

Ochil Developments (UK) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2005



Ochil Developments (UK) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M. Al Tajir
D. King
I. Valder

SECRETARY

A. G. McIntosh

REGISTERED OFFICE

Burnside of Balhaldie
Dunblane
Perthshire
FK15 0NB

AUDITORS

Baker Tilly
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Ochil Developments (UK) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Ochil Developments (UK) Limited for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the development of land for housing and leisure purposes.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2005	At 1 January 2005
M. Al Tajir	-	-
D. King	-	-
I. Valder	-	-
	<u>-</u>	<u>-</u>

DONATIONS

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	<u>2,500</u>	<u>-</u>

AUDITORS

A resolution to re-appoint Baker Tilly as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

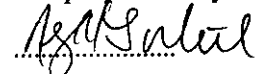
SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

By order of the board

A. G. McIntosh

Company Secretary



Ochil Developments (UK) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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:

- 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 directors are responsible for keeping proper accounting records which 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 requirements of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCHIL DEVELOPMENTS (UK) LIMITED

We have audited the financial statements on pages 5 to 9.

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 Annual Report and 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

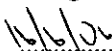
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY

Registered Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH


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Ochil Developments (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

	<i>Notes</i>	2005 £	2004 £
TURNOVER		—	—
Administrative expenses		14,731	2,761
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(14,731)</u>	<u>(2,761)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(14,731)</u>	<u>(2,761)</u>

Ochil Developments (UK) Limited

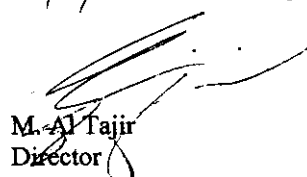
BALANCE SHEET

31 December 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	2	<u>23,937,084</u>	<u>23,257,008</u>
CURRENT ASSETS			
Debtors	3	5,282	26,495
CREDITORS			
Amounts falling due within one year	4	<u>8,969,768</u>	<u>8,296,174</u>
NET CURRENT LIABILITIES		<u>(8,964,486)</u>	<u>(8,269,679)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,972,598</u>	<u>14,987,329</u>
CREDITORS			
Amounts falling due after more than one year	5	<u>15,000,000</u>	<u>15,000,000</u>
		<u>(27,402)</u>	<u>(12,671)</u>
CAPITAL AND RESERVES			
Called up equity share capital	6	1	1
Profit and loss account	7	<u>(27,403)</u>	<u>(12,672)</u>
DEFICIT		<u>(27,402)</u>	<u>(12,671)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements on pages 5 to 9 were approved by the board of directors and authorised for issue on 15/6/06 and are signed on their behalf by:


M. Al Tajir
Director

Ochil Developments (UK) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

As the company is a wholly owned subsidiary of Ochil Developments Limited, the company has taken advantage of the exemption 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).

FIXED ASSETS

Property held for development is stated at cost including, where appropriate, gross capitalised interest less provision for any known or anticipated loss.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

1 OPERATING LOSS

Operating loss is stated after charging:

	2005	2004
	£	£
Auditor's fees	<u>1,898</u>	<u>1,850</u>

2 TANGIBLE FIXED ASSETS

	Development Land £
Cost	
At 1 January 2005	23,257,008
Additions	680,076
At 31 December 2005	<u>23,937,084</u>
Depreciation	—
Net book value	
At 31 December 2005	<u>23,937,084</u>
At 31 December 2004	<u>23,257,008</u>

3 DEBTORS

	2005	2004
	£	£
Amounts owed by group undertakings	821	1
Other debtors	<u>4,461</u>	<u>26,494</u>
	<u>5,282</u>	<u>26,495</u>

4 CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	8,900,665	8,116,947
Trade creditors	11,279	116,107
Other creditors	<u>57,824</u>	<u>63,120</u>
	<u>8,969,768</u>	<u>8,296,174</u>

The Bank of Scotland hold a standard security and floating charge over the property and assets of the company.

5 CREDITORS: Amounts falling due after more than one year

	2005	2004
	£	£
Other creditors	<u>15,000,000</u>	<u>15,000,000</u>

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

6 SHARE CAPITAL

	2005 £	2004 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	2005 £	2004 £
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

7 PROFIT AND LOSS ACCOUNT

	2005 £	2004 £
At 1 January 2005	(12,672)	(9,911)
Accumulated loss for the financial year	<u>(14,731)</u>	<u>(2,761)</u>
At 31 December 2005	<u>(27,403)</u>	<u>(12,672)</u>

8 ULTIMATE PARENT COMPANY

The directors regard Park Tower Holdings Establishment, which is registered in Liechtenstein, to be the ultimate parent company. The immediate parent undertaking is Ochil Developments Limited, which is registered in Gibraltar.