

Company Registration Number 06263236

**KENMORE DONCASTER LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD 30 MAY 2007 TO 30 JUNE 2008**

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**KENMORE DONCASTER LIMITED**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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# **KENMORE DONCASTER LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The Board of Directors**

RWM Brook  
JAB Kennedy  
AE White

### **Company Secretary**

PM McCall

### **Registered Office**

1st Floor  
58 Davies Street  
London  
W1K 5JF

### **Auditors**

KPMG LLP  
Chartered Accountants  
& Registered Auditors  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

# **KENMORE DONCASTER LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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The directors present their report and the financial statements of the company for the period from 30 May 2007 to 30 June 2008.

#### **Principal activities and business review**

The principal activity of the company during the period was property trading.

#### **Results and dividends**

The loss for the period amounted to £733,948. The directors have not recommended a dividend.

#### **Directors**

The directors who served the company during the period were as follows:

RWM Brook	(Appointed 30 May 2007)
JAB Kennedy	(Appointed 30 May 2007)
AE White	(Appointed 30 May 2007)
HK Taylor	(Appointed and resigned 30 May 2007)

#### **Directors' responsibilities**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements 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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that ought to have been taken to ensure they are aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **Donations**

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

# **KENMORE DONCASTER LIMITED**

## **THE DIRECTORS' REPORT** *(continued)*

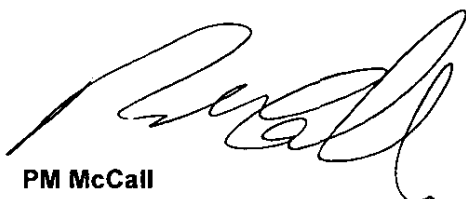
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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### **Auditors**

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

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'PM McCall', written in a cursive style.

**PM McCall**

Secretary

Approved by the directors on 29 January 2009

# **KENMORE DONCASTER LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENMORE DONCASTER LIMITED**

**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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We have audited the financial statements of Kenmore Doncaster Limited for the period from 30 May 2007 to 30 June 2008 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.

# KENMORE DONCASTER LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENMORE DONCASTER LIMITED *(continued)*

PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008

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### 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 30 June 2008 and of its loss for the period 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

### Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The Company is dependent on group funding from Kenmore Investments Limited in order to support the going concern assumption. As explained in note 1 the financial statements of Kenmore Investments Limited disclose the existence of a material uncertainty which may cast significant doubt on that Company's ability to continue as a going concern which may in turn cast significant doubt on the continuance of going concern of this company. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.



KPMG LLP  
Chartered Accountants & Registered Auditors  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

29 January 2009

**KENMORE DONCASTER LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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	Note	Period from 30 May 07 to 30 Jun 08 £
<b>Turnover</b>		—
Cost of sales		(350,454)
<b>Gross loss</b>		<b>(350,454)</b>
Administrative expenses		(41,006)
<b>Operating loss</b>	<b>2</b>	<b>(391,460)</b>
Interest receivable	<b>4</b>	2,627
Interest payable and similar charges	<b>5</b>	(345,115)
<b>Loss on ordinary activities before taxation</b>		<b>(733,948)</b>
Tax on loss on ordinary activities	<b>6</b>	—
<b>Loss for the financial period</b>		<b><u>(733,948)</u></b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the period as set out above.

The notes on pages 8 to 12 form part of these financial statements.




# KENMORE DONCASTER LIMITED

## BALANCE SHEET

30 JUNE 2008

	Note	30 Jun 08 £
<b>Current assets</b>		
Stocks	7	4,816,750
Debtors	8	261,387
Cash at bank		3,409
		<u>5,081,546</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>5,815,382</u>
<b>Net liabilities</b>		<u>(733,836)</u>
 <b>Capital and reserves</b>		
Called-up equity share capital	10	112
Profit and loss account	11	(733,948)
<b>Members' deficit</b>	11	<u>(733,836)</u>

These financial statements were approved by the directors and authorised for issue on 29 January 2009, and are signed on their behalf by:

  
.....  
AE White  
Director

The notes on pages 8 to 12 form part of these financial statements.

**KENMORE DONCASTER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent on funding provided to it by Kenmore Investments Limited, the company's parent.

Kenmore Investments Limited has indicated that it is its current intention that, for at least 12 months from the date of approval of these financial statements, it will continue to make available sufficient funds as are needed by the company (whilst it remains a subsidiary) to enable it to continue trading and to meet its day to day commitments and in particular it will not seek repayment of the amounts currently made available. The directors are not aware of any current plans for disposal of the company. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so except as described in the next paragraph. However the material uncertainty relating to the affairs of Kenmore Investments Limited, described in the next paragraph, may cast significant doubt on the company's ability to continue as a going concern and, therefore, to continue realising its assets and discharging its liabilities in the normal course of business.

