

Alderview Homes (Carrickstone) Limited

Directors' Report and Financial Statements

31 December 2006

Registered Number SC247352



Contents

Directors' Report	1
Statement of Directors' Responsibilities	2
Independent Auditors' Report to the Members of Alderview Homes (Carrickstone) Limited	3
Profit and Loss Account	4
Balance Sheet	5
Notes	6

Directors' Report

The directors have pleasure in presenting their report and audited financial statements for the year to 31 December 2006

Results and Dividends

The result for the year is set out in the profit and loss account on page 4

Activity

The principal activity of the company is that of property development. The directors consider the year end position to be satisfactory

Directors

The directors of the company during the year were

Kevin W McFeeley
James O' Donnell
Ronnie A Jacobs
Ewan T Anderson
Margaret Cumming

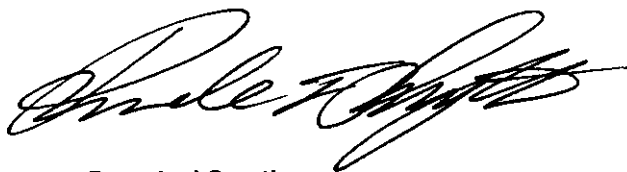
Disclosure of information to auditors

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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the Board



Pamela J Smyth
Secretary

1st October 2007

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 judgments 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.

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.

Independent auditors' report to the members of Alderview Homes (Carrickstone) Limited

We have audited the financial statements of Alderview Homes (Carrickstone) Limited for the year ended 31 December 2006 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

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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. We also 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 2006 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
Edinburgh

15 October 2007

Profit and loss account

for the year ended 31 December 2006

	<i>Note</i>	2006 £	2005 £
Turnover		5,605,085	5,068,535
Cost of sales		(4,363,420)	(4,075,910)
Gross profit		1,241,665	992,625
Administrative expenses	4	(1,004,039)	(240,192)
Operating profit		237,626	752,433
Interest payable and similar charges	3	(237,626)	(399,383)
Profit on ordinary activities before taxation	4		353,050
Tax on profit on ordinary activities	5	-	(105,915)
Profit for the financial year			247,135

There are no recognised gains or losses other than those disclosed above

Balance sheet

as at 31 December 2006

	Note	2006 £	2005 £
Current assets			
Stocks and work in progress	6	4,089,247	5,644,421
Debtors	7	26,931	38,584
		<hr/>	<hr/>
		4,116,178	5,683,005
Creditors amounts falling due within one year	8	4,116,078	5,682,905
		<hr/>	<hr/>
Net assets		100	100
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		<hr/>	<hr/>
Shareholders' funds	11	100	100
		<hr/>	<hr/>

These financial statements were approved by the board of directors on ~~1st October~~ 2007 and were signed on its behalf by



Ewan Anderson
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 accounting

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies

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. 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 FRS19

Turnover

Turnover represents the invoiced value of sales and other services provided to third parties during the year, exclusive of value added tax

Development work in progress

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower

2 Staff numbers and costs

The company has no employees and no emoluments were paid to the Directors of the company during the year

3 Interest payable and similar charges

	2006 £	2005 £
Bank interest payable	237,626	399,383
	<u> </u>	<u> </u>

4 Profit on ordinary activities before tax

This is stated after charging

	£	£
Auditors' remuneration – audit fee	1,000	580
Management fees payable to shareholders (included as administration expenses – see note 12)	1,004,039	240,192
	<u> </u>	<u> </u>

Notes (continued)

5 Tax on ordinary activities

Analysis of charge in the year	2006 £	2005 £
UK Corporation tax.		
Current tax on income for the year	(30,732)	(593)
Deferred tax – reversal of timing differences	30,732	159,940
Deferred tax – adjustment to prior year		(53,432)
Tax on profit on ordinary activities		105,915

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2005 lower than) the standard rate of corporation tax in the UK (30%) The differences are explained below

Current tax reconciliation	2006 £	2005 £
Profit on ordinary activities before tax		353,050
Current tax at 30% (2005 30%)		105,915
<i>Effect of</i>		
Deferred tax – reversal of timing difference	(30,732)	(106,508)
Corporation tax on transfer pricing adjustments (note 12)	265,502	593
Reimbursement from shareholders	(265,502)	(593)
Total current corporation tax charge (see above)	(30,732)	(593)

6. Stocks and work in progress

	2006 £	2005 £
Land work in progress	2,344,047	3,897,477
Development work in progress	1,745,200	1,746,944
	4,089,247	5,644,421

7 Debtors

	2006 £	2005 £
Called up share capital not paid	100	100
Deferred tax asset (note 9)		30,732
Other debtors	26,831	7,752
	26,931	38,584

Notes (continued)

8 Creditors. amounts falling due within one year

	2006 £	2005 £
Bank loan	2,603,618	5,133,102
Amounts owed to parent undertakings	1,011,061	25,242
Amount owed to related company		6,246
Retentions	197,375	119,582
Accruals and deferred income	69,254	398,733
Corporation tax creditor	234,770	
	<u>4,116,078</u>	<u>5,682,905</u>

The bank loan which is repayable by 31 October 2007, is guaranteed in part by Miller Residential Development Services Limited, and secured over all the company's property and assets. The bank loan is subject to interest at the bank's base rate plus an interest margin of 1.75%.

9. Deferred tax

	2006 £	2005 £
At beginning of year	30,732	190,672
Transferred to profit and loss account	(30,732)	(159,940)
	<u> </u>	<u> </u>
At end of year (see note 7)		30,732

10 Called up share capital

	2006 £	2005 £
<i>Authorised, Allotted but not fully paid</i>		
50 Ordinary 'A' shares of £1 each	50	50
50 Ordinary 'B' shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Both "A" and "B" shares have the same voting rights and rank parri passu as set out in the Memorandum and Articles of Association of the company.

Notes *(continued)*

11 Reconciliation of movement in shareholders' funds

	2006	2005
	£	£
Profit for the financial year	-	247,135
	<hr/>	<hr/>
Total movements during the year	-	247,135
Shareholders' funds at start of year	100	(247,035)
	<hr/>	<hr/>
Shareholders' funds at end of year	100	100
	<hr/> <hr/>	<hr/> <hr/>

12. Related party disclosures

The company is controlled jointly by *Miller Residential Development Services Limited* and *Zoom Developments Limited*

Where amounts payable to shareholders are not at market value, the shareholders reimburse / receive payment from the company for an amount equivalent to the corporation tax payable / receivable in respect of the difference

During the year the company reimbursed development costs of £nil (2005 £nil) and £2,729,108 (2005 £1,960,813) to *Miller Residential Development Services Limited* and *Zoom Developments Limited* respectively

Management fees of £502,019 (2005 £120,096) and £502,019 (2005 £120,096) were payable to *Miller Residential Development Services Limited* and *Zoom Developments Limited* respectively in respect of the financial year (see note 4)

At the year end £538,302 (2005 £23,992) and £472,759 (2005 £1,250) was owed to *Miller Residential Development Services Limited* and *Zoom Developments Limited*

At the year end £nil (2005 £6,246) was owed to *Miller Investments Southern Limited*, a related company of *Miller Residential Development Services Limited*