COMPANY REGISTRATION NUMBER SCO98553

AMA (NEW TOWN) LIMITED

FINANCIAL STATEMENTS

31 OCTOBER 2011



McDONALD GORDON & CO LTD
Chartered Certified Accountants & Statutory Auditor
29 York Place
Edinburgh
EH1 3HP

AMA (NEW TOWN) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2011

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AMA (NEW TOWN) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Ali B. Afshar Mike Afshar Behzad Afshar Behnam Afshar
Company secretary	Martin Cairns
Registered office	15 Coates Crescent Edinburgh EH3 7AF
Auditor	McDonald Gordon & Co Ltd Chartered Certified Accountants & Statutory Auditor 29 York Place Edinburgh EH1 3HP
Bankers	Royal Bank of Scotland 142-144 Princes Street Edinburgh EH2 4EQ
Solicitors	Gillespie MacAndrew WS 5 Atholl Crescent EH3 8EJ

AMA (NEW TOWN) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2011

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 October 2011.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group during the year was that of property development and house building. AMA remains the market leader in providing homes and developments of the highest quality and innovation in East Central Scotland. The company's long term strategy of developing and building locally in a familiar environment has paid dividends in an extremely challenging economic period; awareness of the market we are operating in has been essential to the success of all AMA's projects going forward, especially give the weakness of the market.

The continuing downturn in the economy and in particular the housing market has had a significant effect on the company's financial performance. The last 4 years have been tough with many of our main competitors downsizing or going out of business completely. However, having come through these difficult times and with valuable experienced gained we believe we will emerge stronger and more innovative than ever . The decision made in 2008, when the recession first took grip, to complete all our onsite projects to a wind and water tight position secured all our stock. This has now given us a platform to take advantage of the market as it slowly improves and the country gradually moves out of recession. We also diversified some of our activities from housing to more bankable commodities such as serviced apartments and student accommodation this has also helped us as we strive to move forward and grow.

Private housing sales have been very disappointing during this year reflecting the uncertain state of the economy and the lack of mortgage availability. However, our move to supply the service apartment demand in Edinburgh, will result in sales, for us, of up to 80 units in the course of next year; this will be over and above our private sales of existing completed residential stock. This should give us turnover next year in the region of £18-£20M with a margin above average for the industry.

The company's balance sheet, like most companies in these hard times, has taken a few knocks, however we firmly believe, with strategies we have in place, that it will not be long before it is back above the pre recession levels.

Our continuing relationship with our bankers remains strong; they are extremely supportive of the company's ongoing strategy and together we look forward to prosperous years ahead.

Financial performance - Group

	2011	2010
	£	£
Turnover	5,954,029	11,474,272

Gross profit	875,563	1,789,394
Operating (loss)/profit	41,844	794,289
(Loss)/Profit before tax	(1,758,525)	(617,712)
Net assets	5,621,009	7,496,871

Our financial performance for the year to 31st October 2011 has been constrained by the residual effects of the severe economic and housing market downturn. Given the difficult economic conditions; the directors are pleased with the performance of the group and with the exceptionally high quality product the group continues to present to the market. The directors are looking forward to returning AMA back to profit next year and sustain profitability as a result of the reviewed company strategies.

Strategy

The provision of high quality residential property in the Edinburgh area remains the company's main priority, and it is our intention to ensure that the product continues to be of the highest standard, in terms of architecture, quality and innovation. This philosophy has been the cornerstone of the company.

The coming year will see the directors continue to consolidate and grow the business, by promoting the brand, which they believe will see them through these difficult times. The programme of development will continue on all existing sites and we will continue to pursue planning applications in order to add value to our un-developed sites.

We have widened the development sectors we will engage in to include; Health Care, Sport, Leisure, Student Accommodation and Serviced Apartments. Plans are already in place to deliver these types of developments by forming joint ventures and utilising private funds rather than using the more conventional method of bank borrowings. To achieve these objectives, we will continue to work hard at forging relationships with these like minded individuals and organisations, thus adding value not only to our product, but also to our experience and perceived versatility within the industry. The first couple of such projects will be on stream by the end of 2012.

