

Abbey Morrison (McPhater Street) Limited

**Directors' report and financial
statements**

Registered number SC220087

31 December 2008



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COMPANY INFORMATION

DIRECTORS	David Iain Logue Robert Charles Tully (appointed 19/12/08) John Alexander Hope (resigned 19/12/08) David George Pople (resigned 19/12/08)
SECRETARY	Geoffrey AG Shephard
AUDITORS	KPMG LLP Saltire Court 20 Castle Terrace EDINBURGH EH1 2EG
BANKERS	Bank of Scotland 41 South Gyle Crescent EDINBURGH EH12 9BF
SOLICITORS	MacRoberts 152 Bath Street GLASGOW G2 4TB
REGISTERED OFFICE	47 Melville Street EDINBURGH EH3 7HL

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2008.

Principal activities and business review

The principal activity of the Company was property rental and development. The development has now been completed and sold and the directors intend to wind up the company once all the liabilities of the company have been settled. The company ceased trading on 1 April 2009 and as the directors intend to liquidate the company following realisation of all assets and the settlement of remaining liabilities, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1 to the financial statements.

Results and dividend

The result for the year was £nil (2007: £nil balance).

The directors do not recommend the payment of a dividend. (2007: £nil)

Directors

The directors who held office during the year were as follows:

David Iain Logue	
Robert Charles Tully	(appointed 19/12/08)
John Alexander Hope	(resigned 19/12/08)
David George Pople	(resigned 19/12/08)

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

Pursuant to the shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the board



Robert Tully
Director

6 May 2009

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 judgements 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. As stated in note 1, the financial statements have not been prepared on a going concern basis.

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.



KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditors' report to the members of Abbey Morrison (McPhater Street) Limited

We have audited the financial statements of Abbey Morrison (McPhater Street) Limited for the year ended 31 December 2008 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

The directors' responsibilities for preparing the Directors' Report and the 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 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

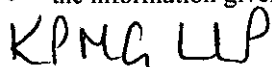
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 statements give 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 2008 and of its result for the year 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.



KPMG LLP
Chartered Accountants
Registered Auditor

6 May 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Notes</i>	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Turnover	2	3,783,509	408,000
Cost of sales		(3,858,270)	(2,681,027)
Gross loss		(74,761)	(2,273,027)
Administrative expenses	3,4	(3,873)	(2,580)
Shareholder loan forgiven		-	2,082,605
Other operating income		78,634	193,002
Result on ordinary activities before taxation	5	-	-
Tax on result on ordinary activities	6	-	-
Result for the financial year	12	-	-

All amounts relate to activities which are discontinued from 1 April 2009.

The company has no recognised gains and losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet
as at 31 December 2008

	<i>Notes</i>	2008 £	2007 £
Current assets			
Stocks	7	-	3,784,000
Debtors	8	519	11,861
Bank		85	11,132
		<u>604</u>	<u>3,806,993</u>
Creditors: amounts falling due within one year	9	<u>(602)</u>	<u>(3,806,991)</u>
Net Assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	12	-	-
		<u>2</u>	<u>2</u>
Shareholders' funds	11	<u>2</u>	<u>2</u>

These financial statements were approved by the Board of Directors on *6 May* 2009 and were signed on its behalf by:



Robert Tully
 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 preparation

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

In previous years, the financial statements have been prepared on a going concern basis. However, subsequent to the year end, the directors announced the decision to discontinue trading as of 1 April 2009. The directors intend to liquidate the company following the realisation of all assets and the settlement of the remaining liabilities and have not prepared the financial statements on a going concern basis. No adjustments to the amounts at which the remaining assets and liabilities are included in these financial statements were necessary.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting No 1 (revised) on the grounds that it is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made using the liability method.

Deferred taxation

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.

Accounting for profits

No profit is included in the financial statements in connection with property sales unless a legally binding contract for sale of the development has been entered into and completion has taken place before or shortly after the year end.

2 Turnover

Turnover represents the value of property development activities, for properties where legal contracts have been completed during the year, wholly within the UK excluding valued added tax.

3 Staff numbers and costs

The company has no directly employed personnel during the year.

4 Directors' emoluments

None of the directors received any remuneration from the company during the year.

Notes (continued)

5 Notes to the profit and loss account

Result on ordinary activities before taxation is stated after charging:

	2008 £	2007 £
<i>Auditors' remuneration:</i>		
Audit of these financial statements	1,300	2,580

The company's audit fee is borne by its immediate parent company.

6 Taxation

Analysis of charge in year

	2008 £	2007 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is the same as (2007: the same as) the standard rate of corporation tax for small companies in the UK (20%, 2007: 19%).

7 Stocks

	2008 £	2007 £
Housing work in progress	-	3,784,000

8 Debtors

	2008 £	2007 £
Called up share capital not paid	2	2
Other debtors	517	11,859
	519	11,861

Notes (continued)

9 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	-	4,735
Accruals and deferred income	602	50,978
Amount owed to shareholder	-	3,751,278
	<u>602</u>	<u>3,806,991</u>

10 Share capital

	2008 £	2007 £
<i>Authorised</i>		
'A' Ordinary shares of £1 each	1	1
'B' Ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>
<i>Allotted, called up and fully paid</i>		
'A' Ordinary shares of £1 each	1	1
'B' Ordinary shares of £1 each	1	1
	<u>2</u>	<u>2</u>

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

	2008 £	2007 £
Opening shareholders' funds	2	2
Result for the year	-	-
	<hr/>	<hr/>
Closing shareholders' funds	2	2
	<hr/>	<hr/>

12 Profit and loss account

	2008 £	2007 £
At beginning of year	-	-
Result for the year	-	-
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>

13 Related party transactions

As the Company is a wholly owned subsidiary of AWG Residential Ltd, 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 Osprey Holdco Limited, which is the largest part of the group to consolidate the financial statements of the company, can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.