

FOUNTAINS WALK LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 29 FEBRUARY 2004



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COMPANIES HOUSE

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Registered No: SC139123

Company information

Directors

C M Di Ciacca
S McBride

Secretary

Teesland Secretarial Services Limited

Auditors

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

Registered Office

93 George Street
Edinburgh
EH2 3ES

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Directors' Report

The Directors present their report and the unaudited Financial Statements of the Company for the year ended 29 February 2004.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company has been dormant since formation and therefore no profit and loss account is attached.

DIRECTORS AND THEIR INTERESTS

The Directors who have held office for the whole of the year under review, unless otherwise stated, are as follows:-

S McBride

C M Di Ciacca

K C McCabe (appointed 14 April 2003, resigned 15 May 2003)

According to the register maintained as required under the Companies Act 1985, none of the Directors had any interests in the share capital of the Company.

There were no other interests notifiable under Section 324 of the Companies Act 1985.

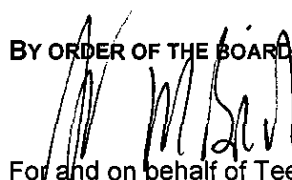
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 of the Company for that period. The Directors are required to prepare the Financial Statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the Financial Statements for the year ended 29 February 2004, and that applicable accounting standards have been followed.

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.

BY ORDER OF THE BOARD


For and on behalf of Teesland Secretarial Services Limited
Secretary
5 November 2004

Balance sheet

as at 29 February 2004

	Notes	2004 £	2003 £
Fixed Assets			
Investments	2	1	1
Current Assets			
Debtors	3	100	100
Creditors amounts falling due within one year	4	(1)	(1)
Net Current Assets		99	99
Net Assets		100	100
		=====	=====
Capital and Reserves		£	£
Called up share capital	5	100	100
Equity Shareholders' Funds		100	100
		=====	=====

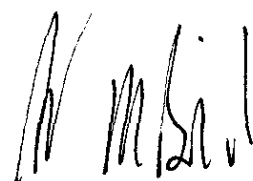
For the year ended 29 February 2004 the Company was entitled to exemption under Section 249AA(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with Section 249B(2).

The Directors acknowledge their responsibility for:-

1. ensuring the Company keeps accounting records which comply with Section 221; and
2. preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its Financial Year, and of its profit and loss for the Financial Year in accordance with Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The Financial Statements on pages 2 to 4 were approved by the Board on 5 November 2004 and signed on its behalf by:



S McBride
Director

Notes to the Financial Statements

for the year ended 29 February 2004

1. ACCOUNTING POLICIES

(a) ACCOUNTING CONVENTION

The financial statements are prepared on the going concern basis under the historical cost convention and the accounting policies detailed below, and in accordance with applicable accounting standards in the United Kingdom.

(b) INVESTMENTS

Investments in subsidiaries are stated at cost unless there is an impairment in value.

(c) CASH FLOW STATEMENT

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirements to publish a cash flow statement.

2. INVESTMENTS

	Share in Undertaking £	Total £
At 1 March 2003 and 29 February 2004	1	1
	=====	=====

The company's investment is 100% of the ordinary share capital of Fountains Walk Trustee Limited, a dormant company registered in England and Wales.

3. DEBTORS

	2004 £	2003 £
Called up share capital not paid	100	100
	<u>100</u>	<u>100</u>
	=====	=====

4. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Other creditors	1	1
	<u>1</u>	<u>1</u>
	=====	=====

Notes to the Financial Statements

for the year ended 29 February 2004

5. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised:		
100 Ordinary Shares of £1 each	100 =====	100 =====
100 Allotted, called up and not yet paid: Ordinary Shares of £1 each	100 =====	100 =====

6. CONTROLLING PARTY

The immediate parent undertaking of the company is Scarmac Limited (formerly Teesmac Limited) a company owned jointly by Scarborough Development Group plc and Sir Robert McAlpine (Trade Investments) Limited.

7. CONTINGENT LIABILITY

The company has given guarantee in respect of the bank borrowings of Fountains Walk Limited Partnership which amounts to £1,800,000 (2003: £1,800,000).