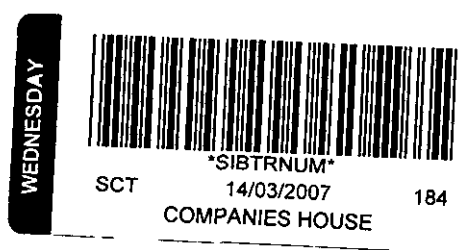


BEN EVER ESTATES LIMITED

Report and Financial Statements

31 December 2006



BEN EVER ESTATES LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Statement of movement on reserves	5
Reconciliation of movements in shareholders' funds	6
Balance sheet	7
Notes to the financial statements	8

BEN EVER ESTATES LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J S Cairns (Chairman)
G C Sellar

SECRETARY

J S Cairns

REGISTERED OFFICE

4th Floor
Pacific House
70 Wellington Street
Glasgow
G2 6SB

BANKERS

Bank of Scotland
New Ueberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

SOLICITORS

McGrigors LLP
Pacific House
70 Wellington Street
Glasgow
G2 6SB

INDEPENDENT AUDITORS

Deloitte & Touche LLP
Edinburgh

BEN EVER ESTATES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2006

ACTIVITIES

The company's principal activity is property trading

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the results for the year and are confident of growth in the coming year

RESULTS AND DIVIDENDS

The company made a loss of £2,312 (2005 £34,714 profit) before dividends during the year. The directors do not recommend the payment of a dividend (2005 £nil) and the retained loss will be transferred against reserves

DIRECTORS AND THEIR INTERESTS

On 2 March 2007 B S Anderson resigned as a director of the company. On the same date G C Sellar was appointed as a director of the company. None of the Directors held any interest in the share capital of the company which requires disclosure in accordance with the Companies Act 1985

The interests of the directors in Bonnytown Estates Limited, the parent company, are disclosed within the financial statements of Bonnytown Estates Limited

INDEPENDENT AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information


This confirmation is given and should be interpreted in accordance with the provisions of s234Za of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

Approved by the Board of Directors on 8 March 2007
and signed by order of the Board


J S Cairns
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 judgments and estimates that are reasonable and prudent, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEN EVER ESTATES LIMITED

We have audited the financial statements of Ben Ever Estates Limited for the year ended 31 December 2006 which comprise the profit and loss account, statement of movement on reserves, reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein and the requirements of the FRSSE (effective January 2005).

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 auditors' 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 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.

Deloitte & Touche 

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Edinburgh, UK

13 March 2007

BEN EVER ESTATES LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2006**

	Note	Continuing operations	
		2006 £	2005 £
Other operating income	4	268,800	268,816
Administrative expenses		<u>(274,754)</u>	<u>(225,959)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(5,954)	42,857
Tax on (loss)/profit on ordinary activities	6	<u>3,642</u>	<u>(8,143)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>(2,312)</u></u>	<u><u>34,714</u></u>

There have been no recognised gains or losses attributable to the shareholders other than the result for the current and prior financial periods. Accordingly, no Statement of Total Recognised Gains and Losses is shown.

STATEMENT OF MOVEMENT ON RESERVES

Profit and loss account

	2006 £	2005 £
At 1 January	34,714	
(Loss)/profit for the year	<u>(2,312)</u>	<u>34,714</u>
At 31 December	<u><u>32,402</u></u>	<u><u>34,714</u></u>

BEN EVER ESTATES LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS **Year ended 31 December 2006**

	2006 £	2005 £
(Loss)/profit for the financial period	(2,312)	34,714
Net (reduction in)/addition to shareholders' funds	(2,312)	34,714
Opening shareholders' funds	34,715	1
Closing shareholders' funds	32,403	34,715

