

Company No. 04928311



KILMARTIN (MADERIA HOUSE) LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 30 April 2009



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KILMARTIN (MADERIA HOUSE) LIMITED

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KILMARTIN (MADERIA HOUSE) LIMITED

COMPANY INFORMATION

Directors

Susan E Groat
Gordon I Bennet

Registered Office

The 6th Floor
Coin House
2 Gees Court
London
W1U 1JA

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Auditor

Chiene + Tait
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

KILMARTIN (MADERIA HOUSE) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 April 2009.

Principal activities

The company's principal activity is property development.

Review of activities

The directors are currently considering development opportunities.

Results and dividends

The loss for the year after taxation was £276,688 (2008: loss £10,593). The Board has reviewed the property portfolio of the company and has considered the net realisable value of each asset. Where the net realisable value of the asset is below its holding cost then appropriate write downs have been made. The directors do not recommend the payment of a dividend (2008: £Nil per share).

Directors

The directors of the company during the year were as follows:

Robert J Wotherspoon (resigned 7 January 2010)

Neil S McGuinness (resigned 7 January 2010)

Susan E Groat (appointed 7 January 2010)

Gordon I Bennet (appointed 7 January 2010)

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 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Disclosure of information to auditor

The directors confirm that:

- as far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and
- each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Small company provisions

The above report has been prepared in accordance with the small companies regime of the Companies Act 2006.

BY ORDER OF THE BOARD

Susan E Groat
Director



29/11/2010

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
KILMARTIN (MADERIA HOUSE) LIMITED**



We have audited the financial statements of Kilmartin (Maderia House) Limited for the year ended 30 April 2009 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Qualified opinion on financial statements arising from limitation in audit scope

The audit evidence available to us was limited because, as at 7 January 2010 the ultimate parent company, Kilmartin Holdings Limited, went into receivership. While the directors consider that bank facilities will continue to be available and are sufficient to enable the company to meet its obligations as they fall due for payment, the directors are unable to confirm this position for a period of a least twelve months from the date of approval of these financial statements and consequently are unable to confirm the appropriateness of the going concern basis. Had this information been available to us we might have formed a different opinion on the financial statements.

Except for the financial effects of any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the appropriateness of the going concern basis of preparation of the financial statements, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
KILMARTIN (MADERIA HOUSE) LIMITED (continued)**



Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the assessment of the appropriateness of the going concern basis of preparation of the financial statements, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you, if in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

Jeremy Chittleburgh (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT
Chartered Accountants & Statutory Auditor

**61 Dublin Street
Edinburgh
EH3 6NL**

29 / 11 / 2010

KILMARTIN (MADERIA HOUSE) LIMITED**PROFIT and LOSS ACCOUNT****For the year ended 30 April 2009**

	Note	2009 £	2008 £
Turnover	2	40,000	40,000
Cost of sales		-	(1,000)
Exceptional cost of sales	3	(268,625)	
Gross (loss)/profit		(228,625)	39,000
Administrative expenses		(13,318)	(10,797)
Operating (loss)/profit	4	(241,943)	28,203
Interest receivable		32	-
Interest payable	5	(34,777)	(39,426)
Loss on ordinary activities before taxation		(276,688)	(11,223)
Taxation on loss on ordinary activities	7	-	630
Loss for the financial year		(276,688)	(10,593)
		=====	=====

A statement of total recognised gains and losses has not been prepared as all gains and losses are shown in the profit and loss account.

All activities in the year relate to continuing activities.

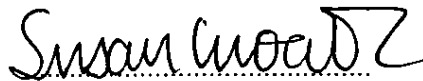
The notes on pages 8 to 11 form part of these financial statements.