RESULTS AND DIVIDENDS

The loss for the year amounted to £1,755,862. Particulars of dividends paid are detailed in note 11 to the financial statements.

RISK

Risks that may affect the group are continually assessed at board level and steps are ongoing to mitigate these risks, these risks are even more prevalent in these uncertain economic times. The main business risks identified are:-

External influences on the housing market, which are outwith the control of the company affect purchasers' confidence. The main reasons at present are the slump in the housing market, unemployment and the banking crisis which has caused a major problem in the provision of mortgages within the sector.

Planning problems or other factors cause delays in starting new developments, which may then have an affect on their viability.

Dwindling supplier and subcontractor numbers within the industry affects the availability of specialised craftsmen. This in turn does not allow the business to deliver a product of a standard the market now expects.

Corporate Governance

The group is committed to achieving and maintaining a high standard of corporate governance, with the responsibility for this resting with the board. Corporate responsibility policies, objectives and performance are regularly reviewed at this level.

Health and Safety

Health and safety procedures are in place and are continually monitored internally and externally by our Health and Safety consultants C-Mist. They also keep us up to date with new developments/legislation within the industry. All our procedures are based on occupational health and safety standard principles set out in The Health and Safety at Work Act 1974. The company to date has not experienced any major Health and Safety incidents.

THE DIRECTORS AND THEIR INTERESTS

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 October 2011	At 1 November 2010 or later date of appointment
Ali B. Afshar	**25,000**	25,000
Mike Afshar	**25,000**	25,000
Behzad Afshar	**-**	-
Behnam Afshar	**-**	-

Behzad Afshar was appointed as a director on 1 August 2011.
Behnam Afshar was appointed as a director on 1 August 2011.

Key Performance Indicators
The Board monitors the Group's progress by reference to certain KPIs. Performance during the year, together with historical trend data is set out below.

Global House sales

	2011	2010
Company	£4,193,479	£10,165,250
Group	£5,833,029	£11,054,690

Global house sales for the company and the group were down on last year. Sales for the first 6 months were strong but in the second half of the year a returning recession funds shortage meant a downturn in sales. Sales after the year end have been buoyant and it is hoped that this will continue throughout the period.

Average sales price per unit

	2011	2010
Company	£322,575	£290,436
Group	£343,001	£290,913

The average sales price per unit for the group and the company is up on last year, but lower than in than in previous years, this is mainly due to the houses being offered to the market at Springside being of lower value. The products being offered at other AMA developments have continued to command their higher unit prices.

EBITA
Earnings before interest, tax and goodwill amortisation.

2011	2010
£41,844	£789,289

The EBITA achieved this period is at satisfactory level given the sales volume.

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DONATIONS
During the year the company made the following contributions:

	2011	2010
	£	£
Charitable	**4,900**	8,250

These donations were to various charities covering a range of charitable purposes. The group made no political contributions during the year.

AUDITOR
McDonald Gordon & Co Ltd are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
15 Coates Crescent
Edinburgh
EH3 7AF

Signed on behalf of the directors

A. B. Afshar

ALI B. AFSHAR
Director

Approved by the directors on 31 July 2012

AMA (NEW TOWN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AMA (NEW TOWN) LIMITED

YEAR ENDED 31 OCTOBER 2011

We have audited the group and parent company financial statements ("the financial statements") of AMA (New Town) Limited for the year ended 31 October 2011. The financial reporting framework that has been 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 shareholders, as a body, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 5 to 6, the directors are 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 OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 October 2011 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

WALTER RAYMOND PATERSON (Senior Statutory Auditor)
For and on behalf of
McDONALD GORDON & CO LTD
Chartered Certified Accountants
& Statutory Auditor

