the board of directors on 17 July 2002 and were signed on its behalf by:



Ewan T Anderson
 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 in relation to the company's financial statements.

Basis of accounting

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard 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 when filing accounts with the Registrar of Companies.

Turnover

Turnover represents the invoiced value of sales and other services provided to third parties during the period, exclusive of value added tax.

Development work in progress

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

2. Directors emoluments

There were no emoluments paid to Directors of the company during the period.

3. Operating profit

This is stated after charging:

	16 months to 31 December 2001 £
Auditors' remuneration – audit fee	500
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4. Net interest payable

	16 months to 31 December 2001 £
Bank interest payable	94,950
Other interest	-
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	94,950
	<hr/>

Notes *(continued)*

5. Tax on ordinary activities

There is no corporation tax charge for the period.

6. Debtors

	2001 £
Trade debtors	408,206
Amounts owed by parent undertakings	100
Other debtors	17,130
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	425,436
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The amounts owed by parent undertakings relates to unpaid share capital.

7. Creditors: amounts falling due within one year

	2001 £
Amounts owed to parent undertakings	258,336
Bank loan	151,358
Accruals and deferred income	9,942
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	419,636
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8. Creditors: amounts falling due in more than one year

	2001 £
Maintenance provision	5,700
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9. Called up share capital

	2001
	£
<i>Authorised, Allotted but unpaid:</i>	
50 Ordinary 'A' shares of £1 each	50
50 Ordinary 'B' shares of £1 each	<u>50</u>
	<u>100</u>

Both "A" and "B" shares have the same voting rights and rank pari passu as set out in the Memorandum and Articles of Association of the company.

10. Related party disclosures

The company is controlled jointly by Miller Residential Developments Services Limited and Heritage Homes (Scotland) Limited.

During the year the company paid management fees and construction costs and fees of £10,909 and £208,491 to Miller Residential Development Services Limited and Heritage Homes (Scotland) Limited respectively. At the year end £22,761 was owed to Miller Residential Development Services Limited and £241,275 was owed to Heritage Homes (Scotland) Limited.