KILMARTIN (MADERIA HOUSE) LIMITED**BALANCE SHEET****As at 30 April 2009**

	Note	2009 £	2008 £
Current assets			
Stocks and work in progress	8	257,880	526,505
Debtors	9	47,995	21,158
Cash at bank		10,808	-
		<u>316,683</u>	<u>547,663</u>
Creditors: Amounts falling due within one year	10	(595,781)	(550,073)
Net liabilities		<u>(279,098)</u>	<u>(2,410)</u>
		=====	=====
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	(279,100)	(2,412)
		<u>(279,098)</u>	<u>(2,410)</u>
Equity shareholder's deficit	13	<u>(279,098)</u>	<u>(2,410)</u>
		=====	=====

The accounts have been prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

Approved by the Board of Directors and signed on its behalf by:



Susan E Groat

Director



Gordon I Bennet

Director

Company No. 4928311

29/11 2010

The notes on pages 8 to 11 form part of these financial statements.

KILMARTIN (MADERIA HOUSE) LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 30 April 2009

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Profit is included in the financial statements in connection with property developments when a legally binding contract for the sale of the development has been entered into and legal conclusion has taken place before the year end. When legally binding contracts exist, profits on the construction and refurbishment elements of the development are determined only when the outcome can be assessed with reasonable certainty. Provisions are made in full for foreseeable losses. Other profits arising from developments are included in the financial statements only when legal completion of the sale of the development has been effected.

Stocks

Development properties are stated at the lower of cost and net realisable value. Cost is computed on the total consideration paid. Net realisable value is based on estimated selling price less the estimated costs of disposal.

Cash flow statement

The company is a small company as defined by S382 of the Companies Act 2006 and is entitled to exemption from the preparation of a cash flow statement as required under FRS1. Consequently, a cash flow statement has not been prepared.

2. Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities within the United Kingdom, stated net of value added tax.

Turnover of development properties which are not held for the long-term is recorded when a sale is completed in accordance with the profit recognition criteria above. Turnover includes sales of directly held work in progress.

3. Exceptional cost of sales

During the year the company provided £268,625 against the value of work in progress in light of the current economic climate. This has been classified as an exceptional item on the face of the profit and loss account. The directors consider the remaining work in progress to be fully recoverable.

4. Operating loss

	2009	2008
	£	£
This is stated after charging:		
Auditor's remuneration – audit fee	840	950
Auditor's remuneration – fees for non audit services	975	600
	=====	=====

5. Interest payable

	2009	2008
	£	£
Bank interest and charges	14,408	1,090
On inter-company balances	20,369	38,336
	-----	-----
	34,777	39,426
	=====	=====

KILMARTIN (MADERIA HOUSE) LIMITED**NOTES to the FINANCIAL STATEMENTS (contd)****For the year ended 30 April 2009****6. Directors and employees**

No staff costs were incurred and the directors did not receive any emoluments during the year.

7. Taxation

	2009	2008
	£	£
Corporation Tax	-	-
Adjustments in respect of prior periods	-	(630)
	-----	-----
Tax on loss on ordinary activities	-	(630)
	=====	=====

The tax assessed for the year is higher (2008: higher) than expected tax credit (2008: credit) as explained below:

	2009	2008
	£	£
Loss on ordinary activities before tax	(276,688)	(11,223)
	-----	-----
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 28%)	(77,473)	(3,142)
Effects of:		
Adjustments in respect of prior periods	-	(630)
Difference in tax rates	-	-
Utilisation of tax losses:		
Losses carried forward	77,473	3,142
	-----	-----
Current tax charge for the year	-	(630)
	=====	=====

The company has an unrecognised deferred tax asset of £80,615 (2008: £3,142). This has arisen from tax losses carried forward. Its recoverability is dependent on future taxable trading profits arising, the likelihood of which cannot at this stage be determined with reasonable certainty.

