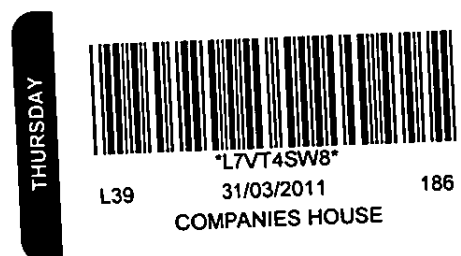


Artisan Apartments Limited
(formerly Highland Trilatera Limited)

FINANCIAL STATEMENTS

for the year ended

30 September 2010



Company Registration No 05641989

Artisan Apartments Limited (formerly Highland Trilatera Limited)
FINANCIAL STATEMENTS

Year ended 30 September 2010

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Artisan Apartments Limited (formerly Highland Trilatera Limited)
DIRECTOR AND OFFICERS

DIRECTOR

C D Walling

SECRETARY

Academy Management Services Limited

COMPANY NUMBER

05641989

REGISTERED OFFICE

James Hall
Parsons Green
St Ives
Cambridgeshire
PE27 4AA

AUDITOR

Baker Tilly UK Audit LLP
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

Artisan Apartments Limited (formerly Highland Trilatera Limited)
DIRECTOR'S REPORT

The director presents his report and the financial statements of the company for the year ended 30 September 2010.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property development.

CHANGE OF NAME

The company changed its name from Highland Trilatera Limited on 30 April 2010

RESULTS AND DIVIDENDS

The trading loss before tax for the year was £672 The director has not declared a dividend.

THE DIRECTORS

The following directors have held office since 1 October 2009:

D R Hughes (resigned 21 April 2010)
C D Walling

AUDITOR

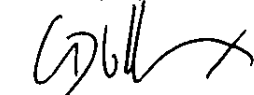
Baker Tilly UK Audit LLP has indicated its willingness to continue in office

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The director who is in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditor is unaware The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board



C Walling
Director

11 March 2011

Artisan Apartments Limited (formerly Highland Trilatera Limited)
DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 year. In preparing those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently,
- b. make judgements and estimates that are reasonable and prudent,
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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 AUDITOR'S REPORT TO THE MEMBER OF ARTISAN APARTMENTS LIMITED (FORMERLY HIGHLAND TRILATERA LIMITED)

We have audited the financial statements on pages 5 to 10. The financial reporting framework that has been generally 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 member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditor

As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion of the financial statement

In our opinion the financial statements

- give a true and fair view of the company's affairs as at 30 September 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 returned 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, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to take advantage of the small companies exemption in preparing the director's report.

Baker Tilly UK Audit LLP

Peter Howard
(Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds, Suffolk, IP32 7FA

Artisan Apartments Limited (formerly Highland Trilatera Limited)
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2010

	Notes	2010 £	2009 £
TURNOVER		-	-
GROSS PROFIT		-	-
Other Operating Income		-	8,714
Administrative expenses		(672)	(5,000)
OPERATING (LOSS)/PROFIT		(672)	3,714
Interest receivable		-	623
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	(672)	4,337
Taxation	3	75	(1,313)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	<u>(597)</u>	<u>3,024</u>

The operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account

The notes on pages 7 to 10 form part of these financial statements

Artisan Apartments Limited (formerly Highland Trilatera Limited)

Company Registration number: 05641989

BALANCE SHEET

30 September 2010

	Note	2010 £	2009 £
CURRENT ASSETS			
Stock		17,804,575	15,197,519
Debtors	4	176	13,571
Cash at bank and in hand		<u>27,789</u>	<u>-</u>
		17,832,540	15,211,090
CREDITORS. Amounts falling due within one year	5	<u>(17,776,318)</u>	<u>(15,154,271)</u>
NET ASSETS		<u>56,222</u>	<u>56,819</u>
CAPITAL AND RESERVES			
Called-up share capital	7	101	101
Profit and Loss Account		<u>56,121</u>	<u>56,718</u>
SHAREHOLDER'S FUND	8	<u>56,222</u>	<u>56,819</u>

These financial statements were approved by the director and authorised for issue on the 11 March 2011 and are signed by



C D Walling
DIRECTOR

The notes on pages 7 to 10 form part of these financial statements

Artisan Apartments Limited (formerly Highland Trilatera Limited)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2010

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that a cashflow statement is prepared in the consolidated accounts of the parent company

STOCK

Stock, which consists of work in progress, is valued on the basis of the lower of cost and net realisable value. Cost is calculated as direct costs plus attributable overheads. Net realisable value is based on anticipated selling price less further costs expected to be incurred to completion. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

CAPITALISATION OF INTEREST

Interest directly attributable to work in progress, incurred up to the time that identifiable developments are sold, is capitalised as part of the cost of work in progress. Loan interest of £3,396,241 (2009 - £2,460,686) has been included in work in progress.