29 York Place
Edinburgh
EH1 3HP

31 July 2012

AMA (NEW TOWN) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	5,954,029	11,474,272
Cost of sales		5,078,466	9,684,878
GROSS PROFIT		875,563	1,789,394
Selling costs		165,935	407,650
Administrative expenses		901,667	989,622
Other operating income	3	(187,133)	(288,728)
OPERATING (LOSS)/PROFIT	4	(4,906)	680,850
Attributable to:			
Operating profit before exceptional items		287,763	680,850
Exceptional items	4	(292,669)	–
		(4,906)	680,850
Share of associate operating profit		46,750	113,439
TOTAL OPERATING PROFIT: GROUP AND SHARE OF ASSOCIATES		41,844	794,289
Loss on disposal of fixed assets	7	–	(5,000)
		41,844	789,289
Interest receivable		20,941	65,380
Share of interest receivable, associate		31	50
Interest payable and similar charges	8	(1,776,578)	(1,414,572)
Share of interest payable, associate		(44,763)	(57,859)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,758,525)	(617,712)
Tax on loss on ordinary activities	9	(2,663)	–
LOSS FOR THE FINANCIAL YEAR	10	(1,755,862)	(617,712)

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 13 to 28 form part of these financial statements.

AMA (NEW TOWN) LIMITED

GROUP BALANCE SHEET

31 OCTOBER 2011

	Note	2011 £	£	2010 £
FIXED ASSETS				
Tangible assets	12		143,876	181,532
Investments	13			
Investments in associates		907,969		905,950
Other investments		1,790,439		1,779,748
			2,698,408	2,685,698
			2,842,284	2,867,230
CURRENT ASSETS				
Stocks	15	62,666,957		53,164,409
Debtors	16	249,037		2,200,003
Cash at bank and in hand		14,504		56,260
		62,930,498		55,420,672
CREDITORS: Amounts falling due within one year	17	60,032,305		50,639,139
NET CURRENT ASSETS			2,898,193	4,781,533
TOTAL ASSETS LESS CURRENT LIABILITIES			5,740,477	7,648,763
CREDITORS: Amounts falling due after more than one year	18		24,170	24,170
PROVISIONS FOR LIABILITIES				
Other provisions	20		95,298	127,722
			5,621,009	7,496,871
CAPITAL AND RESERVES				
Called-up equity share capital	24		50,000	50,000
Revaluation reserve	25		587,756	587,756
Profit and loss account	25		4,983,253	6,859,115
SHAREHOLDERS' FUNDS	26		5,621,009	7,496,871

These financial statements were approved by the directors and authorised for issue on 31 July 2012 and are signed on their behalf by:

A. B. Afshar

ALI B. AFSHAR

The notes on pages 13 to 28 form part of these financial statements.

AMA (NEW TOWN) LIMITED

BALANCE SHEET

31 OCTOBER 2011

	Note	2011 £	2011 £	2010 £
FIXED ASSETS				
Tangible assets	12		130,973	164,328
Investments	13		11,005,544	13,976,113
			11,136,517	14,140,441
CURRENT ASSETS				
Stocks	15	29,472,645		19,610,028
Debtors	16	139,018		149,992
Cash at bank and in hand		14,082		55,788
		29,625,745		19,815,808
CREDITORS: Amounts falling due within one year	17	31,055,153		23,003,844
NET CURRENT LIABILITIES			(1,429,408)	(3,188,036)
TOTAL ASSETS LESS CURRENT LIABILITIES			9,707,109	10,952,405
CREDITORS: Amounts falling due after more than one year	18		1,991,427	1,992,429
PROVISIONS FOR LIABILITIES				
Other provisions	20		76,362	112,793
			7,639,320	8,847,183
CAPITAL AND RESERVES				
Called-up equity share capital	24		50,000	50,000
Profit and loss account	25		7,589,320	8,797,183
SHAREHOLDERS' FUNDS			7,639,320	8,847,183

These financial statements were approved by the directors and authorised for issue on 31 July 2012 and are signed on their behalf by:

A. B. Afshar

ALI B. AFSHAR

Company Registration Number: SCO98553

The notes on pages 13 to 28 form part of these financial statements.

