

Company No. 6281041



**KILMARTIN WESTON FLATS LIMITED**  
**REPORT and FINANCIAL STATEMENTS**  
**For the year ended 30 April 2009**

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## **KILMARTIN WESTON FLATS LIMITED**

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**KILMARTIN WESTON FLATS LIMITED**

**COMPANY INFORMATION**

**Directors**

Susan E Groat  
Gordon I Bennet

**Registered Office**

6<sup>th</sup> Floor  
Coin House  
2 Gees Court  
London  
W1U 1JA

**Bankers**

Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ

**Auditor**

Chiene + Tait  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

## KILMARTIN WESTON FLATS LIMITED

### DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 April 2009.

#### Principal activities

The principal activity of the company is property development.

#### Review of activities

During the previous period the company acquired a property which it plans to redevelop.

#### Results and dividends

The loss for the year was £646,696 (2008: £26,963). The directors do not recommend the payment of a dividend.

#### Directors

The directors of the company during the year were as follows:

Robert J Wotherspoon (resigned 7 January 2010)  
Neil S McGuinness (resigned 7 January 2010)  
Simon H Bowder (resigned 17 June 2008)  
Adam C Kerr (appointed 17 July 2008; resigned 13 February 2009)

Susan E Groat (appointed 7 January 2010)  
Gordon I Bennet (appointed 7 January 2010)

#### Statement of 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

#### Disclosure of Information to auditor

The directors confirm that:

- as far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all the steps he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

#### ON BEHALF OF THE BOARD

Susan E Groat  
Director

29/11/2010

*Susan Groat*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
KILMARTIN WESTON FLATS LIMITED**



We have audited the financial statements of Kilmartin Weston Flats Limited for the year ended 30 April 2009 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

**Qualified opinion on financial statements arising from limitation in audit scope**

The audit evidence available to us was limited because, as at 7 January 2010 the ultimate parent company, Kilmartin Holdings Limited, went into receivership. While the directors consider that bank facilities will continue to be available and are sufficient to enable the company to meet its obligations as they fall due for payment, the directors are unable to confirm this position for a period of at least twelve months from the date of approval of these financial statements and consequently are unable to confirm the appropriateness of the going concern basis. Had this information been available to us we might have formed a different opinion on the financial statements.

Except for the financial effects of any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the appropriateness of the going concern basis of preparation of the financial statements, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
KILMARTIN WESTON FLATS LIMITED (continued)**

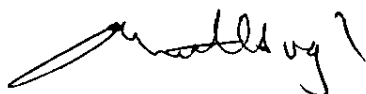
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**Matters on which we are required to report by exception**

In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of the financial statements, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.



**Jeremy Chittleburgh (Senior Statutory Auditor)**  
For and on behalf of  
**CHIENE + TAIT**  
Chartered Accountants & Statutory Auditor

**61 Dublin Street  
Edinburgh  
EH3 6NL**

29 / 11 2010

**KILMARTIN WESTON FLATS LIMITED**

**PROFIT and LOSS ACCOUNT**

**For the year ended 30 April 2009**

|  |       |           | 15 June 2007<br>to<br>30 April 2008 |
|--|-------|-----------|-------------------------------------|
|  | Notes | 2009<br>£ | £                                   |
| <b>Turnover</b>                                    | 2     | 40,957    | 37,610                              |
| Cost of sales                                      |       | (39,507)  | (7,844)                             |
| Exceptional cost of sales                          | 3     | (554,433) | -                                   |
| <b>Gross profit</b>                                |       | (552,983) | 29,766                              |
| Administrative expenses                            |       | (17,120)  | (2,129)                             |
| <b>Operating (loss)/profit</b>                     | 4     | (570,103) | 27,637                              |
| Interest receivable                                |       | 113       | 2,005                               |
| Interest payable                                   | 5     | (76,706)  | (56,605)                            |
| <b>Loss on ordinary activities before taxation</b> |       | (646,696) | (26,963)                            |
| Taxation on loss on ordinary activities            | 7     | -         | -                                   |
| <b>Loss for the financial period</b>               | 12    | (646,696) | (26,963)                            |

A statement of recognised gains and losses has not been prepared as all gains and losses are shown in the profit and loss account.