BEN EVER ESTATES LIMITED

BALANCE SHEET

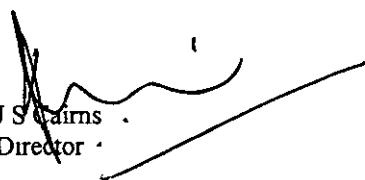
As at 31 December 2006

	Note	2006 £	2005 £
CURRENT ASSETS			
Dealing properties	7	2,952,871	2,951,871
Debtors	8	3,642	
		<u>2,956,513</u>	<u>2,951,871</u>
CREDITORS: amounts falling due within one year	9		(8,143)
NET CURRENT ASSETS		<u>2,956,513</u>	<u>2,943,728</u>
CREDITORS: amounts falling due after more than one year	10	(2,924,110)	(2,909,013)
NET ASSETS		<u>32,403</u>	<u>34,715</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Profit and loss account		<u>32,402</u>	<u>34,714</u>
TOTAL SHAREHOLDERS' FUNDS		<u>32,403</u>	<u>34,715</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the Board of Directors on 8 March 2007

Signed on behalf of the Board of Directors


J S Cairns
Director


G C Sellar
Director

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemption contained in Financial Reporting Standard No 1 (Revised 1996) from preparing a cash flow statement on the grounds of being a small company defined by Section 247 of the Companies Act 1985.

Revenue

Revenue on the sales of dealing properties is recognised when the sale is complete. Rental income is recognised over the period in respect of which the rent is due.

Arrangement fees

Arrangement fees in relation to banking facilities are capitalised and amortised over the period of the facility.

Dealing properties

Dealing properties relate to commercial properties held for resale and are shown in the financial statements at the lower of cost and net realisable value. Cost comprises the property purchase price, directly attributable costs of acquiring the property and other appropriate costs incurred following the purchase. Net realisable value is determined by reference to third party professional valuations.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax, in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non discounted basis.

2. TURNOVER

Turnover arises wholly from the principal activities of the company within the United Kingdom and represents the proceeds from the disposal of dealing properties. Property rental income is presented as other operating income in the profit and loss account.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company does not have any employees.

The company did not incur any staff costs or directors' remuneration during the current and prior period.

4. OTHER OPERATING INCOME

Other operating income relates to rental income received during the year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2006

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by the parent company in the current and prior years

6. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	2006 £	2005 £
UK corporation tax at 30% (2005 19%)		8,143
Prior year adjustment	(3,642)	
	<u>(3,642)</u>	<u>8,143</u>

The standard rate of tax for the period, based on the UK standard rate of corporation tax is 30% (2005 19%) The actual charge for the prior period is less than the small company rate for the reasons set out in the following reconciliation

	2006 £	2005 £
(Loss) / profit on ordinary activities before tax	<u>(5,954)</u>	<u>42,857</u>
Tax on (loss)/profit on ordinary activities at small company rate of 30% (2005 19%)	(1,786)	8,143
Factors affecting charge for the period		
Prior year adjustment	(3,642)	
Utilisation of tax losses	1,786	
	<u>(3,642)</u>	<u>8,143</u>
Total actual amount of current tax	<u>(3,642)</u>	<u>8,143</u>

7. DEALING PROPERTIES

Dealing properties relate to commercial properties held for resale

8. DEBTORS

	2006 £	2005 £
Corporation tax	<u>3,642</u>	

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £	2005 £
Corporation tax		<u>8,143</u>

BEN EVER ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2006

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Due to parent	<u>2,924,110</u>	<u>2,909,013</u>

11. CALLED UP SHARE CAPITAL

	2006	2005
	£	£
Authorised		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>
Called up, and allotted and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

12. GUARANTEES

The Bank of Scotland holds unlimited inter company guarantees in respect of the following group companies

Bonnytown Estates Limited
Innerdownie Estates Limited
Whitewisp Estates Limited
Kings Seat Estates Limited
Andrew Gannel Hill Estates Limited
Ben Cleuch Estates Limited
Blairdenon Hill Estates Limited

At 31 December 2006, the total group liability in respect of such borrowings was £32,812,035 (2005 £24,476,135)

13. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary of Bonnytown Estates Limited, a company registered in Scotland. The results of the company are consolidated in the financial statements of Bonnytown Estates Limited. Copies of the financial statements of Bonnytown Estates Limited may be obtained from Companies House, 37 Castle Terrace, Edinburgh.

14. TRANSACTIONS WITH RELATED PARTIES

The company is a wholly owned subsidiary of Bonnytown Estates Limited. The company has therefore taken advantage of the exemptions available under Financial Reporting Standard 8 with regard to the non disclosure of transactions between group companies which are eliminated in the ultimate parent company's consolidated financial statements.