

Kenmore Capital Brierley Hill Limited

Annual report and financial statements

For the year ended 31 July 2007

Registered number 05568467



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of Kenmore Capital Brierley Hill Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

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 £274,720 (2006. £40,939) The directors do not recommend the payment of a dividend

Review of the period

The company was incorporated on 20th September 2005 and acquired a property during the period ended 31 July 2006 The property was subsequently sold during the year ended 31 July 2007

Directors

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

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

By order of the board



AE White
Director

58 Davies Street
London
2 June 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 Brierley Hill Limited

We have audited the financial statements of Kenmore Capital Brierley Hill 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 to 31 July 2007, and
- 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

2 June 2008

Profit and loss account
for the year ended 31 July 2007

	Notes	Year ended 31 July 2007 £	11 month period ended 31 July 2006 £
Turnover	2	2,039,992	145,630
Cost of sales		(1,696,842)	(9,224)
		<hr/>	<hr/>
Gross profit		343,150	136,406
Administrative expenses		(5,136)	(16,113)
		<hr/>	<hr/>
Operating profit	3-4	338,014	120,293
Interest receivable	5	22,631	862
Interest payable and similar charges	6	(19,643)	(80,216)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		341,002	40,939
Tax on ordinary activities	7	(66,282)	-
		<hr/>	<hr/>
Profit for the financial period	13	274,720	40,939
		<hr/>	<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 2007

	<i>Note</i>	2007 £	2006 £
Current assets			
Stocks	8	-	1,658,769
Debtors	9	377,867	62,123
Cash at bank		9,905	18,824
		<hr/>	<hr/>
		387,772	1,739,716
Creditors amounts falling due within one year	10	(72,112)	(283,571)
		<hr/>	<hr/>
Net current assets		315,660	1,456,145
Creditors amounts falling due after more than one year	11	-	(1,415,205)
		<hr/>	<hr/>
Net assets		315,660	40,940
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	315,659	40,939
		<hr/>	<hr/>
Shareholders' funds	14	315,660	40,940
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 2 June 2008 and were signed on its behalf by



AE 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

Confirmation has been received from the company's joint venture partners, Kenmore Investments 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

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

2 Turnover

Turnover is attributable to the receipt of rental income

3 Operating profit

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

5 Interest receivable

	2007 £	2006 £
Bank interest receivable	2,519	311
Group interest	20,112	551
	<hr/>	<hr/>
	22,631	862
	<hr/>	<hr/>

6 Interest payable and similar charges

	2007 £	2006 £
Interest payable on bank loans and overdrafts	19,299	80,216
Other interest payable	344	-
	<hr/>	<hr/>
	19,643	80,216
	<hr/>	<hr/>

Notes (continued)

7 Tax charge on profit on ordinary activities

	2007	2006
	£	£
<i>UK corporation tax</i>		
Current tax on income for the period	66,282	-

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

	2007	2006
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	341,002	40,939
Current tax at 30%	102,301	12,282
<i>Effects of</i>		
Group relief received	(48,301)	(12,282)
Adjustments in relation to prior year	12,282	-
Current tax charge (see above)	66,282	-

8 Stocks

	2007	2006
	£	£
Trading properties	-	1,658,769

9 Debtors

	2007	2006
	£	£
Trade debtors	22,555	55,504
Amounts due from parent undertaking	355,312	6,619
	377,867	62,123

Notes (continued)

10 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	354	-
Bank and shareholder loans	-	249,871
Accruals and deferred income	5,476	33,700
Corporation tax	66,282	-
	<u>72,112</u>	<u>283,571</u>

11 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Bank and shareholder loans	-	1,415,205
	<u>-</u>	<u>1,415,205</u>

The maturity analysis of bank and shareholder loans is set out below

<i>Amounts falling due</i>	2007 £	2006 £
In one year or less on demand	-	249,871
Between two or five years	-	1,415,205
	<u>-</u>	<u>1,665,076</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 31 July 2007 ordinary shares of £1 each	100	1
	<u>100</u>	<u>1</u>

13 Profit and loss account

	2007 £	2006 £
As at 1 August	40,939	-
Profit for the year	274,720	40,939
	<u>315,659</u>	<u>40,939</u>
As at 31 July	<u>315,659</u>	<u>40,939</u>

Notes (continued)

14 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Opening shareholders funds	40,940	-
Issue of share capital	-	1
Profit for the period	274,720	40,939
	<hr/>	<hr/>
Closing shareholders' funds	315,660	40,940
	<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 Ubertior 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.