

Kenmore Aberdeen 2 Limited

Annual report and financial statements

for the year ended 31 July 2007

Registered number SC 210751

WEDNESDAY



SUNHW2MA

SCT

27/08/2008

620

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report to the members of Kenmore Aberdeen 2 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 loss for the financial year amounted to £224,668 (2006 loss £117,496) The directors do not recommend payment of a dividend (2006 £nil)

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
A E White
J K Brown (resigned 18 February 2008)
RWM Brook
RA Robson (appointed 18 February 2008)

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 group 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



AE White
Director

33 Castle Street
Edinburgh
EH2 3DN
19 August 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 Aberdeen 2 Limited

We have audited the financial statements of Kenmore Aberdeen 2 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

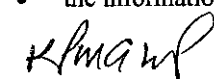
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

19 August 2008

Profit and loss account
for the year ended 31 July 2007

	<i>Notes</i>	2007 £	2006 £
Turnover	2		
Cost of sales			
Gross profit			
Administrative expenses		(160,368)	
Operating loss		(160,368)	
Interest payable and similar charges	5	(64,300)	(117,496)
Loss on ordinary activities before taxation	3	(224,668)	(117,496)
Tax on loss on ordinary activities	6		
Loss for the financial year	10	(224,668)	(117,496)

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

The result for the financial year has been derived solely from continuing activities

The historical cost results of the company are not materially different to those reported above

Balance sheet
at 31 July 2007

	<i>Note</i>	2007 £	2006 £
Current assets			
Stocks and work in progress	7	932,085	932,085
Creditors amounts falling due within one year	8	(1,296,231)	(1,071,563)
Net liabilities		<u>(364,146)</u>	<u>(139,478)</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(364,148)	(139,480)
Shareholders' deficit	11	<u>(364,146)</u>	<u>(139,478)</u>

These financial statements were approved by the board of directors on 19 August 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 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

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 Investments Limited, within which the company is included, can be obtained from the address given in note 12

Going concern

Confirmation has been received from the company's parent undertaking, 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

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

The company had no turnover during the year

3 Loss on ordinary activities before taxation

	2007	2006
	£	£
<i>Loss on ordinary activities before taxation is stated after charging</i>		

Auditors' remuneration

Audit of these financial statements

The audit fee for the company was borne by Kenmore Investments Ltd, the parent company

4 Staff costs and numbers

The directors received no remuneration for their services to the company Other than the directors the company had no employees during the year (2006 nil)

Notes (continued)

5 Interest payable and similar charges

	2007	2006
	£	£
Interest due to related companies	64,300	117,496
	<u>64,300</u>	<u>117,496</u>

6 Tax on loss on ordinary activities

	2007	2006
	£	£
UK corporation tax	<u> </u>	<u> </u>

Factors affecting the tax credit for the current year

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

The differences are explained below

	2007	2006
	£	£
Loss on ordinary activities before taxation	(224,668)	(117,496)
	<u>(224,668)</u>	<u>(117,496)</u>
Current tax at 30%	(67,400)	(35,249)
<i>Effects of</i>		
Deferred tax not recognised	67,400	35,249
	<u>67,400</u>	<u>35,249</u>
Total current tax credit (see above)	<u>67,400</u>	<u>35,249</u>

Factors affecting the tax charge for future years

The company has a deferred tax asset relating to unutilised losses carried forward of £67,400 which has not been recognised due to uncertainty over the timing of generation of taxable profits. The asset is expected to be realised when the company's trading property is sold.

7 Stocks

	2007	2006
	£	£
Trading properties	932,085	932,085
	<u>932,085</u>	<u>932,085</u>

Notes (continued)

8 Creditors: amounts falling due within one year

	2007	2006
	£	£
Amount due to parent undertaking	321,090	151,619
Amount due to fellow group undertaking	975,141	919,994
	<u>1,296,231</u>	<u>1,071,563</u>

9 Called up share capital

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

10 Profit and loss account

	2007	2006
	£	£
As at 1 August	(139,480)	(21,984)
Loss for the financial year	(224,668)	(117,496)
	<u>(364,148)</u>	<u>(139,480)</u>

11 Reconciliation of movements in shareholders' deficit

	2007	2006
	£	£
Opening deficit in shareholders' funds	(139,478)	(21,982)
Loss for the financial year	(224,668)	(117,496)
	<u>(364,146)</u>	<u>(139,478)</u>

12 Ultimate parent undertaking

The company is a subsidiary undertaking of Kenmore Investments Limited, incorporated in Scotland. The ultimate parent company is Kenmore Property Group Ltd. 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.