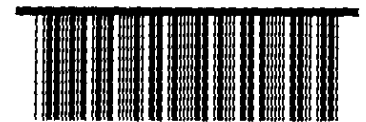


Errol Developments Limited

**Directors' report and accounts
for the period ended 31 July 2002**

22/19/61

13 MAY 2003



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Errol Developments Limited

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Errol Developments Limited

Company information

Directors

MW Deighton
AJ Clegg

Secretary

A&R Robertson & Black WS
Bank Street
Blairgowrie
Perthshire
PH10 6DE

Registered Office

Errol Brick Works
Inchcoonans Road
Errol
Perthshire
PH2 7RB

Auditors

Henderson Loggie
Chartered Accountants
Royal Exchange
Dundee
DD1 1DZ

Bankers

Bank of Scotland
50 St Johns Street
Perth
PH1 5SL

Registered Number

151961

Errol Developments Limited

Directors' report

The directors have pleasure in submitting their report and audited accounts for the year ended 31 July 2002.

Principal activities

The principal activity of the company is the sale of clay.

Directors

The directors of the company at 31 July 2002 are shown on page 2.

Directors interests

The beneficial interests of the directors in office at the end of the year in the ordinary £1 share capital of the company were as follows:-

	At 31 July 2002	At 31 July 2001
MW Deighton	1	1
AJ Clegg	1	1
MW Deighton and AJ Clegg (held jointly)	1	1

Auditors

The auditors, Messrs Henderson Loggie have expressed their willingness to continue to act and a resolution for their re-appointment will be submitted to the forthcoming Annual General Meeting.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies was approved by the board on 21 April 2003 and signed on its behalf by

On behalf of the Board

A & R ROBERTSON & BLACK
SOLICITORS
A&R Robertson & Black WS
Secretary **BANK STREET, BLAIRGOWRIE**
PERTHSHIRE PH10 6DE

Errol Developments Limited

Directors' responsibilities for the preparation of accounts

Company law requires the directors to prepare accounts for each financial period 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

Errol Developments Limited

Independent auditors' report to the shareholders of Errol Developments Limited

We have audited the accounts of Errol Developments Limited for the year ended 31 July 2002 which comprise the profit and loss account, the balance sheet and the related notes. These accounts have been prepared under the historical cost convention and 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 auditors' 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 auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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.

We read the directors' report 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 United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

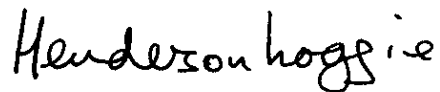
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Errol Developments Limited

Independent auditors' report to the shareholders of Errol Developments Limited (continued)

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 July 2002 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Henderson Loggie
Chartered Accountants
Registered Auditors
Dundee

21 April 2003

Errol Developments Limited

Profit and loss account for the year ended 31 July 2002

	2002 £	2001 £
Turnover	-	100
Administration expenses	-	100
Retained profit	<u>-</u> ==	<u>-</u> ==

There are no recognised gains or losses other than the results for the financial year. Such results represent the only movement in shareholder funds.

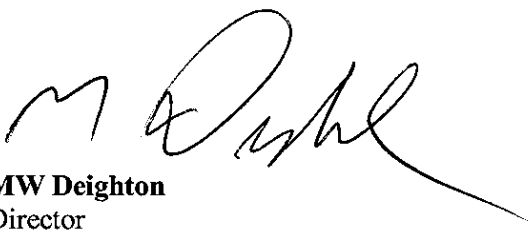
Errol Developments Limited

Balance sheet at 31 July 2002

	Note	2002	2001 £
Current assets			
Cash in hand and at bank		4,003	4,003
Creditors: amounts falling due within one year:			
Other creditors		(4,000)	(4,000)
Net assets		<u>3</u>	<u>3</u>
Capital and reserves			
Called up share capital	3	<u>3</u>	<u>3</u>

The directors have prepared these accounts in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the board of directors on 21 April 2003 and were signed on its behalf by:


MW Deighton
Director

Errol Developments Limited

Notes to the accounts

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 accounts.

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Cash flow statement

The company has taken advantage of the provisions of Financial Reporting Standard 1 which exempts it from preparing a cash flow statement on the grounds that it qualifies as a small group under s246 and s247 of the Companies Act 1985.

2 Called up share capital

	2002	2001
Authorised, allotted, called up and fully paid	£	£
Ordinary shares of £1 each	3	3
	===	===

3 Company status

The company is owned by the directors.