8. Stocks and work in progress

	2009	2008
	£	£
Development properties	257,880	526,505
	=====	=====

9. Debtors

	2009	2008
	£	£
Corporation tax	868	868
Other taxation	-	1,036
Amounts owed by group undertakings	47,127	3,287
Amounts owed by related party undertakings	-	15,967
	-----	-----
	47,995	21,158
	=====	=====

KILMARTIN (MADERIA HOUSE) LIMITED**NOTES to the FINANCIAL STATEMENTS (contd)****For the year ended 30 April 2009**

10. Creditors: Amounts falling due within one year	2009	2008
	£	£
Bank overdraft	-	501,807
Other taxation	1,960	-
Amounts due to group undertakings	591,976	43,374
Accruals and deferred income	1,845	1,954
Amounts owed to related party undertakings	-	2,938
	<u>595,781</u>	<u>550,073</u>
	=====	=====

The company's bankers hold cross company guarantees between companies within the Kilmartin Holdings Group. At 30 April 2009, the amount outstanding on overdrafts within this group facility amounted to £266,397,129 (2008: £225,161,210).

The group overdraft facility is secured by a legal charge and debenture over the assets of the company and the subordination of shareholders loans.

		Authorised	Allotted, called	and fully paid
11. Share capital	2009	2008	2009	2008
	No.	No.	£	£
Ordinary shares of £1 each	100	100	2	2
	=====	=====	=====	=====

12. Profit and loss account	2009	2008
	£	£
At 1 May 2008	(2,412)	8,181
Loss for the year	(276,688)	(10,593)
At 30 April 2009	<u>(279,100)</u>	<u>(2,412)</u>
	=====	=====

13. Reconciliation of movement in shareholder's (deficit)/funds	2009	2008
	£	£
At 1 May 2008	(2,410)	8,183
Loss for the year	(276,688)	(10,593)
At 30 April 2009	<u>(279,098)</u>	<u>(2,410)</u>
	=====	=====

KILMARTIN (MADERIA HOUSE) LIMITED

NOTES to the FINANCIAL STATEMENTS (contd)

For the year ended 30 April 2009

14. Ultimate parent company and related party transactions

The company is a 100% subsidiary of Kilmartin Properties (No.2) Limited.

The ultimate parent company is Kilmartin Holdings Limited, a company registered in Scotland. Kilmartin Holdings Limited was a joint venture between R J Wotherspoon who was a director, and Uberior Ventures Limited. Both parties had a 50% interest in the share capital of Kilmartin Holdings Limited.

The company has elected to take advantage of the exemption granted in Financial Reporting Standard 8 "Related Party Disclosures" available to wholly owned subsidiaries and has not disclosed transactions with those companies in the Kilmartin Holdings Group.

During the year the company paid management fees of £11,503 (2008: £8,937) to Caledon Trading LLP of which R J Wotherspoon is a director. At 30 April 2009, there was no amount due to or from Caledon Trading LLP (2008: £15,967 was due to and £2,938 was due by the company to Caledon Trading LLP).

15. Going concern

As set out in the post balance sheet events note, the Company's ultimate parent undertaking, Kilmartin Holdings Limited, was placed into receivership on 7 January 2010. The group's bankers have made available to the Receivers an overdraft facility which is available for utilisation by the solvent entities in the Kilmartin Group which continue to trade. Based on this, the directors have concluded that the financial statements should be prepared on a going concern basis.

16. Post Balance Sheet Events

On 7 January 2010 the Company's ultimate parent undertaking, Kilmartin Holdings Limited, was placed into receivership.

John Bruce Cartwright and Graham Douglas Frost, both Chartered Accountants of PriceWaterhouseCoopers LLP were appointed as receivers to manage the Kilmartin Holdings Limited's affairs, business and assets. The insolvency appointment made is restricted to the parent company and does not include subsidiaries or joint ventures (of the parent company), with the exception of Kilmartin Property Group Limited which is also in receivership.

On 7 January 2010, Bank of Scotland Plc made available to the Receivers, an overdraft facility which may be utilised by the solvent entities in the Kilmartin Group to provide funding for them to meet their obligations as they fall due for payment.