AMA (NEW TOWN) LIMITED

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 2011

	Note	2011 £	2011 £	2010 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	**28**		**(8,039,648)**	6,351,150
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	**28**		**(1,755,637)**	(1,349,192)
TAXATION	**28**		**6,788**	289,110
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	**28**		**(16,637)**	1,204,247
ACQUISITIONS AND DISPOSALS	**28**		**100**	–
EQUITY DIVIDENDS PAID			**(120,000)**	(140,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			**(9,925,034)**	6,355,315
FINANCING	**28**		**9,704,905**	(4,569,519)
(DECREASE)/INCREASE IN CASH	**28**		**(220,129)**	1,785,796

The notes on pages 13 to 28 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings, together with the group's share of the net assets and results of associated undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover consists of the sales of houses, net of discounts and sales incentives, land and commercial properties and group management charges. House sale turnover comprises of the value of completed house sales in the year. Management charges are recognised as turnover when invoiced. Group management charges are eliminated on consolidation.

Properties sold subject to shared ownership arrangements, where the significant proportion of the property is sold, are wholly recognised as turnover with the share remaining with the company transferred to Fixed Asset Investments.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 20% reducing balance
Equipment	- 20% reducing balance
Showhouse Furniture	- 25% reducing balance

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

1. ACCOUNTING POLICIES *(continued)*

Stocks and work in progress

Work in progress is valued at the lower of cost and net realisable value.

For housing work in progress, cost is established by assessing the stage completion for each residential unit and applying that proportion of direct costs. A proportion of the cost of site roads and drainage relative to the number of unsold house plots is also included.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Contributions are also made to Self Invested Personal Pensions (SIPPs) for the benefit of the directors. The assets of these schemes are also held separately from those of the company. The contributions payable are charged to the profit and loss account as incurred.

Properties under construction and properties held for development

Additions to properties under construction and properties held for development include all expenses of development, such as construction costs, design fees, professional fees and site overheads.

Maintenance provision

Provision is made for the maintenance work undertaken in respect of the two year period from the sale of each residential unit or from contract completion date. It is calculated on the basis of the anticipated average cost of maintenance over the two year period and is written off on a proportionate time basis.

Group relief

It is group policy to surrender tax losses without payment.

1. ACCOUNTING POLICIES *(continued)*

Joint ventures

The joint venture is accounted for as an investment because of severe restrictions on the group's shareholding.

Going concern

The continuing downturn in the economy and in particular the housing market has had a significant effect on the company's financial performance.

The company is financed by equity and secured bank loans. The company's cashflow forecasts show that it has adequate resources available to continue to operate for the foreseeable future. The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the bank's continuing support. Whilst the company's facility only runs until January 2013 the bank has indicated that at the date of signing the accounts they are not aware of any reasons why they would not extend the facility beyond that date.

If the company was unable to continue in operational existence for the foreseeable future adjustment would need to be made to amend the balance sheet value of the assets to their recoverable amounts, to provide for further liabilities that may arise and to reclassify fixed assets as current assets. The directors consider however that it is still appropriate to prepare the accounts on a going concern

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group.
An analysis of turnover is given below:

	2011	2010
	£	£
United Kingdom	**5,954,029**	11,474,272

3. OTHER OPERATING INCOME

	2011	2010
	£	£
Rent receivable	**170,630**	214,036
Other operating income	**16,503**	74,692
	187,133	288,728

4. OPERATING PROFIT

Operating profit is stated after charging:

	2011	2010
	£	£
Depreciation of owned fixed assets	43,402	54,660
Loss on disposal of fixed assets	100	–
Operating lease costs:		
- Other	92,750	65,599
Auditor's remuneration - audit of the financial statements	16,175	9,275
Auditor's remuneration - other fees	4,950	6,185
Exceptional cost of sales	292,669	–

	2011	2010
	£	£
Auditor's remuneration - audit of the financial statements	16,175	9,275

Auditor's remuneration - other fees:

- Accountancy	450	1,900
- Other services - Taxation	4,500	4,285
	4,950	6,185

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2011	2010
	No	No
Number of administrative staff	17	17

The aggregate payroll costs of the above were:

	2011	2010
	£	£
Wages and salaries	287,914	418,147
Social security costs	47,843	50,842
Other pension costs	15,647	15,985
	351,404	484,974

The company operates a defined contribution pension scheme in respect of certain employees. The pension charge represents contributions due by the company. Pension contributions outstanding at the year end mounted to £3,172 (2010 £3,920).

