

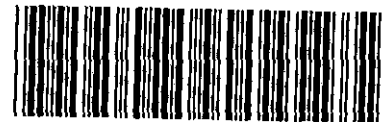
**STOCKLAND ANGLO VENTURES
LIMITED**

(formerly Halladale Anglo Ventures
Limited)

Report and Financial Statements

30 June 2008

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STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

REPORT AND FINANCIAL STATEMENTS 2008

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STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K F Lindsay
M J Harkin
D A Middleton (resigned 5 November 2008)
I S Mackintosh (resigned 5 November 2008)
J K Berry (appointed 5 November 2008)
D Hayes (appointed 5 November 2008)

SECRETARY

S A W Duncan

REGISTERED OFFICE

180 St Vincent Street
Glasgow
G2 5SG

INDEPENDENT AUDITORS

KPMG LLP
191 West George Street
Glasgow
G2 2LJ

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 14 month period ended 30 June 2008.

CHANGE OF NAME

On 5 August 2008, the company changed its name from Halladale Anglo Ventures Limited to Stockland Anglo Ventures Limited.

CHANGE OF ACCOUNTING REFERENCE DATE

During the period the company changed accounting reference date from 30 April 2008 to 30 June 2008.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activities of the group are property investment.

As shown in the group's profit and loss account on page 7 the group's turnover increased from £737,000 to £2,875,000 in the period reflecting the longer period of account. Operating profit decreased from £624,000 to an operating loss of £11,608,000 in the period, principally as a result of a revaluation deficit on investment properties of £13,753,000.

The balance sheet on page 9 shows the group's financial position at the period end. The group has decreased shareholders' funds from £67,000 to a deficit of £14,095,000 reflecting the loss for the period. Details of a decline in the value of the group's investment properties and amounts due from subsidiary companies, subsequent to the balance sheet date are shown in note 17.

In light of market conditions currently prevailing in the UK property sector, the directors are satisfied with the group's results and its financial position, and will continue to pursue suitable business opportunities.

For reasons set out in note 1 to the financial statements, the directors continue to believe the going concern basis of preparation of the financial statements remains appropriate. The financial statements do not include any adjustments that would result from the going concern basis being inappropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

The group seeks to minimise planning risk through its firmly established risk control strategy, which includes detailed research and planning advice. Development in advance of significant pre-letting is only progressed if there is detailed research on, and agency advice regarding, tenant demand for the completed property. At all stages the group seeks professional advice, conducts thorough diligence and continually monitors developments.

The UK property market has seen a significant fall in property values over the course of the current period. Whilst the pace of the correction has slowed, capital values continue to fall, and the timing of any market stabilisation remains uncertain. The group seeks to implement value added initiatives to mitigate the risk of falling capital values.

The group's properties are let to various tenants with differing financial stability. In common with all property companies, the value of its properties and the stability of its cash flow is dependent on continued rental flow, which is in turn dependent on the individual tenants.

The majority of the group's borrowings are currently at floating rates of interest, and accordingly there is a risk that increases in UK interest rates would impact negatively on results. These rates are monitored and, when appropriate, fixed rate protection is taken.

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

DIRECTORS' REPORT

FINANCIAL INSTRUMENTS

The group's principal financial assets are trade debtors, and the group's credit risk is primarily attributable to those assets. The amounts presented in the financial statements are shown net of provision for doubtful debts. The group has no particular concentration of credit risk, with exposure spread over a large number of customers.

The group only enters into derivative financial instruments to hedge its interest rate exposure, and does not enter into speculative instruments.

DIRECTORS

The directors who held office during the period and to the date of this report are set out on page 1.

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

A resolution for the reappointment of KPMG LLP is to be proposed at the next Annual General Meeting.

By order of the Board



S A W Duncan
Secretary

2 September 2009

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

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 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 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 its 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 Stockland Anglo Ventures Limited (formerly Halladale Anglo Ventures Limited)

We have audited the group and parent company financial statements ("the financial statements") of Stockland Anglo Ventures Limited for the fourteen month period ended 30 June 2008 which comprise the Consolidated Profit and Loss Account, the Reconciliation of Movements in Consolidated Shareholders' (Deficit)/Funds, the Consolidated and Company 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 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 4.

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.

**Independent auditors' report to the members of Stockland Anglo Ventures Limited
(formerly Halladale Anglo Ventures Limited) (continued)**

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 group's affairs as at 30 June 2008 and of the group's loss for the period 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements which indicate the existence of material uncertainties in relation to the availability of funding for twelve months from the date of approval of these financial statements which may therefore cast significant doubt on the company and group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company or group were unable to continue as a going concern.



