

## **Kenmore Capital Plymouth Limited**

### **Annual report and financial statements**

For the year ended 31 July 2007

Registered number 05556248



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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 loss for the year, after taxation, amounted to £391,368 (2006 restated £494,036) The directors do not recommend the payment of a dividend

### **Review of the year**

The company did not dispose of any properties during the year

### **Directors**

The directors who served during the year were as follows

JAB Kennedy  
RWM Brook  
AE White

### **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

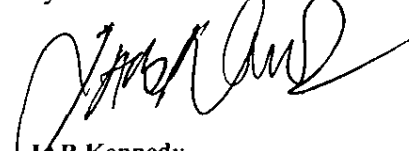
### **Political and charitable contributions**

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

### **Auditors**

The company is not obliged to re-appoint its auditors annually and KPMG LLP will therefore continue in office

By order of the board

  
JAB Kennedy  
Director

58 Davies Street  
London  
30 July 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 Plymouth Limited**

We have audited the financial statements of Kenmore Capital Plymouth 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**

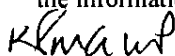
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 loss 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

31 July 2008

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

	<i>Notes</i>	<b>2007</b> £	11 months ended 31 July 2006 (restated) £
<b>Turnover</b>		2,010,497	1,121,272
Cost of sales		(442,602)	(210,714)
		<hr/>	<hr/>
<b>Gross loss</b>		1,567,895	910,558
Administrative expenses		(176,367)	(163,650)
		<hr/>	<hr/>
<b>Operating loss</b>		1,391,528	746,908
Interest receivable	5	12,392	3,865
Interest payable and similar charges	6	(1,795,288)	(1,244,809)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	3	(391,368)	(494,036)
Tax on ordinary activities	7	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	13	(391,368)	(494,036)
		<hr/> <hr/>	<hr/> <hr/>

The loss 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

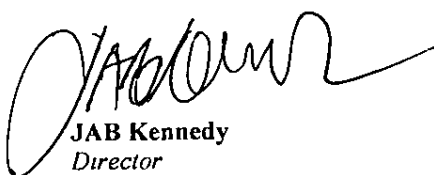
**Statement of total recognised gains and losses**  
*for the year ended 31 July 2007*

	<i>Notes</i>	<b>2007</b>	<b>2006</b>
		<b>£</b>	<b>(restated)</b>
			<b>£</b>
<b>Loss for the financial year</b>		<b>(391,368)</b>	<b>(494,036)</b>
<b>Total recognised gains and losses relating to the financial year</b>		<b>(391,368)</b>	<b>(494,036)</b>
<b>Prior year adjustment (as explained in note 2)</b>	<b>2</b>	<b>1,041,751</b>	
<b>Total gains and losses recognised since last annual report</b>		<b>650,383</b>	

**Balance sheet**  
as at 31 July 2007

	Note	2007 £	2006 (restated) £
<b>Current assets</b>			
Stocks	8	23,390,083	23,283,750
Debtors	9	431,233	342,085
Cash at bank		13,315	32,479
		<hr/> 23,834,631	<hr/> 23,658,314
 <b>Creditors</b> amounts falling due within one year	 10	 (4,880,283)	 (4,312,598)
		<hr/> 18,954,348	<hr/> 19,345,716
<b>Net Current Assets</b>			
 <b>Creditors</b> amounts falling due after more than one year	 11	 (19,839,750)	 (19,839,750)
		<hr/> (885,402)	<hr/> (494,034)
<b>Net Liabilities</b>		<hr/> <hr/>	<hr/> <hr/>
 <b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	(885,404)	(494,036)
		<hr/> (885,402)	<hr/> (494,034)
<b>Shareholders' deficit</b>	14	<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 30 July 2008 and were signed on its behalf by

  
**JAB Kennedy**  
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

#### ***Going concern***

Confirmation has been received from the company's parent undertaking, Kenmore Capital Limited, that it will continue to provide financial assistance for the foreseeable future to enable the company to meet its financial obligations as and when they fall due

#### ***Turnover***

Turnover is attributable to the receipt of rental income and the disposal of the trading property

### 2 Prior year adjustment

The directors have performed a review of the Jersey Property Unit Trust (JPUT) accounting treatment. In a prior period the property asset was derecognised on transfer to the JPUT. Based on the review, the directors consider it more appropriate to retain the property on the company balance sheet and include the results of the JPUT to reflect the underlying substance of the transaction. The directors are of the opinion that it is appropriate to adjust the comparatives for the year ended 31 July 2006 retrospectively and therefore the effect has been treated as a prior year adjustment.