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2011 £	2010 £
Remuneration receivable	**10,500**	67,132

7. LOSS ON DISPOSAL OF FIXED ASSETS

	2011 £	2010 £
Loss on disposal of fixed assets	**–**	(5,000)

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Interest payable on bank borrowing	**942,072**	731,988
Finance charges	**–**	609
Interest on bank loans	**834,506**	681,975
	1,776,578	1,414,572

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011 £	2010 £
Current tax:		
UK Corporation tax based on the results for the year at –% (2010 - –%)	**(2,663)**	-
Total current tax	**(2,663)**	-

(b) Factors affecting current tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (21 per cent). The differences are explained below:

	2011 £	2010 £
Loss on ordinary activities before taxation	**(1,758,525)**	(617,712)
Profit on ordinary activities by rate of tax	**-**	147,367
Unrelieved tax losses	**-**	(147,367)
Adjustments to tax charge in respect of previous periods	**(2,663)**	-
Total current tax (note 9(a))	**(2,663)**	-

10. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(1,087,863) (2010 - £(17,748)).

11. DIVIDENDS

Equity dividends

	2011 £	2010 £
Paid during the year:		
Dividends on equity shares type 1	**120,000**	140,000

12. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Equipment £	Showhouse furniture £	Total £
COST OR VALUATION				
At 1 November 2010	**107,538**	**112,936**	**487,038**	**707,512**
Additions	**–**	**5,746**	**–**	**5,746**
At 31 October 2011	**107,538**	**118,682**	**487,038**	**713,258**
DEPRECIATION				
At 1 November 2010	**93,203**	**84,895**	**347,882**	**525,980**
Charge for the year	**2,867**	**5,746**	**34,789**	**43,402**
At 31 October 2011	**96,070**	**90,641**	**382,671**	**569,382**
NET BOOK VALUE				
At 31 October 2011	**11,468**	**28,041**	**104,367**	**143,876**
At 31 October 2010	14,335	28,041	139,156	181,532

12. TANGIBLE FIXED ASSETS *(continued)*

Company	Fixtures & Fittings £	Equipment £	Showhouse furniture £	Total £
COST OR VALUATION				
At 1 November 2010	**107,538**	**112,936**	**377,509**	**597,983**
Additions	**–**	**5,746**	**–**	**5,746**
At 31 October 2011	**107,538**	**118,682**	**377,509**	**603,729**
DEPRECIATION				
At 1 November 2010	**93,203**	**84,895**	**255,557**	**433,655**
Charge for the year	**2,867**	**5,746**	**30,488**	**39,101**
At 31 October 2011	**96,070**	**90,641**	**286,045**	**472,756**
NET BOOK VALUE				
At 31 October 2011	**11,468**	**28,041**	**91,464**	**130,973**
At 31 October 2010	14,335	28,041	121,952	164,328

13. INVESTMENTS

Group See Note 14 for details of Loans.	Joint ventures & participating interests £	Shared equity and secured loans £	Total £
COST			
At 1 November 2010	**101**	**347,295**	**347,396**
Disposals	**(100)**	**-**	**(100)**
At 31 October 2011	**1**	**347,295**	**347,296**
LOANS			
At 1 November 2010	**1,432,352**	**-**	**1,432,352**
Advanced in year	**10,791**	**-**	**10,791**
At 31 October 2011	**1,443,143**	**-**	**1,443,143**
NET BOOK VALUE			
At 31 October 2011	**1,443,144**	**347,295**	**1,790,439**
At 31 October 2010	1,432,453	347,295	1,779,748

13. INVESTMENTS *(continued)*

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
All held by the company:				
AMA (Cramond) Limited	Scotland	Ordinary shares	100%	Property development & construction
AMA (Fusion) Limited	Scotland	Ordinary shares	100%	Property development & construction
Silvermills Car Park Company Limited	Scotland	Ordinary shares	100%	dormant
Majestic Buildings Limited	Scotland	Ordinary shares	100%	Lending to group undertakings
AMA (Slateford) Limited	Scotland	Ordinary shares	100%	Property development & construction
Cramond Sports Club Limited	Scotland	Ordinary shares	100%	dormant

AMA (Cramond) Ltd holds a 100% share of Cramond Sports Club Ltd.