All activities in the year relate to continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

**KILMARTIN WESTON FLATS LIMITED**

**BALANCE SHEET**

**As at 30 April 2009**

|   | Notes | 2009<br>£        | 2008<br>£        |
|---|-------|------------------|------------------|
| <b>Current Assets</b>                                 |       |                  |                  |
| Stocks and Work in progress                           | 8     | 568,907          | 1,123,340        |
| Debtors   | 9     | 25,302           | 11,510           |
|   |       | <u>594,209</u>   | <u>1,134,850</u> |
| <b>Creditors: Amounts falling due within one year</b> | 10    | (1,267,866)      | (1,161,811)      |
| <b>Net liabilities</b>                                |       | <u>(673,657)</u> | <u>(26,961)</u>  |
|   |       | =====            | =====            |
| <b>Capital and reserves</b>                           |       |                  |                  |
| Called up share capital                               | 11    | 2                | 2                |
| Profit and loss account                               | 12    | (673,659)        | (26,963)         |
|   |       | <u></u>          | <u></u>          |
| Equity shareholder's deficit                          | 13    | (673,657)        | (26,961)         |
|   |       | =====            | =====            |

The accounts have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the Board of Directors and signed on its behalf by:

  
Susan E Groat Director

  
Gordon I Bennet Director  
Company No. 6281041

29/11 2010

The notes on pages 8 to 11 form part of these financial statements.



# KILMARTIN WESTON FLATS LIMITED

## NOTES to the FINANCIAL STATEMENTS

**For the year ended 30 April 2009**

### 1. Principal accounting policies

#### Basis of accounting

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

Profit is included in the financial statements in connection with property developments when a legally binding contract for the sale of the development has been entered into and legal conclusion has taken place before the year end. When legally binding contracts exist, profits on the construction and refurbishment elements of the development are determined only when the outcome can be assessed with reasonable certainty. Provisions are made in full for foreseeable losses. Other profits arising from developments are included in the financial statements only when the legal completion of the sale of the development has been effected.

#### Stocks and work in progress

Development properties are stated at the lower of cost and net realisable value. Cost is computed on the total consideration paid. Net realisable value is based on estimated selling price less the estimated costs of 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 their treatment for tax purposes. Deferred tax 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.

#### Cash flow statement

The company is a small company as defined by S382 of the Companies Act 2006 and is entitled to exemption from the preparation of a cash flow statement as required under FRS1. Consequently, a cash flow statement has not been prepared.

### 2. Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities within the United Kingdom, stated net of value added tax. Turnover of development properties which are not held for the long-term is recorded when a sale is completed in accordance with the profit recognition criteria above. Turnover includes sales of directly held work in progress.

### 3. Exceptional cost of sales

In light of the current economic climate the company has provided £554,433 against the value of work in progress. This has been classified as an exceptional item on the face of the profit and loss account. The directors consider the remaining work in progress to be fully recoverable.

### 4. Operating (loss)/profit

|  | 2009  | 2008  |
|--|-------|-------|
|  | £     | £     |
| This is stated after charging:                       |       |       |
| Auditor's remuneration – audit fee                   | 2,145 | 1,200 |
| Auditor's remuneration – fees for non audit services | 1,160 | 600   |
|  | ===== | ===== |

### 5. Interest payable and similar charges

|                             | 2009   | 2008   |
|-----------------------------|--------|--------|
|                             | £      | £      |
| On bank loans and overdraft | 1,590  | 2,172  |
| On inter-company balances   | 75,045 | 54,433 |
| Other interest              | 71     | -      |
|                             | -----  | -----  |
|                             | 76,706 | 56,605 |
|                             | =====  | =====  |

**KILMARTIN WESTON FLATS LIMITED****NOTES to the FINANCIAL STATEMENTS (Contd.)****For the year ended 30 April 2009****6. Directors and employees**

No staff costs were incurred and the directors did not receive any emoluments during the period.

**7. Taxation**

|  | 2009<br>£ | 2008<br>£ |
|--|-----------|-----------|
| Corporation tax for the current period | -         | -         |
|  | =====     | =====     |

The tax assessed for the period is lower than the expected tax credit as explained below:

|   | 2009<br>£ | 2008<br>£ |
|---|-----------|-----------|
| Loss on ordinary activities before tax  | (646,696) | (26,963)  |
|   | -----     | -----     |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% | (181,075) | (7,550)   |
| Effects of:   |           |           |
| Expenses not deductible for tax purposes  | 336       | -         |
| Group relief surrendered  | -         | 7,550     |
| Losses carried forward  | 180,739   | -         |
|   | -----     | -----     |
| Current tax charge for the period   | -         | -         |
|   | =====     | =====     |

The company has an unrecognised deferred tax asset of £181,075 (2008: £nil). This has arisen primarily from tax losses carried forward. Its recoverability is dependent upon future taxable trading profits arising, the likelihood of which cannot at this stage be determined with reasonable certainty.

