

Kenmore Capital Bredbury Limited

Annual report and financial statements

for the year to 31 July 2005

Registered number 05193521



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Directors' report

The directors have pleasure in submitting their annual report and audited financial statements for the year to 31 July 2005.

Principal activities

The principal activity of the company is property trading.

Results and dividends

The profit for the year, after taxation, amounted to £467,747. A dividend of £460,000 was paid during the year.

Review of the period

The company was incorporated on 30 July 2004. It acquired and disposed of a property during the year.

Directors and directors' interests

The directors who served during the year were as follows:

JAB Kennedy (Appointed 10 August 2004)
RWM Brook (Appointed 10 August 2004)
AE White (Appointed 10 August 2004)
KJ Notman (Appointed 9 December 2004)
PA Bradley (Appointed 1 February 2005)

The directors have no disclosable interests in the shares of the company.

Political and charitable contributions

The company made no political contributions or charitable donations during the year.

Auditors

During the period KPMG LLP were appointed as auditors of the company. 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


J K Brown
Secretary

33 Castle Street
Edinburgh
6 December 2005

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.

Independent auditors' report to the members of Kenmore Capital Bredbury Limited

We have audited the financial statements on pages 4 to 9.

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 auditor's 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

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 July 2005 and of its profit for the year from 30 July 2004 (date of incorporation) to 31 July 2005 and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP

Chartered Accountants

Registered Auditor

Edinburgh

6 December 2005

Profit and loss account
for the year ended 31 July 2005

	<i>Notes</i>	2005 £
Turnover	2	3,339,263
Cost of sales		(2,780,007)
		<hr/>
Gross profit		559,256
Administrative Expenses		(14,450)
		<hr/>
Operating profit	3-4	544,806
Interest receivable	5	21,198
Interest payable and similar charges	6	(98,257)
		<hr/>
Profit on ordinary activities before taxation		467,747
Tax on ordinary activities	7	-
		<hr/>
Profit on ordinary activities after taxation		467,747
Dividends – interim paid		(460,000)
		<hr/>
Retained profit for the financial year	11	7,747
		<hr/>

Other than the result recorded there have been no other recognised gains or losses.

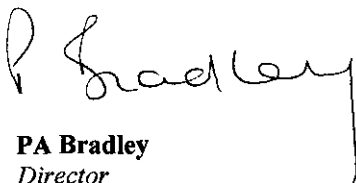
The profit for the financial year has been derived from continuing activities.

There is no material difference between results as stated and results prepared on a historical cost basis.

Balance sheet
as at 31 July 2005

	<i>Note</i>	2005 £
Current assets		
Debtors	8	126,308
Cash at bank		-
		<hr/> 126,308
Creditors: amounts falling due within one year	9	(118,559)
		<hr/>
Net assets		7,749
		<hr/>
Capital and reserves		
Called up share capital	10	2
Profit and loss account	11	7,747
		<hr/>
Equity shareholders' funds	12	7,749
		<hr/>

These financial statements were approved by the board of directors on 6 December 2005 and were signed on its behalf by:



PA Bradley
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 preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and in accordance with applicable Accounting Standards.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Kenmore Capital Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Kenmore Capital Limited, within which the company is included, can be obtained from the address given in note 13.

Trading properties and developments

These assets are valued at the lower of cost or net realisable value. Cost includes the purchase cost of land and buildings, development expenditure and attributable finance costs including interest. Net realisable value is based on the estimated selling price less cash expected to be incurred to completion and disposal.

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No deferred tax is provided on capital allowances in respect of assets not subject to depreciation. No provision is made in the financial statements for taxation which may become payable if investment properties held for long term retention were disposed of at their revalued amounts.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

2 Turnover

Turnover is attributable to the receipt of rental income.

3 Operating profit

2005
£

Operating profit is stated after charging

Auditors' remuneration

1,500

Notes *(continued)*

4 Staff costs and numbers

The directors received no remuneration for their services to the company. Apart from the directors, there were no employees during the period.

5 Interest receivable

	2005
	£
Bank interest	183
Group interest	21,015
	<hr/>
	21,198
	<hr/>

6 Interest payable and similar charges

	2005
	£
Bank loans	98,257
	<hr/>

7 Tax charge on profit on ordinary activities

	2005
	£
<i>UK corporation tax</i>	
Current tax on income for the year	-
	<hr/>

Factors affecting the tax charge for the current period

The current tax charge is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2005
	£
<i>Current tax reconciliation</i>	
Profit on ordinary activities before tax	467,747
	<hr/>
Current tax at 30%	140,324
<i>Effects of:</i>	
Group relief	(140,324)
	<hr/>
Current tax charge (see above)	-
	<hr/>

Notes *(continued)*

8 Debtors

	2005
	£
Amounts due from parent company undertaking	111,420
Amounts due from fellow group undertaking	10,000
Other taxes and social security	1,727
Prepayments	3,161
	<hr/>
	126,308
	<hr/>

9 Creditors: amounts falling due within one year

	2005
	£
Bank overdraft	90,551
Trade creditors	26,508
Accruals and deferred income	1,500
	<hr/>
	118,559
	<hr/>

10 Called up share capital

	Authorised	Allotted, called up and fully paid
	£	£
As at 31 July 2005 ordinary shares of £1 each	100	2
	<hr/>	<hr/>

Two ordinary shares of £1 each were issued at par in the period to 31 July 2005.

11 Profit and loss account

	2005
	£
Retained profit for the year	7,747
	<hr/>

12 Reconciliation of movements in shareholders' funds

	2005
	£
Issue of share capital	2
Profit for the year	467,747
Dividends	(460,000)
	<hr/>
Closing shareholders' funds	7,749
	<hr/>

Notes *(continued)*

13 Ultimate parent undertaking

The company is a wholly owned subsidiary undertaking of Kenmore Capital Limited, incorporated in Scotland. Kenmore Capital Limited is a joint venture between Kenmore Investments Limited and Uberior Ventures Limited. The consolidated financial statements of Kenmore Capital Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.

14 Related Party Transactions

Kenmore Capital Limited ('KCL') is a joint venture between Kenmore Investments Limited ('KIL') and Uberior Ventures Limited ('UVL'). Kenmore Investments Limited, Uberior Ventures Limited and the Governor and Company of Bank of Scotland (the ultimate parent company of Uberior Ventures Limited) had all contributed loans to the company during the period. These loans were repaid before the period end.

	2005
	£
<i>Interest paid on the above loans was:</i>	
Governor and Company of Bank of Scotland	79,383
Kenmore Investments Limited	9,437
Uberior Ventures Limited	9,437