TURNOVER AND PROFIT RECOGNITION

Turnover and profit is recognised at the point of legal completion of each property. Turnover is recognised at the fair value of consideration received or receivable for the sale of services. Turnover is shown net of Value Added Tax.

GOING CONCERN

The company participates in the group's centralised treasury arrangements that mean that it shares banking arrangements with its parent and fellow subsidiaries. The company's financial projection and business plan, taking account of reasonable changes in market conditions and trading performance, show that the company is able to operate within the parameters of its banking facilities which were recently renewed for a further three year period on acceptable terms. The group maintains an ongoing dialogue with its bankers and remains confident of the continued support over the medium term.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

1 (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2010 £	2009 £
Auditor's remuneration	-	5,000

The cost of the auditors' remuneration for the year ended 30 September 2010, has been borne by the parent company.

Artisan Apartments Limited (formerly Highland Trilatera Limited)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2010

2. DIRECTORS' REMUNERATION

The directors received no emoluments during the year or the previous year. There were no other employees during either year

3. TAXATION

	2010 £	2009 £
CURRENT TAX		
UK Corporation tax	(75)	911
Under provision in previous year	-	402
	<u>(75)</u>	<u>1,313</u>
CURRENT TAX (CREDIT)/CHARGE		
Factors affecting the tax charge for the period		
Profit on ordinary activities before taxation	(672)	4,337
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2009: 21%)	(141)	911
Disallowed expenses	66	-
	<u>(75)</u>	<u>911</u>

4. DEBTORS

	2010 £	2009 £
Called up share capital not paid	101	101
Corporation tax recoverable	75	-
Other debtors	-	13,470
	<u>176</u>	<u>13,571</u>

5. CREDITORS Amounts falling due within one year

	2010 £	2009 £
Bank overdraft	-	6,444
Bank loan (secured)	5,775,000	5,775,000
Other loan	2,009,852	125,000
Amounts owed to group companies	7,436,618	7,742,464
Trade creditors	19,858	354,909
Deferred income	2,500,000	-
Other creditors	34,990	1,149,543
Corporation tax	-	911
	<u>17,776,318</u>	<u>15,154,271</u>

Interest is charged on the amounts owed to group companies at 12% per annum. The bank loan is secured by way of a mortgage over the property held within stock. Other loans are unsecured and repayable on demand, interest is charged at 8% per annum

Artisan Apartments Limited (formerly Highland Trilatera Limited)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2010

6 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard Number 8 'Related Party Transactions' from the requirement to make disclosures of transactions that are included within the consolidated financial statements of its parent company

During the year Homes and Communities Investments Limited, a company in which CD Walling is a director, loaned the company £2,000,000 at an interest rate of 5.8% per annum. The balance outstanding at the year end was £2,009,852 and is unsecured and repayable upon demand

7. SHARE CAPITAL

	2010	2009
Authorised share capital	£	£
Equity shares		
5,151 A Ordinary shares of £0.01 each	52	52
4,949 B Ordinary shares of £0.01 each	49	49
	<u>101</u>	<u>101</u>
Allotted, called up and fully paid	£	£
Equity shares		
A Ordinary shares	52	52
B Ordinary shares	49	49
	<u>101</u>	<u>101</u>
Equity shares	No	No
'A' Ordinary shares of £0.01 each	5,151	5,151
'B' Ordinary shares of £0.01 each	4,949	4,949
	<u>10,100</u>	<u>10,100</u>

The rights of the A and B Ordinary shares rank pari passu except

- a. Each class of share can appoint one of the maximum of two directors of the company
- b. The A shareholders have a right of veto in respect of the transfers of B shares

Artisan Apartments Limited (formerly Highland Trilatera Limited)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2010

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2010 £	2009 £
(Loss)/Profit for the financial year	(597)	3,024
Net addition to shareholder's funds	(597)	3,024
Opening shareholder's funds	56,819	53,795
Closing shareholder's funds	<u>56,222</u>	<u>56,819</u>

9. ULTIMATE PARENT COMPANY

The immediate parent company is Almaren Plc, a company incorporated in England and Wales. Almaren Plc prepares consolidated financial statements and copies can be obtained from Companies House, Crown Way, Maundy, Cardiff CF14 3UZ. The ultimate controlling party is Daybreak Foundation.

10 CONTINGENT LIABILITY

Subsidiary undertakings of Almaren Plc have entered into guarantees with the group's bank in respect of overdraft facilities of companies within the Almaren Plc Group. The level of group borrowings as at 30 September 2010 was £13,274,000 (2009: £10,026,000).