Silvermills Car Park Company Limited has been excluded from consolidation on account of its negligible value. The aggregate amount of capital and reserves and the results of Silvermills Car Park Company Limited for the last relevant financial year ending 31 July 2011 were as follows: Capital and reserves £814 Profit/(loss) for the year £ nil

Associated undertakings				
Majestic (Belford) Ltd	Scotland	Ordinary shares	50%	

Nature of business: Property investment & development

Majestic (Belford) Ltd's year-end was 30 April 2011 and this is not co-terminous with the group. Special accounts have been prepared to 31 October 2011 for consolidation purposes only. Majestic Buildings Ltd holds a 50% share of Majestic (Belford) Ltd.

Joint venture				
Fountain North Limited	Scotland	Ordinary shares	33% (disposed of in year)	

Nature of business: Property development

Fountain North Ltd's year-end was 31 December 2010 and this is not co-terminous with the group. The joint venture was accounted for as an investment because of severe restrictions on the group's shareholding. However the company's shareholding in the joint venture was wholly disposed of in the year ended 31 October 2011.

13. INVESTMENTS *(continued)*

Share of assets of associates:		
Share of assets, associate	**3,440,604**	3,460,635
Share of liabilities, associate	**(2,532,635)**	(2,554,685)
Share of net assets	**907,969**	905,950

Company	**Group companies** £	**Joint ventures & participating interests** £	**Shared equity** £	£
COST				
At 1 November 2010	**537,693**	**100**	**263,225**	**801,018**
Disposals	**-**	**(100)**	**-**	**(100)**
At 31 October 2011	**537,693**	**-**	**263,225**	**800,918**
LOANS				
At 1 November 2010	**11,742,743**	**1,432,352**	**-**	**13,175,095**
Advanced in year	**55,060**	**10,791**	**-**	**65,851**
Repaid in year	**(3,036,320)**	**-**	**-**	**(3,036,320)**
At 31 October 2011	**8,761,483**	**1,443,143**	**-**	**10,204,626**
NET BOOK VALUE				
At 31 October 2011	**9,299,176**	**1,443,143**	**263,225**	**11,005,544**
At 31 October 2010	12,280,436	1,432,452	263,225	13,976,113

Loans to subsidiary undertakings have no set repayment terms.

During the year the directors chose to terminate their involvement in Fountain North Ltd and therefore AMA (New Town) Ltd no longer hold any shares in the joint venture. Notwithstanding this the loan continues to be disclosed under investments in Joint Ventures on the basis of AMA (New Town) Ltd's continuing involvement in the developments being undertaken by Fountain North Ltd.

14. LOANS TO JOINT VENTURES AND PARTICIPATING INTERESTS

	Loans to participating interests	Loan to company formerly a joint venture	Total
	£	£	£
At 1 November 2010	335,395	1,096,957	1,432,352
Additions	10,791		10,791
At 31 October 2011	346,186	1,096,957	1,443,143

15. STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Work in progress	62,666,957	53,164,409	29,472,645	19,610,028

Included within gross profit in the current year is a write down of work in progress of £292,669 in respect of a single development where the value of net realisible value of the remaining units is considered to be lower than cost.

16. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
VAT recoverable	27,381	33,933	27,362	33,923
Other debtors	208,678	2,146,127	98,678	96,126
Prepayments and accrued income	12,978	19,943	12,978	19,943
	249,037	2,200,003	139,018	149,992

17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	58,428,844	46,214,999	29,543,343	18,791,548
Trade creditors	23,369	208,438	23,369	208,438
Directors' loan accounts	–	14,356	–	14,356
Other creditors including taxation and social security:				
Corporation tax	4,125	–	4,125	–
Other taxation and social security	12,003	9,809	12,003	9,809
Other creditors	90,470	130,108	87,972	127,610
Due to connected companies	1,311,591	3,642,157	1,310,425	3,640,991
Accruals and deferred income	161,903	419,272	73,916	211,092
	60,032,305	50,639,139	31,055,153	23,003,844