KPMG LLP
Chartered Accountants
Registered Auditor

191 West George Street
Glasgow
G2 2LJ

2 September 2009

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
14 month period ended 30 June 2008

	Note	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
TURNOVER: continuing operations	2	2,875	737
Cost of sales		(527)	(46)
Gross profit		<u>2,348</u>	<u>691</u>
Revaluation deficit on investment properties	5	(13,753)	-
Administrative expenses		(203)	(67)
OPERATING (LOSS)/PROFIT: continuing operations		<u>(11,608)</u>	<u>624</u>
Interest receivable	3	49	22
Interest payable and similar charges	4	(2,603)	(693)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>(14,162)</u>	<u>(47)</u>
Tax on loss on ordinary activities	6	-	14
LOSS FOR THE FINANCIAL PERIOD		<u><u>(14,162)</u></u>	<u><u>(33)</u></u>

There were no recognised gains or losses in the current or prior period other than those included in the profit and loss account above. Accordingly, no Statement of Total Recognised Gains or Losses is presented.

The company has elected to take the exemption under section 230 of the Companies Act 1985 to not present the parent company profit and loss account. The loss for the parent company for the period amounted to £74,000 (2007: £5,000).

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

**RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS'
(DEFICIT)/FUNDS**

14 month period ended 30 June 2008

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
Loss for the financial period	(14,162)	(33)
Issue of share capital	-	100
Opening shareholders' funds	67	-
Closing shareholders' (deficit)/funds	<u>(14,095)</u>	<u>67</u>

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

CONSOLIDATED BALANCE SHEET
30 June 2008

	Note	30 June 2008 £'000	30 April 2007 £'000
FIXED ASSETS			
Investment properties	8	29,839	43,093
CURRENT ASSETS			
Stock	9	704	-
Debtors	10	758	414
Cash at bank and in hand		1,300	1,312
		2,762	1,726
CREDITORS: amounts falling due within one year	11	(35,774)	(1,627)
NET CURRENT (LIABILITIES)/ASSETS		(33,012)	99
TOTAL ASSETS LESS CURRENT LIABILITIES		(3,173)	43,192
CREDITORS: amounts falling due after more than one year	12	(10,922)	(43,125)
NET (LIABILITIES)/ASSETS		(14,095)	67
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	(14,195)	(33)
SHAREHOLDERS' (DEFICIT)/FUNDS		(14,095)	67

These financial statements were approved by the Board of Directors on 2 September 2009.

Signed on behalf of the Board of Directors


M J Harkin
Director


D Hayes
Director

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

COMPANY BALANCE SHEET
30 June 2008

	Note	30 June 2008 £'000	30 April 2007 £'000
FIXED ASSETS			
Investments	7	-	-
CURRENT ASSETS			
Debtors	10	43,663	43,206
Cash at bank and in hand		1,300	1,312
		44,963	44,518
CREDITORS: amounts falling due within one year	11	(34,020)	(1,298)
NET CURRENT ASSETS		10,943	43,220
TOTAL ASSETS LESS CURRENT LIABILITIES		10,943	43,220
CREDITORS: amounts falling due after more than one year	12	(10,922)	(43,125)
NET ASSETS		21	95
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	(79)	(5)
SHAREHOLDERS' FUNDS		21	95

These financial statements were approved by the Board of Directors on 2 September 2009.

Signed on behalf of the Board of Directors


M J Harkin
Director


D Hayes
Director

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below and have been consistently applied throughout the current and prior periods.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The financial statements are prepared on a going concern basis, notwithstanding net liabilities of £14,095,000, which the directors believe to be appropriate for the following reasons.

The group and parent company are funded through a combination of shareholders' equity, shareholder loans and a bank loan facility repayable by 2013 (see notes 11 and 12). The funding is provided to Stockland Anglo Ventures Limited to fund property activities undertaken by its subsidiary undertakings. Funding is provided to the company's subsidiary undertakings through intercompany loans which are unsecured and repayable on demand. However, the company has indicated to the subsidiary undertakings that it will not seek repayment of the amounts made available to the subsidiary undertakings for a period of at least 12 months from the date of approval of the financial statements unless the relevant subsidiary undertakings are in a position to make such repayment at an earlier date.

The group's bank loan facility is subject to financial covenants and other conditions which the directors monitor regularly. The group has breached the interest cover covenant during the period. The bank did not waive this breach but agreed not to take any action as long as the position did not deteriorate any further. Subsequent to the period end, the position of the group deteriorated further and the bank advised the group that again it has not waived the breach and they reserve the right to request remedy of this breach at any time.

The directors' valuation of investment properties at 30 June 2008, and further deterioration in value subsequent to the year end (see note 17), indicates that the loan to value covenant has also been breached. Although the bank are aware of a potential breach, as at the date of approval of these financial statements there has been no request for an external valuation or a notification of default.

