

COMPANY REGISTRATION NUMBER SCO98553

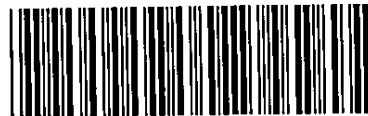
AMA (NEW TOWN) LIMITED
FINANCIAL STATEMENTS
31 OCTOBER 2012

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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 2012

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AMA (NEW TOWN) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A. B. Afshar M. 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 2012

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 October 2012.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the group are property development, house building and land management. The company also provides management services to other group and associated companies.

Despite the continued economic difficulties in the housing market, the group has managed to buck the trend and achieved a turnover in excess £17M. Margins were squeezed, but given the volume of house sales the group managed a healthy gross profit of £3,053,137 and a net profit before interest of £1,261,003.

Although, there was a loss for the financial year of just over 300K, this has only come about as a result of the revaluation of a fixed asset in an associated company. We believe margins are satisfactory and will improve, given our significant emphasis on cost control with care taken not to compromise quality which is the corner stone of the AMA product; the future will be rosier. Another pleasing sign was the Group's inroads into reducing its debt during the period from £58.4M in 2011 to £47.9M; this was driven by a strong operational cashflow and a reduction in stock levels.

Work continued, on the penultimate phase at the Springside development and it was completed ahead of schedule in Feb 13. To date there has been considerable interest with good sales. Several new sites began in 2013; Cramond flats Phase 3 and the conversion of Marchmont School to residential. Both sites have generated much interest with forward sales already achieved.

On the planning side, the group realised two notable planning gains during the year and these consents will help to ensure a stream of ongoing work.

There have been strong sales in the year and had it not been for the revaluation of a fixed asset in an associated company the group would have moved into profit. With this in mind, we believe that the group performance has been very good and the results for the year have been well above the norm in the sector during what continues to be an extremely challenging market.

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

AMA (NEW TOWN) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2012

Financial performance - Group

	2012	2011
	£	£
Turnover	17,021,681	5,954,029
Gross profit	3,053,137	875,563
Operating profit/(loss)	1,909,551	41,844
(Loss)/Profit before tax	(313,157)	(1,758,525)
Net assets	4,720,096	5,621,008

The financial performance for the year to 31st October 2012 has been very good especially given the difficult economic conditions; we are once again extremely pleased with the way the group has performed by bringing exceptionally high quality products on to the market. We are looking forward to the challenges ahead and on to moving into profit as a result of our reviewed company strategies.

Strategy

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

The directors will 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 undeveloped sites.

To achieve our objectives, we will not only work hard to develop and construct our own sites, but we will cultivate old and new relationships with likeminded individuals and organisations, thus adding value not only to our product, but also to our experience and perceived versatility within the industry.

RESULTS AND DIVIDENDS

The loss for the year amounted to £313,157. The directors have not recommended a dividend.

AMA (NEW TOWN) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2012

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 Manclark Safety Management. 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.

DIRECTORS

The directors who served the company during the year were as follows:

A. B. Afshar

M. Afshar

M.T.B. Afshar

M.H.B. Afshar

(Resigned 9 March 2012)

(Resigned 9 March 2012)

AMA (NEW TOWN) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2012

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

	2012	2011
Company	£11,088,181	£4,193,479
Group	£16,921,681	£5,833,029

Global house sales for the company and the group were up on last year. Sales for the 12 months were buoyant and it is hoped that this will continue throughout 2013.

Average sales price per unit

	2012	2011
Company	£276,014	£322,575
Group	£409,638	£343,001

The average sales price per unit for the group and the company is slightly down on last year, this is mainly due to the houses at Springside being offered to the market at a lower value. The products being offered at other AMA developments have continued to command higher unit prices as evidenced by the average sales price to the group.

EBITA

Earnings before interest, tax and goodwill amortisation.

	2012	2011
	£1,261,003	£41,844

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 accounting 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.

