AMENDING

Kenmore Capital Edinburgh Limited

Revised directors' report and annual financial statements

for the year ended 31 July 2006

Registered number SC278545

Contents

Revised directors' report

The directors have pleasure in submitting their revised annual report and audited financial statements for the year to 31 July 2006 which replaces the original report for the year ended 31 July 2006 The revised report has been prepared as at the date on which the original report was approved by the board of directors, not as at the date of the revision, and accordingly does not deal with events between those dates

The directors believe that the original accounts included a significant inappropriate accounting treatment in respect of transactions relating to the company's property disposal The original treatment showed income from investments and an investment write off, the revised accounting reflects this transaction as turnover when the property was disposed of to an external party In addition the original tax calculation did not take account of available group relief therefore overstating the tax charge and associated liability, this has been revised

Principal activities

The principal activity of the company is property trading

Results and dividends

The profit for the year, after taxation, amounted to £4,123,024 (2005 loss £193,568) The directors do not recommend the payment of a dividend (2005 £nil)

Review of the year

The company sold its property to Citypoint Unit Trust, the company's current asset, during the year Following the subsequent sale of that property to a third party, income was received by the company from its current asset investment

Directors

The directors who served during the year were as follows

JAB Kennedy
RWM Brook
AE White
JK Brown
PA Bradley (resigned 3 February 2006)

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 company made no political contributions or charitable donations during the year

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

JAB Kennedy
Director

33 Castle Street
Edinburgh
31 January 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

Under section 245 of the Companies Act 1985 the directors have the authority to revise financial statements or a directors' report if they do not comply with the Act The revised financial statements must be amended in accordance with the Companies (revision of Defective Accounts and Report) Regulations 1990 These require that the revised financial statements show a true and fair view as if they were prepared and approved by the directors as at the date of the original financial statements and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved

KPMG LLP
Saltire Court
20 Castle Terrace
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United Kingdom

Independent auditors' report to the members of Kenmore Capital Edinburgh Limited

We have audited the revised financial statements (the "revised financial statements") of Kenmore Capital Edinburgh Limited for the year ended 31 July 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes These revised financial statements have been prepared under the accounting policies set out therein and replace the original financial statements approved by the directors on 18 May 2007

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 1990 ("the Regulations") and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 and as required by paragraph 6 of the Regulations 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 revised 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 revised 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 revised 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 revised directors' report is consistent with the revised 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 revised directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors

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 revised financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the revised financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the directors are appropriate and have been properly made

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 revised 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 revised financial statements

Opinion

In our opinion

- the revised financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 July 2006 and of its profit for the year then ended,
- the revised financial statements have been properly prepared in accordance with the Companies Act 1985 as it has effect under the Regulations,
- the original financial statements for the year ended 31 July 2006 failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors in the statement contained in note 1 to these revised financial statements, and
- the information given in the revised directors' report is consistent with the revised financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Edinburgh

31 January 2008

Revised profit and loss account
for the year ended to 31 July 2006

	Notes	2006 £	2005 £
Turnover	2	**17,788,329**	90,353
Cost of sales		**(12,112,220)**	(72,396)
Gross profit		**5,676,109**	17,957
Administrative expenses		**(7,093)**	(56,671)
Operating profit / (loss)	3 4	**5,669,016**	(38,714)
Interest receivable	5	**328,706**	40
Interest payable and similar charges	6	**(657,429)**	(154,894)
Profit/(loss) on ordinary activities before taxation		**5,340,293**	(193,568)
Tax on ordinary activities	7	**(1,217,269)**	
Profit/(loss) for the financial year	13	**4,123,024**	(193,568)

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

The profit for the financial year has been derived from continuing activities

There is no material difference between results as stated and results prepared on a historical cost basis

Balance sheet
as at 31 July 2006

	Note	**2006**	2005
		£	£
Current assets			
Stocks	*8*		11,932,932
Debtors	*9*	**5,884,411**	81,691
Cash at bank		**20,043**	6,133
		5,904,454	12,020,756
Creditors amounts falling due within one year	*10*	**(1,974,996)**	(2,075,294)
Net Current Assets		**3,929,458**	9,945,462
Creditors: amounts falling due after more than one year	*11*		(10,139,028)
Net assets/ (liabilities)		**3,929,458**	(193,566)
Capital and reserves			
Called up share capital	*12*	**2**	2
Profit and loss account	*13*	**3,929,456**	(193,568)
Shareholders' funds / (deficit)	*14*	**3,929,458**	(193,566)

These revised financial statements were approved by the board of directors on 31 January 2008 and were signed on its behalf by