The directors are currently in discussion with the bank with regard to the bank loan facilities. These discussions include the continued provision of existing facilities for a period of 18–24 months, alongside waiver of covenants and provision of an interest roll-up option. The directors have prepared cash flow projections covering a period of 12 months from the date of approval of these financial statements. These cash flows indicate that should current discussions with regard to bank loan facilities be successfully concluded, the group and parent company should have sufficient funds to enable them to continue to discharge liabilities as they fall due. In the event that an agreement on restructuring cannot be reached on commercially acceptable terms, and any further breaches were not capable of being remedied to the satisfaction of all parties concerned, significant doubt would be cast upon the ability of the group and parent company to continue to operate as a going concern.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Income recognition

Profit is recognised on the sale of land and buildings at the date of exchange of unconditional contracts. Other income, including rental income, is recognised in the period to which it relates.

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

1. ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or in respect of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under SAAP 19 "Accounting for investment properties". The financial effect of the departure from the statutory accounting rules cannot reasonably be quantified as depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stocks

Properties held as stock and work in progress are valued at the lower of cost and net realisable value. Development cost includes land, construction costs, professional fees and interest.

Net realisable value represents the estimated sale price less costs estimated to be incurred up to the date of disposal.

Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 19, deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not recognised when fixed assets are revalued unless there is a trading commitment to sell the revalued assets and the gain or loss expected to arise has been recognised in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Cash flow statement

The group has taken advantage of the exemption in FRS 1 from preparing a cash flow statement on the grounds that it qualifies as a small group.

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

2. TURNOVER

Turnover arises wholly from the principal activity of the Group within the United Kingdom.

Turnover comprises:

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
Rental income	2,818	733
Other income	57	4
	<u>2,875</u>	<u>737</u>

3. INTEREST RECEIVABLE

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
Bank interest	45	22
Other interest	4	-
	<u>49</u>	<u>22</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
Bank loans and overdrafts repayable within five years	<u>2,603</u>	<u>693</u>

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
Loss on ordinary activities before taxation is after charging:		

Revaluation deficit on investment properties	13,753	-
Auditors' remuneration	9	5

The company has no employees and the directors received no remuneration during either period.

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
United Kingdom corporation tax at 29.6% (2007: 30%) based on the loss for the period	-	-
Consortium relief receivable	-	14
Tax credit on loss on ordinary activities	-	14

Reconciliation of tax charge

The standard rate of current tax for the period, based on the UK standard rate of corporation tax, is 29.6% (2007: 30%). The actual current tax charge for the current and prior period varies from 29.6% (2007: 30%) for the reasons set out in the following reconciliation:

	14 month period ended 30 June 2008 £'000	10 month period ended 30 April 2007 £'000
Loss before taxation	(14,162)	(47)
Tax on loss at 29.6% (2007: 30%)	(4,192)	(14)
Factors affecting charge:		
Unrelieved losses carried forward	4,249	-
Impact of tax rate change	(57)	-
Current tax credit for the period	-	(14)

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

7. FIXED ASSET INVESTMENTS

	30 June 2008 £	30 April 2007 £
Company		
Investment in Stockland Ventures (Harlow) Limited	1	1
Investment in Stockland Anglo Ventures (Croydon) Limited	1	1
	<u>2</u>	<u>2</u>

These investments represent 100% of the share capital of each subsidiary. The registered office of each company is 180 St Vincent Street, Glasgow, G2 5SG. The principal activities of both companies is property investment.

8. INVESTMENT PROPERTIES

Valuation	30 June 2008 £'000	30 April 2007 £'000
At beginning of period	43,093	-
Additions	499	43,093
Revaluation	(13,753)	-
At end of period	<u>29,839</u>	<u>43,093</u>

The properties were revalued by the directors at 30 June 2008 on an open market basis. The valuation involved consideration of appropriate market rents and yields at the balance sheet date and accordingly involved a degree of judgement and estimation.

Details of a decline in the value of investment properties subsequent to the balance sheet date are set out in note 17.

9. STOCK

Group	30 June 2008 £'000	30 April 2007 £'000
Properties held for resale	<u>704</u>	<u>-</u>

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

10. DEBTORS

	Group	Group	Company	Company
	30 June	30 April	30 June	30 April
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Trade debtors	112	-	-	-
Amounts due from subsidiary companies	-	-	43,202	43,203
Prepayments	-	74	447	1
Sundry debtors	632	326	-	-
Consortium relief receivable	14	14	14	2
	<u>758</u>	<u>414</u>	<u>43,663</u>	<u>43,206</u>

Amounts due from subsidiary companies are unsecured and bear interest at the same rate as that payable by the company on its bank borrowings. Although the amounts due from subsidiary companies are repayable on demand, the company has indicated to the relevant subsidiary undertakings that it will not seek repayment of such amounts for a period of at least 12 months from the date of approval of the financial statements unless the relevant subsidiary undertaking is in a position to make such repayments at an earlier date.

