

Bannockburn Holdings Limited

Annual report and
financial statements

Registered number 195478

31 December 2001

SC 195478



Contents

Directors and advisers	1
Directors' report	2
Independent auditors' report to the members of Bannockburn Holdings Limited	3
Balance sheet	4
Notes	5

Directors and advisers

Directors

RV Bruce
GRM Pigache

Secretary and registered office

Burness
50 Lothian Road
Festival Square
Edinburgh
EH3 9BY

Auditors

KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Solicitors

Burness
50 Lothian Road
Festival Square
Edinburgh
EH3 9BY

Directors' report

The directors present their report and the audited financial statements for the year to 31 December 2001.

Principal activities

The principal activity of the company is the holding of an investment in Bannockburn Homes Limited, a company whose principal activity is the provision of housing under a PFI contract for the Defence Housing Executive.

Results for the year

The directors consider the progress to date is satisfactory. There were no profit and loss transactions, therefore no profit and loss account is presented.

Post balance sheet events

There have been no material post balance sheet events that affect the financial position of the company.

Dividends

The directors do not propose a dividend in respect of the year (2000: Nil).

Directors

The directors of the company at 31 December 2001 are listed on page 1. All directors served throughout the year.

Directors' interests in shares of the company

The directors of the company at 31 December 2001 held no interests in the share capital of the company, according to the register required to be kept by Section 325 of the Companies Act 1985.

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.

By order of the board



RV Bruce
Director

14 March 2002



KPMG Audit Plc

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditors' report to the members of Bannockburn Holdings Limited

We have audited the financial statements on pages 4 to 6.

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 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 year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

19 March 2002

Balance sheet
at 31 December 2001

	<i>Note</i>	2001 £	2000 £
Fixed assets			
Fixed asset investment	7	50,000	50,000
Net assets		50,000	50,000
Capital and reserves			
Called up share capital	8	50,000	50,000
Profit and loss account		-	-
Total Equity shareholders' funds	9	50,000	50,000

The financial statements on pages 5 to 7 were approved by the board of directors on *14 March* 2002 and were signed on its behalf by:



RV Bruce
Director

Notes

(forming part of the financial statements)

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies of the company which have been applied consistently are set out below.

The company has not traded during the period and hence has no revenue. There were no recognised gains and losses for the period.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Consolidation

The financial statements contain information about Bannockburn Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 (1) of the Companies Act 1985 from the requirement to prepare consolidated financial statements because its parent undertaking is established under the law of a European Union Member State and the conditions in Section 228 (2) are or will be complied with.

Cash flow statement

The company has taken advantage of the exemption relating to the preparation of a cash flow statement conferred by Financial Reporting Standard No 1 (revised) on the grounds that it is a subsidiary of a company registered in England which prepares consolidated accounts including a cash flow (in English).

2 Segmental reporting

The company's activities consist solely of the holding of an investment in Bannockburn Homes Limited.

3 Employee information

The company had no employees during the current year and previous year.

4 Directors' emoluments

During the current year and previous period the directors of the company were not entitled to receive any emoluments for their services to the company.

5 Profit and loss account

During the current and previous year the company received no income and incurred no expenditure. Consequently during the current and previous year, the company made neither a profit nor a loss.

Auditors remuneration in the current and previous year has been borne by a fellow group undertaking.

6 Taxation

There is no liability in respect of corporation tax in the current year or previous year.

7 Fixed asset investment

	£
Cost at 31 December 2001	50,000
	<hr/>
Net book value at 31 December 2001	50,000
	<hr/>

Notes (continued)

7 Fixed asset investment (continued)

The fixed asset investment represents the entire issued share capital of Bannockburn Homes Limited, a company registered in Scotland.

The principal activity of that company is the provision of housing under a PFI contract for the Defence Housing Executive.

The shares held in the subsidiary have been pledged to the Bank of Ireland as part of the company's overall funding arrangements.

8 Called up share capital

	2001 £	2000 £
<i>Authorised</i>		
48,000 'A' ordinary shares of £1 each	48,000	48,000
12,000 'B' ordinary shares of £1 each	12,000	12,000
	<hr/>	<hr/>
	60,000	60,000
	<hr/>	<hr/>
<i>Issued, called up and fully paid</i>		
40,000 'A' ordinary shares of £1 each	40,000	40,000
10,000 'B' ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
	50,000	50,000
	<hr/>	<hr/>

9 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Opening shareholders' funds	50,000	-
Issue of new ordinary shares	-	50,000
Profit for the financial year	-	-
	<hr/>	<hr/>
Closing shareholders' funds	50,000	50,000
	<hr/>	<hr/>

10 Ultimate parent company

The Company is a subsidiary undertaking of Charterhouse Project Equity Investments Limited, its controlling party.

The company's ultimate controlling party as defined within Financial Reporting Standard 8, 'Related Party Disclosures' (FRS 8) is HSBC Holdings plc.

The smallest and largest group in which the financial statements of the company are consolidated are Credit Commercial de France SA and HSBC Holdings plc, respectively.

The consolidated financial statements of Credit Commercial de France SA are available from that company at 103, avenue des Champs-Élysées, 75008, Paris, France.

Copies of the consolidated financial statements of HSBC Holdings plc are available to the public and may be obtained from HSBC Holdings plc, Group Corporate Affairs, 10 Lower Thames Street, London, EC3R 6AE.