**8. Stocks and Work in progress**

|                        | 2009<br>£ | 2008<br>£ |
|------------------------|-----------|-----------|
| Development properties | 568,907   | 1,123,340 |
|                        | =====     | =====     |

**9. Debtors**

|                                    | 2009<br>£ | 2008<br>£ |
|------------------------------------|-----------|-----------|
| Trade debtors                      | 918       | 6,490     |
| Amounts owed by group undertakings | 642       | -         |
| Prepayments                        | 3,445     | -         |
| Other debtors                      | 20,297    | 5,020     |
|                                    | -----     | -----     |
|                                    | 25,302    | 11,510    |
|                                    | =====     | =====     |

**KILMARTIN WESTON FLATS LIMITED**

**NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 April 2009**

| <b>10. Creditors: Amounts falling due within one year</b> | <b>2009</b>      | <b>2008</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Bank overdraft  | 66,108           | 17,446           |
| Amounts owed to group undertakings                        | 1,198,087        | 1,133,876        |
| Other creditors   | 892              | 3,789            |
| Accruals and deferred income                              | 2,779            | 6,700            |
|   | <b>1,267,866</b> | <b>1,161,811</b> |
|   | <b>=====</b>     | <b>=====</b>     |

The company's bankers hold cross company guarantees between companies within the Kilmartin Holdings Limited group. At 30 April 2009 the amount outstanding on overdrafts within the group facility amounted to £266,397,129 (2008: £225,161,210). The group overdraft facility is secured by a bond and floating charge and standard securities over the assets of the company.

| <b>11. Share capital</b>   | <b>2009</b>  | <b>Authorised</b> | <b>Allotted,<br/>called up and<br/>fully paid</b> | <b>2008</b>  |
|----------------------------|--------------|-------------------|---|--------------|
|                            | <b>No.</b>   | <b>2008</b>       | <b>2009</b>                                       | <b>2008</b>  |
|                            |              | <b>No.</b>        | <b>£</b>  | <b>£</b>     |
| Ordinary shares of £1 each | 100          | 100               | 2   | 2            |
|                            | <b>=====</b> | <b>=====</b>      | <b>=====</b>                                      | <b>=====</b> |

| <b>12. Profit and loss account</b> | <b>2009</b>      | <b>2008</b>     |
|------------------------------------|------------------|-----------------|
|                                    | <b>£</b>         | <b>£</b>        |
| At 1 May 2008                      | (26,963)         | -               |
| Loss for the year                  | (646,696)        | (26,963)        |
| At 30 April 2009                   | <b>(673,659)</b> | <b>(26,963)</b> |
|                                    | <b>=====</b>     | <b>=====</b>    |

| <b>13. Reconciliation of movement in equity shareholder's deficit</b> | <b>2009</b>      | <b>2008</b>     |
|---|------------------|-----------------|
|   | <b>£</b>         | <b>£</b>        |
| At 1 May 2008   | (26,961)         | -               |
| Share capital issued  | -                | 2               |
| Loss for the year   | (646,696)        | (26,963)        |
| At 30 April 2009  | <b>(673,657)</b> | <b>(26,961)</b> |
|   | <b>=====</b>     | <b>=====</b>    |

## **KILMARTIN WESTON FLATS LIMITED**

### **NOTES to the FINANCIAL STATEMENTS (Contd.)**

**For the year ended 30 April 2009**

#### **14. Related party transactions and ultimate controlling party**

The company is a 100% subsidiary of Kilmartin London Limited.

The parent and ultimate parent company of Kilmartin London Limited is Kilmartin Holdings Limited, a company registered in Scotland. Kilmartin Holdings Limited was a joint venture between R J Wotherspoon, who was a director, and Uberior Holdings Limited. Both parties had a 50% interest in the share capital of Kilmartin Holdings Limited.

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of the Kilmartin Holdings Limited group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

During the year, management fees of £13,821 (2008: £Nil) were charged by Caledon Trading LLP, a company in which R J Wotherspoon and N S McGuinness are directors. At 30 April 2009, £Nil (2008: £Nil) was due to Caledon Trading LLP.

#### **15. Going concern**

As set out in the post balance sheet events note, the Company's ultimate parent undertaking, Kilmartin Holdings Limited, was placed into receivership on 7 January 2010. The group's bankers have made available to the Receivers an overdraft facility which is available for utilisation by the solvent entities in the Kilmartin Group which continue to trade. Based on this, the directors have concluded that the financial statements should be prepared on a going concern basis.

#### **16. Post balance sheet events**

On 7 January 2010 the Company's ultimate parent undertaking, Kilmartin Holdings Limited, was placed into receivership.

John Bruce Cartwright and Graham Douglas Frost, both Chartered Accountants of PriceWaterhouseCoopers LLP were appointed as receivers to manage Kilmartin Holdings Limited's affairs, business and assets. The insolvency appointment made is restricted to the parent company and does not include subsidiaries or joint ventures (of the parent company), with the exception of Kilmartin Property Group Limited which is also in receivership.

On 7 January 2010, Bank of Scotland Plc made available to the Receivers, an overdraft facility which may be utilised by the solvent entities in the Kilmartin Group to provide funding for them to meet their obligations as they fall due for payment.