Subsequent to the balance sheet date, as a result of a decline in the value of the investment properties owned by the relevant subsidiary undertakings, the directors believe that a provision against the recoverability of the amounts due from subsidiary companies is likely to be required. Further details are set out in note 17.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Company	Company
	30 June	30 April	30 June	30 April
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Bank loans	32,737	-	32,737	-
Trade creditors	167	52	4	-
Other taxes and social security	226	79	104	-
Accrued charges and deferred income	2,629	1,496	461	283
Amounts due to group companies	-	-	714	1,015
Amounts owed to related parties	15	-	-	-
	<u>35,774</u>	<u>1,627</u>	<u>34,020</u>	<u>1,298</u>

The bank loans are offset by the relevant arrangement costs which are being charged to the profit and loss account over the life of the loans.

The bank loans are secured on the assets of the company and its subsidiaries and bear interest at floating rates. They are due for repayment on 13 October 2013. As a result of a covenant breach during the period, bank loans have been reclassified as falling due within one year (see note 1 for details).

The group has taken out interest rate swaps to hedge its interest rate risk. The fair value of those swaps was an asset of £855,000 (2007: £394,000).

Amounts due to group companies are non-interest bearing, unsecured and repayable on demand.

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	Group	Company	Company
	30 June	30 April	30 June	30 April
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Bank loans	-	32,203	-	32,203
Shareholder loans	10,922	10,922	10,922	10,922
	<u>10,922</u>	<u>43,125</u>	<u>10,922</u>	<u>43,125</u>

The shareholder loans carry a zero coupon and are redeemable on 31 August 2016.

13. CALLED UP SHARE CAPITAL

Group and company

	30 June	30 April
	2008	2007
	£'000	£'000
Authorised		
50,000 'A' Ordinary shares of £1 each	50	50
50,000 'B' Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>
Called up, allotted, issued and fully paid		
50,000 'A' Ordinary shares of £1 each	50	50
50,000 'B' Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Both classes of share carry equal voting and other rights.

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

14. PROFIT AND LOSS ACCOUNT

	£'000
Group	
At 1 May 2007	(33)
Loss for the period	(14,162)
	<hr/>
At 30 June 2008	(14,195)
	<hr/> <hr/>
	£'000
Company	
At 1 May 2007	(5)
Loss for the period	(74)
	<hr/>
At 30 June 2008	(79)
	<hr/> <hr/>

15. JOINT VENTURE

The company is a joint venture between Stockland Holdings Limited and Anglo Irish Property Investors Limited.

16. RELATED PARTY TRANSACTIONS

The company takes advantage of the exemptions allowed by FRS8 from the requirement for companies, 90% or more of whose voting rights are controlled within a group to disclose transactions with other entities which are part of that group.

At the period end £15,000 (2007:£nil) was owed to Stockland Developments (UK) Limited, a wholly owned subsidiary of Stockland Property Holdings Limited, a wholly owned subsidiary of Stockland Holdings Limited, a shareholder in the company. Other related party balances at the year end include shareholder loans (Note 12), and consortium relief receivable (Note 10).

During the period management charges of £183,000 (2007:£54,000) have been levied by Stockland Holdings Limited. The company has bank borrowings with the Anglo Irish Bank as detailed in Note 12 to the financial statements. Anglo Irish Bank is the parent company of Anglo Irish Property Investors Limited. Interest on bank loans and other bank borrowings charged in the period is detailed in Note 4 to the financial statements.

STOCKLAND ANGLO VENTURES LIMITED
(formerly Halladale Anglo Ventures Limited)

NOTES TO THE FINANCIAL STATEMENTS
14 month period ended 30 June 2008

17. NON-ADJUSTING POST BALANCE SHEET EVENT

Group

Subsequent to the balance sheet date, as a result of changes in market conditions prevailing in the UK property sector since then, the directors believe that the market value of the group's investment properties is likely to have declined significantly since 30 June 2008, but has not been quantified for the purpose of disclosure in these financial statements. There is, however, no present intention to dispose of these properties in the current climate.

Company

Subsequent to the balance sheet date, as a result of changes in market conditions prevailing in the UK property sector since then, the directors believe that the decline in value of the investment properties referred to above also casts doubt over the ability of the relevant subsidiary undertakings to make full repayment of the amounts due to the company. As at the date of approval of these financial statements, the directors estimate that a significant provision is likely to be required against the amounts due from subsidiary companies, which are held as current assets.

As the relevant declines in value reflect circumstances that have arisen subsequent to the balance sheet date, such revaluations and provisions are treated as non-adjusting post balance sheet events.