

# **Caledonia Homes (Blackburn) Limited**

## **Directors' Report and Financial Statements**

31 December 2006

Registered Number SC263304



## **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 ended 31 December 2006

### **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 financial position to be satisfactory.

### **Directors**

The directors of the company during the year were

Ewan T Anderson  
Ian W McMurdo  
Ronnie A Jacobs

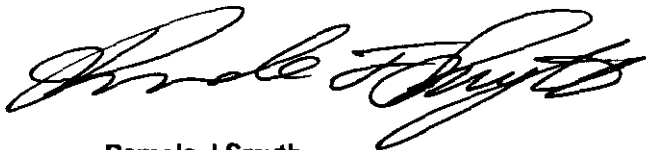
### **Disclosure of information to auditors**

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.

### **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



**Pamela J Smyth**  
Secretary

18 Sept 2007

## **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 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 the 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 Caledonia Homes (Blackburn) Limited**

We have audited the financial statements of Caledonia Homes (Blackburn) Limited for the year ended 31 December 2006 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**

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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. We also 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 statement gives 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 2006 and of its result for the then year 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  
Edinburgh

20 October 2007

## **Profit and loss account**

*For the year ended 31 December 2006*

	<i>Note</i>	<b>2006</b> £	<b>2005</b> £
<b>Turnover</b>		<b>3,290,150</b>	4,384,010
Cost of sales		<b>(2,231,899)</b>	(3,498,547)
<b>Gross profit</b>		<b>1,058,251</b>	885,463
Administrative expenses		<b>(1,065,262)</b>	(704,876)
<b>Operating (loss)/profit</b>		<b>(7,011)</b>	180,586
Interest payable and similar charges	4	-	(118,940)
Interest receivable and similar income	5	<b>7,011</b>	
<b>Profit on ordinary activities before taxation</b>	3	-	61,646
Tax on profit on ordinary activities	6		(18,494)
<b>Profit for the financial year</b>			<b>43,152</b>

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

## Balance sheet

*As at 31 December 2006*

	<i>Note</i>	<b>2006</b> £	<b>2005</b> £
<b>Current assets</b>			
Stocks	7		1,608,699
Debtors	8	<b>180,467</b>	1,157
Cash at bank		<b>483,372</b>	
		<b>663,839</b>	1,609,856
<b>Creditors' amounts falling due within one year</b>	9	<b>663,739</b>	1,609,756
<b>Net assets</b>		<b>100</b>	100
<b>Capital and reserves</b>			
Called up share capital	10	<b>100</b>	100
Profit and loss account		-	
<b>Shareholders' funds</b>	11	<b>100</b>	100

These financial statements were approved by the board of directors on 18 Sept 2007 and were signed on its behalf by



**Ewan T Anderson**  
**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 result for the period 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 FRS 19

#### ***Turnover***

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

#### ***Dividend on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

#### ***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 Profit on ordinary activities before taxation**

This is stated after charging

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration – audit fee	<b>600</b>	<b>580</b>



## Notes (continued)

### 4 Interest payable and similar charges

	2006 £	2005 £
Bank interest payable		118,940
	<u>          </u>	<u>          </u>

### 5 Interest receivable and similar income

	2006 £	2005 £
Bank and other interest receivable	7,011	
	<u>          </u>	<u>          </u>

### 6 Tax on ordinary activities

	2006 £	2005 £
<b>Analysis of charge in the period</b>		
<b>UK Corporation tax:</b>		
Current tax on income for the period		(45,700)
Deferred tax – (origination)/reversal of timing differences		64,194
Tax on profit on ordinary activities	<u>          </u>	<u>          </u>
	-	18,494
	<u>          </u>	<u>          </u>

#### **Factors affecting the tax charge for the current period**

The current tax charge for the period is equal to (2005 higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below

#### **Current tax reconciliation**

	2006 £	2005 £
Profit on ordinary activities before tax	-	61,646
Current tax at 30%	-	18,494
<i>Effect of</i>		
Deferred tax – (reversal)/origination of timing differences		(64,194)
Corporation tax on transfer pricing adjustment (note 12)	(285,158)	(148,056)
Repayment to shareholders	285,158	148,056
Total current corporation tax charge (see above)	<u>          </u>	<u>          </u>
	-	(45,700)
	<u>          </u>	<u>          </u>

## Notes (continued)

### 7 Stocks

	2006 £	2005 £
Land work in progress	-	602,220
Development work in progress		1,006,479
	<hr/>	<hr/>
		1,608,699
	<hr/>	<hr/>

### 8 Debtors

	2006 £	2005 £
Called up share capital not paid	100	100
Other debtors	180,367	1,057
	<hr/>	<hr/>
	180,467	1,157
	<hr/>	<hr/>

### 9 Creditors amounts falling due within one year

	2006 £	2005 £
Amounts owed to parent undertaking	348,689	597,520
Bank loan		842,780
Corporation tax	285,158	102,356
Accruals and deferred income	29,892	67,100
	<hr/>	<hr/>
	663,739	1,609,756
	<hr/>	<hr/>

### 10 Called up share capital

	2006 £	2005 £
<i>Authorised, allotted, but unpaid</i>		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

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

## Notes (continued)

### 11. Reconciliation of movement in shareholders funds

	2006 £	2005 £
Profit for the year		43,152
Total movements during the year		43,152
Shareholders' funds at start of year	100	(43,052)
<b>Shareholders' funds at end of year</b>	<b>100</b>	<b>100</b>

### 12 Related party disclosures

The company is controlled jointly by Miller Residential Developments Services Limited and Caledonia Homes Limited

Where amounts payable to shareholders are not at market value, the shareholders reimburse / receive payment from the company for an amount equivalent to the corporation tax payable / receivable in respect of the difference

During the year the company paid management fees and reimbursed construction costs and fees of £331,751 (2005 £nil) to Miller Residential Development Services Limited and £438,387 (2005 £2,778,051) to Caledonia Homes Limited

At the year end £133,183 (2005 £269,590) and £215,506 (2005 £327,930) was owed to Miller Residential Development Services Limited and Caledonia Homes Limited respectively