

Company Registration Number SC 210751

**KENMORE ABERDEEN 2 LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 AUGUST 2007 TO 30 JUNE 2008**

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**KENMORE ABERDEEN 2 LIMITED**  
**FINANCIAL STATEMENTS**  
**PERIOD FROM 1 AUGUST 2007 TO 30 JUNE 2008**

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# **KENMORE ABERDEEN 2 LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The Board of Directors**

RWM Brook  
JAB Kennedy  
AE White  
RA Robson

### **Company Secretary**

PM McCall

### **Registered Office**

33 Castle Street  
Edinburgh  
EH2 3DN

### **Auditors**

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

# **KENMORE ABERDEEN 2 LIMITED**

## **THE DIRECTORS' REPORT**

### **PERIOD FROM 1 AUGUST 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 1 August 2007 to 30 June 2008.

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

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

#### **Results and dividends**

The profit for the period amounted to £27,124 (2007: loss (£224,668)). The directors have not recommended a dividend.

#### **Directors**

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

RWM Brook  
JAB Kennedy  
AE White  
RA Robson  
JK Brown

(Appointed 18 February 2008)  
(Resigned 18 February 2008)

#### **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 ABERDEEN 2 LIMITED**

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

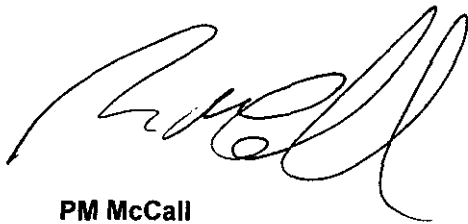
**PERIOD FROM 1 AUGUST 2007 TO 30 JUNE 2008**

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### **Auditors**

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

Signed by order of the directors

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

**PM McCall**  
*Secretary*

Approved by the directors on 29 January 2009

# **KENMORE ABERDEEN 2 LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENMORE ABERDEEN 2 LIMITED**

**PERIOD FROM 1 AUGUST 2007 TO 30 JUNE 2008**

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We have audited the financial statements of Kenmore Aberdeen 2 Limited for the period from 1 August 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 ABERDEEN 2 LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KENMORE ABERDEEN 2 LIMITED *(continued)*

PERIOD FROM 1 AUGUST 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 profit/(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 ABERDEEN 2 LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**PERIOD FROM 1 AUGUST 2007 TO 30 JUNE 2008**

	Note	Period from 1 Aug 07 to 30 Jun 08 £	Year to 31 Jul 07 £
<b>Turnover</b>	<b>2</b>	<b>2,231,626</b>	—
Cost of sales		<u>2,189,140</u>	—
<b>Gross profit</b>		<b>42,486</b>	—
Administrative expenses		<u>13,855</u>	160,368
<b>Operating profit/(loss)</b>	<b>3</b>	<b>28,631</b>	(160,368)
Interest receivable	<b>5</b>	<b>202,734</b>	—
Interest payable and similar charges	<b>6</b>	<u>(204,241)</u>	(64,300)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>27,124</b>	(224,668)
Tax on profit/(loss) on ordinary activities	<b>7</b>	—	—
<b>Profit/(loss) for the financial period</b>		<u><b>27,124</b></u>	<u>(224,668)</u>

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.



# KENMORE ABERDEEN 2 LIMITED

## BALANCE SHEET

30 JUNE 2008

	Note	£	30 Jun 08 £	31 Jul 07 £
<b>Current assets</b>				
Stocks	8	—		932,085
Debtors	9	3,415,836		—
Cash at bank		25,227		—
		<u>3,441,063</u>		932,085
<b>Creditors: amounts falling due within one year</b>	10	<u>3,778,085</u>		1,296,231
<b>Net current liabilities</b>			<u>(337,022)</u>	<u>(364,146)</u>
<b>Net liabilities</b>			<u>(337,022)</u>	<u>(364,146)</u>
<b>Capital and reserves</b>				
Called-up equity share capital	11		2	2
Profit and loss account	12		<u>(337,024)</u>	<u>(364,148)</u>
<b>Members' deficit</b>	12		<u>(337,022)</u>	<u>(364,146)</u>

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



RA Robson  
Director

**KENMORE ABERDEEN 2 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 1 AUGUST 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 ABERDEEN 2 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD FROM 1 AUGUST 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.

##### Turnover

Turnover is attributable to the sale of properties.

##### 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 for 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.

#### 2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Period from 1 Aug 07 to 30 Jun 08 £	Year to 31 Jul 07 £
United Kingdom	<u>2,231,626</u>	<u>-</u>

#### 3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	Period from 1 Aug 07 to 30 Jun 08 £	Year to 31 Jul 07 £
Auditors' remuneration - for the audit of the financial statements	<u>1,500</u>	<u>-</u>

**KENMORE ABERDEEN 2 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**PERIOD FROM 1 AUGUST 2007 TO 30 JUNE 2008**

**9. Debtors**

	30 Jun 08 £	31 Jul 07 £
Amounts owed by group undertakings	2,803,939	—
Other debtors	611,897	—
	<u>3,415,836</u>	<u>—</u>

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

	30 Jun 08 £	31 Jul 07 £
Trade creditors	199,505	—
Amounts owed to parent undertaking	3,131,554	321,090
Amounts owed to group undertaking	—	975,141
Other creditors including taxation:		
VAT	29,357	—
Accruals and deferred income	417,669	—
	<u>3,778,085</u>	<u>1,296,231</u>

**11. Share capital**

**Authorised share capital:**

	30 Jun 08 £	31 Jul 07 £
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**Allotted, called up and fully paid:**

	30 Jun 08 No	£	31 Jul 07 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

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

	Share capital £	Profit and loss account £	Total members' deficit £
Balance brought forward	2	(364,148)	(364,146)
Profit for the period	—	27,124	27,124
Balance carried forward	<u>2</u>	<u>(337,024)</u>	<u>(337,022)</u>

**13. 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.