The effect of the adjustment is to reduce investments by £22,000,000 and increase stocks by £23,283,750 as at 31 July 2006. Both debtors and creditors due in less than one year have also increased as at 31 July 2006 by £242,085 and £484,084 respectively. The effect of this adjustment is to decrease the loss after tax for the period ended 31 July 2006 by £1,041,751.

### 3 Notes to the profit and loss account

	Year ended 31 July 2007	11 months ended 31 July 2006
	£	£
<b><i>Operating loss is stated after charging</i></b>		
Auditors' remuneration	-	1,500
	<hr/>	<hr/>

### 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.

**Notes (continued)**

**5 Interest receivable**

	Year ended 31 July 2007	11 months ended 31 July 2006 (restated)
	£	£
Bank interest	12,392	3,865

**6 Interest payable and similar charges**

	Year ended 31 July 2007	11 months ended 31 July 2006 (restated)
	£	£
Interest payable on bank and shareholder loans	1,763,751	1,237,289
Group interest	31,537	7,520
	<u>1,795,288</u>	<u>1,244,809</u>

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

	Year ended 31 July 2007	11 months ended 31 July 2006 (restated)
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	-	-

*Factors affecting the tax charge for the current period*

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

	Year ended 31 July 2007	11 months ended 31 July 2006
	£	£
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(391,368)	(494,036)
Current tax at 30%	(117,410)	(148,211)
<i>Effects of</i>		
Group relief	117,410	148,211
Current tax charge (see above)	<u>-</u>	<u>-</u>

**8 Stocks**

	2007	2006 (restated)
	£	£
Trading properties	<u>23,390,083</u>	<u>23,283,750</u>

**Notes (continued)**

**9 Debtors**

	2007	2006 (restated)
	£	£
Prepayments	41,457	19,480
Trade debtors	334,164	308,380
Amounts owed from group undertakings	55,612	14,225
	<u>431,233</u>	<u>342,085</u>

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

	2007	2006 (restated)
	£	£
Bank and shareholder loans	3,501,132	3,501,132
Trade creditors	153,989	288,705
Other creditors	52,137	234
Accruals and deferred income	431,210	245,197
Other taxes	63,603	63,267
Amounts due to parent company	678,212	214,063
	<u>4,880,283</u>	<u>4,312,598</u>

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

	2007	2006
	£	£
Bank and shareholder loans	<u>19,839,750</u>	<u>19,839,750</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 2007 and 2006 ordinary shares of £1 each	<u>100</u>	<u>2</u>

Two ordinary shares of £1 each were issued at par in the period to 31 July 2006

## Notes (continued)

### 13 Profit and loss account

	2007 £
As at 1 August 2006 as previously stated	(1,535,787)
Prior year adjustment (as explained in note 2)	1,041,751
	<hr/>
At 1 August 2006 as restated	(494,036)
Loss for the financial year	(391,368)
	<hr/>
At 31 July 2007	(885,404)
	<hr/>

### 14 Reconciliation of movements in shareholders' (deficit) / funds

	2007 £	2006 (restated) £
Opening shareholders' deficit	(494,034)	-
Issue of share capital	-	2
Loss for the financial year	(391,368)	(494,036)
	<hr/>	<hr/>
Closing shareholders' deficit	(885,402)	(494,034)
	<hr/>	<hr/>

Opening shareholders' deficit at 1 August 2006 was originally £1,535,785 before prior year adjustments of £1,041,751 (note 2)

### 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 9 and 10.

	2007 £	2006 £
<i>Outstanding loan balances due to related parties are</i>		
Governor and Company of Bank of Scotland	19,839,750	19,839,750
Kenmore Investments Limited	1,750,566	1,750,566
Uberior Ventures Limited	1,750,566	1,750,566
<i>Interest paid on the above loans was</i>		
Governor and Company of Bank of Scotland	1,482,257	997,497
Kenmore Investments Limited	140,747	119,896
Uberior Ventures Limited	140,747	119,896