

Company Registration No SC294383 (Scotland)

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2006



MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

COMPANY INFORMATION

Directors	Alison Buchan	(Appointed 1 March 2006)
	A R Elliot	(Appointed 1 March 2006)
	A G Lawson	(Appointed 14 February 2006)
	K Robertson	(Appointed 14 February 2006)
Secretary	P Russell	
Company number	SC294383	
Registered office	112 George Street Edinburgh EH2 4LH	
Auditors	Stephen Hay & Associates (Audit) LLP 8 Albyn Place Edinburgh EH2 4NG	
Bankers	Royal Bank of Scotland 36 St Andrews Square Edinburgh EH2 2YB	
Solicitors	Brodie LLP 15 Atholl Crescent Edinburgh EH3 8HA	

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

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MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2006

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

Principal activities

The principal activity of the company is that of property development. The company was incorporated on 12 December 2005 and acts as a General Partner in Falkirk Gateway Limited Partnership.

Directors

The following directors have held office since 12 December 2005

Alison Buchan	(Appointed 1 March 2006)
A R Elliot	(Appointed 1 March 2006)
A G Lawson	(Appointed 14 February 2006)
K Robertson	(Appointed 14 February 2006)
Atholl Incorporations Limited	(Appointed 12 December 2005 and resigned 14 February 2006)

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Stephen Hay & Associates (Audit) LLP, will be deemed to be reappointed for each succeeding financial year.

Directors' responsibilities

The directors are responsible for preparing 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 those 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,
- 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.

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the board

A handwritten signature in black ink, appearing to be 'Paul White', written over a horizontal line.

9/10/07

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

We have audited the financial statements of Macdonald Estates Falkirk Partnership Ltd for the period ended 31 December 2006 set out on pages 5 to 9. 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 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 the 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 judgements 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.

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its 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

In forming our opinion on the financial statements we have considered the adequacy of the disclosures made in note 12 to the financial statements which explains the current status of the planning application and financing arrangements. The financial statements have been prepared on a going concern basis, the validity of which depends upon the approval of the planning applications and negotiation of future banking facilities thereafter. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Our report is not qualified in this respect.

Stephen Hay Associates (Audit) LLP
Stephen Hay & Associates (Audit) LLP

10 October 2007

Chartered Accountants
Registered Auditor

8 Albyn Place
Edinburgh
EH2 4NG

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2006

		Period ended 31 December 2006 £
	Notes	
Administrative expenses		(550)
Loss on ordinary activities before taxation		<hr/> (550)
Tax on loss on ordinary activities	2	<hr/>
Loss for the period	5	<hr/> (550) <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£
Current assets			
Cash at bank and in hand		100	
Creditors, amounts falling due within one year	3	(550)	
Total assets less current liabilities			(450)
Capital and reserves			
Called up share capital	4		100
Profit and loss account	5		(550)
Shareholders' funds	6		(450)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Approved by the Board and authorised for issue on

9/10/07



Director



Director

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Going concern

The company is the general partner in a limited partnership which is awaiting approval of planning applications and the negotiation of banking facilities thereafter for a specific project. Although the company has net liabilities at the balance sheet date, the directors are confident that the project will be successful and that the company will meet its financial commitments when they fall due. For these reasons the financial statements have been prepared on a going concern basis.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Taxation	2006
Current tax charge	
	<hr/>
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	(550)
	<hr/>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00%	(105)
Effects of	
Tax losses carried forward	105
	<hr/>
Current tax charge	
	<hr/>

The company has estimated losses of £ 550 available for carry forward against future trading profits.

3 Creditors amounts falling due within one year	2006
	£
Accruals and deferred income	550
	<hr/>

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

4	Share capital	2006
		£
	Authorised	
	50 Ordinary Class 'A' of £1 each	50
	50 Ordinary Class 'B' of £1 each	50
		<hr/>
		100
		<hr/>
	Allotted, called up and fully paid	
	50 Ordinary Class 'A' of £1 each	50
	50 Ordinary Class 'B' of £1 each	50
		<hr/>
		100
		<hr/>

The 'A' and 'B' Shares carry the same rights in all respects and rank *pari passu* in respect of the proportions payable to holders of the 'A' Shares and the holders of the 'B' Shares of sums distributed by way of dividend or otherwise, on any return of capital or on winding up of the company

The issued share capital of the company is required by the Articles of Association to consist of 'A' Shares and 'B' Shares in equal numbers, to be issued at the same time, at the same price and on the same terms as to date of payment

5	Statement of movements on profit and loss account	Profit and loss account £
	Loss for the period	(550)
		<hr/>

6	Reconciliation of movements in shareholders' funds	2006 £
	Loss for the financial period	(550)
	Proceeds from issue of shares	100
		<hr/>
	Net depletion in shareholders' funds	(450)
	Opening shareholders' funds	
		<hr/>
	Closing shareholders' funds	(450)
		<hr/>

MACDONALD ESTATES FALKIRK PARTNERSHIP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

7 Related party transactions

There is no ultimate controlling party. Auditors' remuneration of £1,175 was settled by KUC Properties Limited on the company's behalf. KUC Properties Limited are owners of 50% of the issued share capital of the company. KUC Properties Limited is a wholly owned subsidiary of KUC Holdings Limited which in turn is owned 100% by the Royal Bank of Scotland plc.