17. CREDITORS: Amounts falling due within one year *(continued)*

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Bank loans and overdrafts	**58,428,844**	46,214,999	**29,543,343**	18,791,548

Bank Securities
The Royal Bank of Scotland plc hold standard securities over the development properties of the company. The Royal Bank of Scotland also hold a standard security over the lease of Blocks A2, B1, B2 and B3 at Springside. The Royal Bank of Scotland plc also hold a bond and floating charge over AMA (New Town) Ltd, AMA Construction (Edinburgh) Ltd, AMA (Cramond) Ltd and AMA (Fusion) Ltd. The Royal Bank of Scotland plc also hold an unlimited inter-company composite guarantee between AMA (New Town) Ltd, AMA (Cramond) Ltd, AMA Construction (Edinburgh) Ltd AMA (Fusion)Ltd and AMA Slateford Ltd supported by first ranking standard securities over all properties of the company. The proceeds of the Silvermills property sales are pledged to the Royal Bank of Scotland plc.

18. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Debenture loans	**24,170**	24,170	**24,170**	24,170
Amounts owed to group undertakings	**–**	–	**1,967,257**	1,968,259
	24,170	24,170	**1,991,427**	1,992,429

Debenture Loans
The Silvermills Car Park project completed during the year ended 30 April 2006 and the company redeemed debentures by handing over individual parking spaces within the completed development to the debenture holders. The £24,170 relates to debentures not yet redeemed by debenture holders.

19. DEFERRED TAXATION

In view of conditions in the sector in which the company operates no deferred tax asset has been recognised.

20. OTHER PROVISIONS

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Maintenance provision	**127,632**	57,739	**112,703**	30,397
Utilised in the year	**-**	(12,413)	**-**	-
Charge to profit & loss	**(32,334)**	82,396	**(36,341)**	82,396
	95,298	127,722	**76,362**	112,793

21. CONTINGENT LIABILITIES

AMA (New Town) Ltd secures all overdraft bank borrowings of AMA Construction (Edinburgh) Ltd, a related company, AMA (Cramond) Ltd and AMA (Fusion) Ltd. At the balance sheet date the overdrafts of these companies were as follows:

AMA Construction (Edinburgh) Ltd	£350,351
AMA (Cramond) Ltd	£20,651,232
AMA (Fusion) Ltd	£8,234,269
AMA (Slateford) Ltd	£nil

HMRC are conducting an aspect tax enquiry into the group accounting and related taxation implications of an earlier year write down in the value of land held for future development and of costs written off in connection with an ongoing development. This enquiry is ongoing and as the Directors cannot predict with any degree of certainty the outcome of the enquiry it is not possible to assess accurately whether there will be any financial cost to the group. However the directors remain of the opinion the accounting treatment was prudent and in accordance with UK GAAP.

22. TRANSACTIONS WITH THE DIRECTORS

Included within creditors due within one year is the following directors loan:-

M. Afshar nil (2010 £14,356).

23. RELATED PARTY TRANSACTIONS

Included in other debtors is an amount of £93,977 due by AMA Building Design & Development (2010 £91,813). Payments of £685,000 were also made to AMA Building Design & Development during the year under normal trading terms. These amounts are included within professional fees. The directors of AMA (New Town) Ltd are partners of AMA Building Design & Development.

Included within creditors due within one year is an amount of £1,310,426 due to AMA Construction (Edinburgh) Ltd (2010 £3,640,991).
Amounts of £1,830,083 were invoiced by AMA Construction (Edinburgh) Ltd to AMA (New Town) Ltd during the year for construction work carried out (2010 £610,200). Overhead recharges totalling £127,587 were invoiced to AMA Construction (Edinburgh) Ltd under normal trading terms (2010 £89,950).

The directors of AMA (New Town) Ltd are all also directors of AMA Construction (Edinburgh) Ltd.

Included within fixed asset investments is a loan of £346,186 due by Majestic (Belford) Ltd, an associated undertaking (2010 £335,395).

During the year the directors received dividends totalling £120,000.

24. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
50,000 Ordinary shares of £1 each	**50,000**	**50,000**	50,000	50,000

25. RESERVES

Group	**Revaluation reserve**	**Profit and loss account**
	£	**£**
Balance brought forward	**587,756**	**6,859,115**
Loss for the year	**–**	**(1,755,862)**
Equity dividends	**–**	**(120,000)**
Balance carried forward	**587,756**	**4,983,253**

Company	**Profit and loss account**
	£
Balance brought forward	**8,797,183**
Loss for the year	**(1,087,863)**
Equity dividends	**(120,000)**
Balance carried forward	**7,589,320**

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Loss for the financial year	**(1,755,862)**	(617,712)
Equity dividends	**(120,000)**	(140,000)
Transfer from revaluation reserve	**–**	873,149
Amortisation of issue expenses on non-equity shares		
Transfer to profit and loss account	**–**	(873,149)
Net reduction to shareholders' funds	**(1,875,862)**	(757,712)
Opening shareholders' funds	**7,496,871**	8,254,583
Closing shareholders' funds	**5,621,009**	7,496,871

27. FINANCIAL COMMITMENTS

At 31 October 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011	2010
	£	£
Expiry date:		
In more than five years	124,000	124,000

28. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating (loss)/profit	**(4,906)**	680,850
Depreciation	**43,402**	54,660
Loss on disposal of fixed assets	**100**	–
(Increase)/decrease in stocks	**(9,502,548)**	5,532,365
Decrease in debtors	**1,950,966**	245,819
Decrease in creditors	**(494,238)**	(234,597)
(Decrease)/increase in provisions	**(32,424)**	72,053
Net cash (outflow)/inflow from operating activities	**(8,039,648)**	6,351,150

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011	2010
	£	£
Interest received	**20,941**	65,380
Interest paid	**(1,776,578)**	(1,413,963)
Interest element of finance leases and similar	**–**	(609)
Net cash outflow from returns on investments and servicing of finance	**(1,755,637)**	(1,349,192)

TAXATION

	2011	2010
	£	£
Taxation	**6,788**	289,110

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011	2010
	£	£
Payments to acquire tangible fixed assets	**(5,746)**	(8,858)
Receipts from sale of fixed assets	**(100)**	1,400,000
Acquisition of fixed asset investments	**–**	(186,420)
Loans to participating interests	**(10,791)**	(475)
Net cash (outflow)/inflow for capital expenditure and financial investment	**(16,637)**	1,204,247

28. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ACQUISITIONS AND DISPOSALS

	2011	2010
	£	£
Disposal of investments in participating interests	**100**	–
Net cash inflow from acquisitions and disposals	**100**	–

FINANCING

	2011	2010
	£	£
Increase in/(repayment of) bank loans	**12,035,471**	(5,082,915)
Net (outflow)/inflow from other short-term creditors	**(2,330,566)**	516,963
Capital element of finance leases and similar	**–**	(3,567)
Net cash inflow/(outflow) from financing	**9,704,905**	(4,569,519)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011		2010
	£	£	£
(Decrease)/increase in cash in the period	**(220,129)**		1,785,796
Net cash (inflow) from/outflow from bank loans	**(12,035,471)**		5,082,915
Net outflow from/(inflow) from other short-term creditors	**2,330,566**		(516,963)
Cash outflow in respect of finance leases and similar	**–**		3,567
		(9,925,034)	6,355,315
Change in net debt		**(9,925,034)**	6,355,315
Net debt at 1 November 2010		**(49,825,066)**	(56,180,377)
Net debt at 31 October 2011		**(59,750,101)**	(49,825,066)

28. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Nov 2010 £	Cash flows £	At 31 Oct 2011 £
Net cash:			
Cash in hand and at bank	56,260	(41,756)	14,504
Overdrafts	–	(178,374)	(178,374)
	56,260	(220,130)	(163,870)
Debt:			
Debt due within 1 year	(49,857,156)	(9,704,905)	(59,562,061)
Debt due after 1 year	(24,170)	–	(24,170)
	(49,881,326)	(9,704,905)	(59,586,231)
Net debt	(49,825,066)	(9,925,035)	(59,750,101)