

Alderview Homes (Carrickstone) Limited

Directors' Report and Financial Statements

31 December 2005

Registered Number SC247352



W8P329K31W
30/10/2006

Directors' Report and Financial Statements

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Directors' Report

The Directors have pleasure in presenting their report and audited financial statements for the year to 31 December 2005

Results and Dividends

The result for the year is set out in the profit and loss account on page 4.

Activity

The principal activity of the company is that of property development. The directors consider the year end position to be satisfactory.

Directors and Directors' Interests

The Directors of the company during the year were

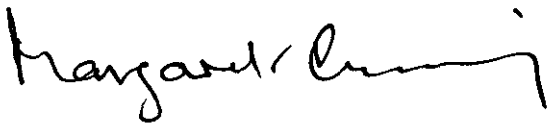
Kevin W McFeeley
James O' Donnell
Ronnie A Jacobs
Ewan T Anderson
Margaret Cumming

None of the Directors had any interest in the share capital of the company.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Margaret Cumming
Director

5 October 2006

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

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

Independent auditors' report to the members of Alderview Homes (Carrickstone) Limited

We have audited the financial statements of Alderview Homes (Carrickstone) Limited for the year ended 31 December 2005 which comprise of the Profit and Loss Account and 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Edinburgh

27 October 2006

Profit and loss account
for the year ended 31 December 2005

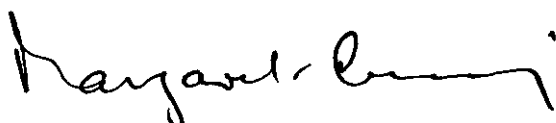
	Note	2005 £	2004 £
Turnover		5,068,535	
Cost of Sales		(4,075,910)	
Gross profit		992,625	-
Administrative Expenses		(240,192)	
Operating profit		752,433	
Net interest payable	3	(399,383)	(353,050)
Profit/(loss) on ordinary activities before taxation	4	353,050	(353,050)
Tax on profit/(loss) on ordinary activities	5	(105,915)	105,915
Retained profit/(loss) for the year		247,135	(247,135)

There are no recognised gains or losses other than those disclosed above

Balance sheet
as at 31 December 2005

	<i>Note</i>	2005 £	2004 £
Current assets			
Stocks	6	5,644,421	7,542,097
Debtors	7	39,178	191,056
		<hr/>	<hr/>
		5,683,599	7,733,153
 Creditors: amounts falling due within one year	 8	 (5,683,499)	 (203,201)
		<hr/>	<hr/>
Net current assets		100	7,529,952
 Creditors: amounts falling due in more than one year	 9	 -	 (7,776,987)
		<hr/>	<hr/>
Net liabilities		100	(247,035)
		<hr/>	<hr/>
 Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		-	(247,135)
		<hr/>	<hr/>
Equity shareholders' funds	12	100	(247,035)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 5 October 2006 and were signed on its behalf by



Margaret Cumming
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 accounting

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

Turnover

Turnover represents the invoiced value of sales and other services provided to third parties during the year, exclusive of value added tax

Development work in progress

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower

2. Staff numbers and costs

The company has no employees and no emoluments were paid to the Directors of the company during the year

3. Net interest payable

	2005 £	2004 £
Bank interest payable	399,383	353,050
	<hr/>	<hr/>

4. Profit on ordinary activities before tax

This is stated after charging.

	2005 £	2004 £
Auditors' remuneration – audit fee	580	565
	<hr/>	<hr/>

Notes (continued)

5. Tax on ordinary activities

Analysis of charge in the year	2005 £	2004 £
UK Corporation tax:		
Current tax on income for the year	(593)	84,757
Deferred tax – reversal / origination of timing differences	159,940	(190,672)
Deferred tax – adjustment to prior year	(53,432)	
	<hr/>	<hr/>
Current year tax charge	105,915	(105,915)
	<hr/>	<hr/>

Factors affecting the tax charge for the current year:

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

Current tax reconciliation	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	353,050	(353,050)
	<hr/>	<hr/>
Current tax at 30% (2004 30%)	105,915	(105,915)
Effect of:		
Deferred tax – reversal/(origination) of timing difference	(106,508)	190,672
Adjustment re transfer pricing	593	(84,757)
Balancing payment re transfer pricing adjustment	(593)	84,757
	<hr/>	<hr/>
Total current tax charge (see above)	(593)	84,757
	<hr/>	<hr/>

6. Stocks

	2005 £	2004 £
Land work in progress	3,897,477	5,351,496
Development work-in progress	1,746,944	2,190,601
	<hr/>	<hr/>
	5,644,421	7,542,097
	<hr/>	<hr/>

7. Debtors

	2005 £	2004 £
Amounts owed by parent undertakings	100	100
Deferred tax asset (note 10)	30,732	190,672
Other debtors	8,346	284
	<hr/>	<hr/>
	39,178	191,056
	<hr/>	<hr/>

Notes (continued)

8. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loan	5,133,102	-
Amounts due to parent undertakings	25,836	82,110
Amount due to related company	6,246	2,647
Retentions	119,582	60,454
Accruals and deferred income	398,733	57,990
	<u>5,683,499</u>	<u>203,201</u>

The bank loan which is repayable by 31 July 2006, is guaranteed in part by Miller Residential Development Services Limited, and secured over all the company's property and assets. The bank loan is subject to interest at the bank's base rate plus an interest margin of 1.75%

9. Creditors: amounts falling due in more than one year

	2005 £	2004 £
Bank loan	-	7,776,987
	<u>-</u>	<u>7,776,987</u>

10. Deferred tax

	2005 £	2004 £
At beginning of year	190,672	-
Transferred to profit and loss account	(159,940)	190,672
	<u>30,732</u>	<u>190,672</u>
At end of year (see note 7)	<u>30,732</u>	<u>190,672</u>

11. Called up share capital

	2005 £	2004 £
<i>Authorised, Allotted and fully paid</i>		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

Both "A" and "B" shares have the same voting rights and rank parri passu as set out in the Memorandum and Articles of Association of the company

Notes (continued)

12. Reconciliation of movement in shareholders' funds.

	2005 £	2004 £
Profit/(loss) for the year	247,135	(247,135)
Total movements during the year	247,135	(247,135)
Shareholders' funds at start of year	(247,035)	100
Shareholders' funds at end of year	100	(247,035)

13. Related party disclosures

The company is controlled jointly by Miller Residential Development Services Limited and Zoom Developments Limited

During the year the company reimbursed development costs of £nil (2004 £6,527) and £1,960,813 (2004 £2,200,523) to Miller Residential Development Services Limited and Zoom Developments Limited respectively. At the year end £24,586 (2004 £28,679) and £1,250 (2004 £53,431) was owed to Miller Residential Development Services Limited and Zoom Developments Limited

At the year end £6,246 (2004 £2,647) was owed to Miller Investments Southern Limited, a related company of Miller Residential Development Services Limited