

**Kenmore Capital Maidenhead Limited**

**Annual report and financial statements**

for the year ended 31 July 2007

Registered number 05207223

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## **Directors' report**

The directors have pleasure in submitting their annual report and audited financial statements for the year ended 31 July 2007

### **Principal activities**

The principal activity of the company is property trading

### **Results and dividends**

The profit for the year, after taxation, amounted to £4,782,203 (2006 loss £368,678) The directors do not recommend the payment of a dividend

### **Review of the year**

The Company sold its property during the year

### **Directors and directors' interests**

The directors who served during the year were as follows

JAB Kennedy  
RWM Brook  
AE White

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

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

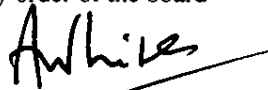
### **Political and charitable contributions**

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

### **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



**AE White**  
Director

58 Davies Street  
London  
28 May 2008

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

## KPMG LLP

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

### **Independent auditors' report to the members of Kenmore Capital Maidenhead Limited**

We have audited the financial statements of Kenmore Capital Maidenhead Limited for the year ended 31 July 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under 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 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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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**

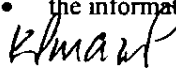
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

  
**KPMG LLP**  
Chartered Accountants  
Registered Auditor

28 May 2008

**Profit and loss account**  
*for the year ended 31 July 2007*

	Notes	2007 £	2006 £
<b>Turnover</b>	2	<b>16,000,000</b>	6,666
Cost of sales		<b>(11,233,394)</b>	(51,109)
		<hr/>	<hr/>
<b>Gross Profit / (Loss)</b>		<b>4,766,606</b>	(44,443)
Administrative expenses		<b>(11,677)</b>	(23,264)
		<hr/>	<hr/>
<b>Operating profit / (loss)</b>	3-4	<b>4,754,929</b>	(67,707)
Interest receivable	5	<b>238,185</b>	247
Interest payable and similar charges	6	<b>(210,911)</b>	(301,218)
		<hr/>	<hr/>
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>4,782,203</b>	(368,678)
Tax on ordinary activities	7	-	-
		<hr/>	<hr/>
<b>Profit / (loss) for the financial period</b>	13	<b>4,782,203</b>	(368,678)
		<hr/>	<hr/>

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

The profit for the financial period 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 2007*

	<i>Note</i>	2007 £	2006 £
<b>Current assets</b>			
Stocks	8	-	4,230,248
Debtors	9	4,229,603	-
Cash at bank		29,109	5,025
		<hr/>	<hr/>
		4,258,712	4,235,273
 <b>Creditors' amounts falling due within one year</b>	 10	 (11,332)	 (1,992,460)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>4,247,380</b>	<b>2,242,813</b>
 <b>Creditors: amounts falling due after more than one year</b>	 11	 -	 (2,777,636)
		<hr/>	<hr/>
<b>Net assets / (liabilities)</b>		<b>4,247,380</b>	<b>(534,823)</b>
		<hr/>	<hr/>
 <b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss	13	4,247,378	(534,825)
		<hr/>	<hr/>
<b>Shareholders' funds / (deficit)</b>	<b>14</b>	<b>4,247,380</b>	<b>(534,823)</b>
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 28 May 2008 and were signed on its behalf by

  
**A.E. White**  
*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

#### *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.

### 2 Turnover

Turnover is attributable to the sale of a property

### 3 Operating profit

	2007	2006
	£	£
<i>Operating profit is stated after charging</i>		
Auditors' remuneration	1,500	1,500
	<u>          </u>	<u>          </u>

### 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 year.

### 5 Interest receivable

	2007	2006
	£	£
Group interest	237,569	-
Bank interest	616	247
	<u>          </u>	<u>          </u>
	<b>238,185</b>	<b>247</b>
	<u>          </u>	<u>          </u>



**Notes (continued)**

**6 Interest payable and similar charges**

	2007 £	2006 £
Interest payable on bank loans and overdrafts	165,094	218,418
Group interest	45,817	82,800
	<u>210,911</u>	<u>301,218</u>

**7 Tax charge on profit on ordinary activities**

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<u>-</u>	<u>-</u>

*Factors affecting the tax charge for the current year*

The current tax charge is 30% (2006 30%) the same as the standard rate of corporation tax in the UK  
The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit / (loss) on ordinary activities before tax	4,782,203	(368,678)
Current tax at 30%	1,434,661	(110,603)
<i>Effects of</i>		
Group relief	(1,434,661)	110,603
	<u>-</u>	<u>-</u>
Current tax charge (see above)	<u>-</u>	<u>-</u>

**8 Stocks**

	2007 £	2006 £
Trading properties	-	4,230,248
	<u>-</u>	<u>4,230,248</u>

**9 Debtors**

	2007 £	2006 £
Amounts due from parent undertaking	4,108,391	-
Other taxes	25,419	-
Sundry debtors	7,140	-
Amounts due from fellow group undertakings	88,653	-
	<u>4,229,603</u>	<u>-</u>

**Notes (continued)**

**10 Creditors: amounts falling due within one year**

	2007 £	2006 £
Bank and shareholder loans	-	490,170
Trade creditors	-	22,270
Accruals and deferred income	3,332	16,889
Amounts due from fellow group undertakings	8,000	1,463,131
	<u>11,332</u>	<u>1,992,460</u>

**11 Creditors: amounts falling due after more than one year**

	2007 £	2006 £
Bank and shareholder loans	-	2,777,636
	<u>-</u>	<u>2,777,636</u>
The maturity analysis is set out below	2007 £	2006 £
<i>Amounts falling due</i>		
In one year or less or on demand	-	490,170
Between two and five years	-	2,777,636
	<u>-</u>	<u>3,267,806</u>

The bank loans are secured by standard securities over assets of the group and a legal charge over all the properties held in the Kenmore Capital Limited group. Interest is payable at rates varying from 1.5% to 4% above LIBOR. The loans are repayable on the earlier of completion of the sale of the property and 5 years from the date of advance.

**12 Called up share capital**

	Authorised £	Allotted, called up and fully paid £
As at 31 July 2006 and 2007 ordinary shares of £1 each	100	2
	<u>100</u>	<u>2</u>

**13 Profit and loss account**

	2007 £	2006 £
As of 1 August	(534,825)	(166,147)
Profit / (loss) for the year	4,782,203	(368,678)
	<u>4,247,378</u>	<u>(534,825)</u>
As of 31 July	<u>4,247,378</u>	<u>(534,825)</u>

**Notes (continued)**

**14 Reconciliation of movements in shareholders' funds**

	2007	2006
	£	£
Opening shareholders' deficit	(534,823)	(166,145)
Profit for the year	4,782,203	(368,678)
	<hr/>	<hr/>
Closing shareholders' funds / (deficit)	4,247,380	(534,823)
	<hr/>	<hr/>

**15 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.

**16 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) have all contributed loans to the company. The aggregate outstanding amounts of these loans and interest payments arrangements are contained in note 11.

	2007	2006
	£	£
<i>Outstanding loan balances due to related parties are</i>		
Governor and Company of Bank of Scotland	-	2,777,636
Kenmore Investments Limited	-	245,085
Uberior Ventures Limited	-	245,085
<i>Interest paid on the above loans was</i>		
Governor and Company of Bank of Scotland	165,094	176,112
Kenmore Investments Limited	22,909	21,153
Uberior Ventures Limited	22,909	21,153