JAB Kennedy
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

Revised financial statements

These revised financial statements replace the original financial statements for the financial year to 31 July 2006 These revised financial statements are now the statutory financial statements for the year ended 31 July 2006 The revised financial statements have been prepared as at the date on which the original financial statements were approved by the board of directors and not as at the date of the revision, and accordingly does not deal with events between those dates

The directors believe that the original accounts included a significant inappropriate accounting treatment in respect of transactions relating to the company's property disposal The original treatment showed income from investments and an investment write off, the revised accounting reflects this transaction as turnover when the property was disposed of to an external party In addition the original tax calculation did not take account of available group relief therefore overstating the tax charge and associated liability, this has been revised

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and in accordance with applicable Accounting Standards

Confirmation has been received from the companies joint venture partners, 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

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 Capital 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 Capital Limited, within which the company is included, can be obtained from the address given in note 15

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

Turnover is attributable to the receipt of rental income and the sale of the company's property to its current asset investment during the year

3 Operating profit

	2006	2005
	£	£
Operating profit is stated after charging		
Auditors' remuneration	**1,500**	1,500

Notes *(continued)*

4 Staff costs and numbers

The directors received no remuneration for their services to the company Apart from the directors, there were no employees during the year

5 Interest receivable

	2006	2005
	£	£
Bank interest	400	
Group interest	328,306	
	328,706	

6 Interest payable and similar charges

	2006	2005
	£	£
Interest payable on bank loans and overdrafts	636,089	154,041
Group interest		853
Interest payable to HMRC	21,340	
	657,429	154,894

7 Tax charge on profit on ordinary activities

	2006	2005
	£	£
UK corporation tax		
Current tax on income for the year	1,217,269	

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

	2006	2005
Current tax reconciliation	£	£
Profit / (loss) on ordinary activities before tax	5,340,293	(193,568)
Current tax at 30%	1,602,088	(58,070)
Effects of		
Group relief	(384,819)	58,070
Current tax charge (see above)	1,217,269	

8 Stocks

	2006	2005
	£	£
Trading properties		11,932,932

9 Debtors

	2006	2005
Trade debtors	88,042	29,083
Prepayments		52,608
Amounts owed by parent company	5,796,369	
	5,884,411	81,691

10 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank and shareholder loans		1,789,240
Trade creditors	42,915	132,775
Accruals and deferred income	1,500	37,863
Other creditors	42,125	29,296
Corporation Tax	987,269	
Amounts due to parent company		86,120
Amounts due to related parties	901,187	
	1,974,996	2,075,294

11 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Bank and shareholder loans		10,139,028

The maturity analysis is set out below	2006	2005
	£	£
Amounts falling due		
In one year or less on demand		1,789,240
Between two and five years		10,139,028
		11,928,268

The bank loans are secured by standard securities over assets of the group and a legal charge over all the properties held in the Kenmore Capital Limited group Interest is payable at rates varying from 1 5% to 4% above LIBOR The loans are repayable on the earlier of completion of the sale of the property and 5 years from the date of advance

Notes *(continued)*

12 Called up share capital

	Authorised	Allotted, called up and fully paid
	£	£
As at 31 July 2005 and 31 July 2006 ordinary shares of £1 each	100	2

Two ordinary shares of £1 each were issued at par in the period to 31 July 2006

13 Profit and loss account

	2006	2005
	£	£
As at 1 August	(193,568)	
Profit / (loss) for the year	4,123,024	(193,568)
As at 31 July	3,929,456	(193,568)

14 Reconciliation of movements in shareholders' funds/ (deficit)

	2006	2005
	£	£
Opening shareholders' deficit	(193,566)	
Issue of share capital		2
Profit / (loss) for the year	4,123,024	(193,568)
Closing shareholders' funds / (deficit)	3,929,458	(193,566)

15 Ultimate parent undertaking

The company is a wholly owned subsidiary undertaking of Kenmore Capital Limited, incorporated in Scotland Kenmore Capital Limited is a joint venture between Kenmore Investments Limited and Uberior Ventures Limited The consolidated financial statements of Kenmore Capital Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB

Notes *(continued)*

16 Related party transactions

Kenmore Capital Limited ('KCL') is a joint venture between Kenmore Investments Limited ('KIL') and Uberior Ventures Limited ('UVL') Kenmore Investments Limited, Uberior Ventures Limited and the Governor and Company of Bank of Scotland (the ultimate parent company of Uberior Ventures Limited) have all contributed loans to the company The aggregate outstanding amounts of these loans and interest payments arrangements are contained in note 11

	2006	2005
	£	£
Outstanding loan balances due to related parties are		
Governor and Company of Bank of Scotland		10,139,028
Kenmore Investments Limited		894,620
Uberior Ventures Limited		894,620
Interest paid on the above loans was		
Governor and Company of Bank of Scotland	512,815	124,386
Kenmore Investments Limited	61,637	14,828
Uberior Ventures Limited	61,637	14,828