The following is an extract from the basis of preparation note in the Kenmore Investments Limited financial statements for the period ended 30 June 2008:

"The directors have prepared projected cash flow information which reflects the directors' plans for the period ending twelve months from the date of their approval of these financial statements. The nature of the company's business is such that the majority of cash inflows are generated ultimately from rental income and property sales. Given the current economic conditions there can be no certainty over the timing or amount of these cash inflows, particularly those relating to property sales or cash outflows that may occur should any of the guarantees set out in note 22 be called.

The company is funded through a combination of shareholders equity and debt finance which comprises loan facilities repayable in 2013 plus an overdraft facility and a standby facility which are repayable on demand (see note 24). The facilities are subject to financial covenants and other conditions which the group monitors regularly. The covenants are sensitive to changes in projected cash flows, the value of properties and movements in interest rates.

On the basis of the projected cash flow information the directors consider that the company will continue to operate within the facilities currently agreed and within those which they expect will be agreed in 9 months, when the company's bankers are due to consider renewing the overdraft facility for a further year.

The margin of facilities over forecast requirements and covenant headroom in these projections is not large and, inherently, there can be no certainty in relation to these matters. The possibility of material adverse changes in amount and timing of actual cash flows, property values and interest rates compared to the projections represent material uncertainties. Should material adverse changes occur, they could cast significant doubt on the company's ability to continue as a going concern. In such circumstances the company may, therefore, be unable to continue realising its assets and discharging its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from such circumstances."

The above extract demonstrates the material uncertainties which may cast significant doubt over the ability of Kenmore Investments Limited to support the company in the future.

**KENMORE DONCASTER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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**1. Accounting policies (continued)**

**Basis of accounting**

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

As the company is a wholly owned subsidiary of Kenmore Investments 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 Property Group Limited, within which the company is included, can be obtained from the address shown in the ultimate parent undertaking note.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

**Trading properties and development**

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

**Deferred taxation**

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and the treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**KENMORE DONCASTER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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**2. Operating loss**

Operating loss is stated after charging:

**Period from  
30 May 07 to  
30 Jun 08  
£**

Auditors' remuneration  
- for the audit of the financial statements

**1,875**

**3. Particulars of employees**

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

**4. Interest receivable**

**Period from  
30 May 07 to  
30 Jun 08  
£**

Bank interest receivable  
Other interest

**1,224**

**1,403**

**2,627**

**5. Interest payable and similar charges**

**Period from  
30 May 07 to  
30 Jun 08  
£**

Interest payable on bank borrowing  
Interest on other loans

**147,011**

**198,104**

**345,115**

Interest paid to group undertakings amounted to £198,104.

**KENMORE DONCASTER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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**6. Taxation on ordinary activities**

**Factors affecting current tax charge**

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 29.50%.

	Period from 30 May 07 to 30 Jun 08 £
Loss on ordinary activities before taxation	<b>(733,948)</b>
Current tax at 29.50%	<b>(216,515)</b>
Losses carried forward	<b>216,515</b>
Total current tax	<b>-</b>

The Company has tax losses available for set-off against future periods. No deferred tax asset has been recognised due to uncertainty over the availability of taxable profits.

**7. Stocks**

	30 Jun 08 £
Trading properties	<b>4,816,750</b>

**8. Debtors**

	30 Jun 08 £
VAT recoverable	<b>261,387</b>

**9. Creditors: amounts falling due within one year**

	30 Jun 08 £
Bank loans	<b>3,200,000</b>
Trade creditors	<b>22,973</b>
Amount owed to parent undertaking	<b>2,530,088</b>
Accruals and deferred income	<b>62,321</b>
	<b>5,815,382</b>

The bank loan is secured over the leasehold interest in the property and by a floating charge over the assets of Kenmore Doncaster Limited. Interest on the loan is payable at LIBOR plus 3%. Kenmore Investments Limited, the parent company, has guaranteed the borrowings of the company to the extent of £500,000. Kenmore Investments Limited has also given certain guarantees for cost overruns and interest shortfalls, if any which occur, for development work undertaken.

**KENMORE DONCASTER LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 30 MAY 2007 TO 30 JUNE 2008**

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**10. Share capital**

**Authorised share capital:**

	<b>30 Jun 08</b>
	<b>£</b>
112 Ordinary shares of £1 each	<b>112</b>
	<u>112</u>

**Allotted and called up:**

	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b>112</b>	<b>112</b>
	<u>112</u>	<u>112</u>

**11. Reconciliation of members' deficit and movement on reserves**

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>members'</b>
		<b>£</b>	<b>deficit</b>
			<b>£</b>
Loss for the period	—	(733,948)	(733,948)
Other movements			
New equity share capital subscribed	<b>112</b>	—	<b>112</b>
Balance carried forward	<b>112</b>	<b>(733,948)</b>	<b>(733,836)</b>
	<u>112</u>	<u>(733,948)</u>	<u>(733,836)</u>

**12. Ultimate parent company**

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