AMA (NEW TOWN) LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2012

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:

	2012	2011
	£	£
Charitable	<u>3,250</u>	<u>4,900</u>

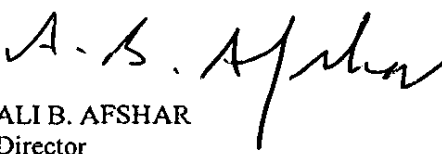
These donations were to various charities covering a range of charitable purposes. The group made no political contributions during the year.

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


ALI B. AFSHAR
Director

Approved by the directors on 31 July 2013

AMA (NEW TOWN) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
AMA (NEW TOWN) LIMITED
YEAR ENDED 31 OCTOBER 2012

We have audited the group and parent company financial statements ("the financial statements") of AMA (New Town) Limited for the year ended 31 October 2012. 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 the 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 2012 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.

AMA (NEW TOWN) LIMITED

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

YEAR ENDED 31 OCTOBER 2012

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 2013

AMA (NEW TOWN) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2012

	Note	2012 £	2011 £
GROUP TURNOVER	2	17,021,681	5,954,029
Cost of sales		<u>13,968,544</u>	<u>5,078,466</u>
GROSS PROFIT		3,053,137	875,563
Selling costs		736,828	165,935
Administrative expenses		614,725	901,667
Other operating income	3	<u>(109,338)</u>	<u>(187,133)</u>
OPERATING PROFIT/(LOSS)	4	1,810,922	(4,906)
Attributable to:			
Operating profit before exceptional items		1,810,922	287,763
Exceptional items	4	<u>—</u>	<u>(292,669)</u>
		1,810,922	(4,906)
Share of associate operating profit		<u>98,629</u>	<u>46,750</u>
TOTAL OPERATING PROFIT: GROUP AND SHARE OF ASSOCIATES		1,909,551	41,844
Share of amount written off investments, associate		<u>(648,548)</u>	<u>—</u>
		1,261,003	41,844
Interest receivable		8,647	20,941
Share of interest receivable, associate		31	31
Interest payable and similar charges	7	<u>(1,530,944)</u>	<u>(1,776,578)</u>
Share of interest payable, associate		<u>(51,894)</u>	<u>(44,763)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(313,157)	(1,758,525)
Tax on loss on ordinary activities	8	<u>—</u>	<u>(2,663)</u>
LOSS FOR THE FINANCIAL YEAR	9	<u>(313,157)</u>	<u>(1,755,862)</u>

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 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	11	111,149	143,876
Investments	12	—	907,969
Investments in associates		—	1,790,439
Other investments		<u>1,490,187</u>	<u>1,790,439</u>
		<u>1,490,187</u>	<u>2,698,408</u>
		<u>1,601,336</u>	<u>2,842,284</u>
CURRENT ASSETS			
Stocks	14	51,991,673	62,666,957
Debtors	15	558,885	249,037
Cash at bank and in hand		998	14,505
		<u>52,551,556</u>	<u>62,930,499</u>
CREDITORS: Amounts falling due within one year	16	<u>49,294,471</u>	<u>60,032,306</u>
NET CURRENT ASSETS		<u>3,257,085</u>	<u>2,898,193</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,858,421</u>	<u>5,740,477</u>
CREDITORS: Amounts falling due after more than one year	17	24,170	24,170
PROVISIONS FOR LIABILITIES			
Other provisions	19	<u>114,155</u>	<u>95,298</u>
		<u>4,720,096</u>	<u>5,621,009</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	50,000	50,000
Revaluation reserve	24	—	587,756
Profit and loss account	24	<u>4,670,096</u>	<u>4,983,253</u>
SHAREHOLDERS' FUNDS	25	<u>4,720,096</u>	<u>5,621,009</u>

These financial statements were approved by the directors and authorised for issue on 31 July 2013, and are signed on their behalf by:

A. B. AFSHAR

A. B. Afshar

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

AMA (NEW TOWN) LIMITED

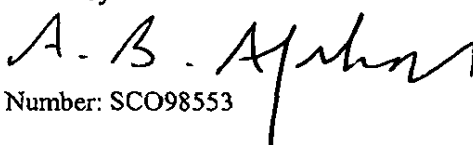
BALANCE SHEET

31 OCTOBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	11	101,472	130,973
Investments	12	10,122,205	11,005,544
		<u>10,223,677</u>	<u>11,136,517</u>
CURRENT ASSETS			
Stocks	14	22,860,758	29,472,645
Debtors	15	754,004	139,018
Cash at bank and in hand		558	14,083
		<u>23,615,320</u>	<u>29,625,746</u>
CREDITORS: Amounts falling due within one year	16	<u>24,531,300</u>	<u>31,055,154</u>
NET CURRENT LIABILITIES		<u>(915,980)</u>	<u>(1,429,408)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,307,697</u>	<u>9,707,109</u>
CREDITORS: Amounts falling due after more than one year	17	1,798,677	1,991,427
PROVISIONS FOR LIABILITIES			
Other provisions	19	48,512	76,362
		<u>7,460,508</u>	<u>7,639,320</u>
CAPITAL AND RESERVES			
Called-up equity share capital	23	50,000	50,000
Profit and loss account	24	7,410,508	7,589,320
SHAREHOLDERS' FUNDS		<u>7,460,508</u>	<u>7,639,320</u>

These financial statements were approved by the directors and authorised for issue on 31 July 2013, and are signed on their behalf by:

A. 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 2012

	Note	2012 £	2011 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	27	12,189,264	(8,039,647)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	27	(1,522,297)	(1,755,637)
TAXATION	27	(4,125)	6,788
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	27	17,370	(16,637)
ACQUISITIONS AND DISPOSALS	27	—	100
EQUITY DIVIDENDS PAID		—	(120,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		10,680,212	(9,925,033)
FINANCING	27	(10,921,677)	9,704,905
DECREASE IN CASH	27	<u>(241,465)</u>	<u>(220,128)</u>

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

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

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.

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

1. ACCOUNTING POLICIES *(continued)*

Stocks and work in progress

Land and residential work in progress is valued at the lower of cost and net realisable value. No profit is taken in respect of houses sold until settlement has been completed.

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.

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

1. ACCOUNTING POLICIES *(continued)*

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 operation existence for the foreseeable future. The validity of this assumption depends on the banks continuing support.

At the date of signing the accounts, the directors are in discussions with the bank to renew the facility and the bank have made an offer to renew the facilities to the group to 30 April 2014, subject to the AMA group achieving sales targets. The directors are confident that these sales targets are achievable. The bank have also indicated that at the date of signing the accounts, they are not aware of any reasons why they would not consider a future request to extend the facilities beyond this date providing all conditions attached to the offer are met.

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 basis.

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:

	2012	2011
	£	£
United Kingdom	<u>17,021,681</u>	<u>5,954,029</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

3. OTHER OPERATING INCOME

	2012 £	2011 £
Rent receivable	214,670	170,630
Other operating income	<u>(105,332)</u>	<u>16,503</u>
	<u>109,338</u>	<u>187,133</u>

	2012 £	2011 £
Other operating income	15,106	16,503
Rent free period	<u>(120,438)</u>	<u>-</u>
	<u>(105,332)</u>	<u>16,503</u>

4. OPERATING PROFIT

Operating profit is stated after charging:

	2012 £	2011 £
Depreciation of owned fixed assets	34,038	43,402
Loss on disposal of fixed assets	-	100
Operating lease costs:		
- Other	98,834	92,750
Auditor's remuneration - audit of the financial statements	24,843	16,175
Auditor's remuneration - other fees	4,950	4,950
Exceptional cost of sales	<u>-</u>	<u>292,669</u>

	2012 £	2011 £
Auditor's remuneration - audit of the financial statements	<u>24,843</u>	<u>16,175</u>

Auditor's remuneration - other fees:

- Accountancy	450	450
- Other services - Taxation	<u>4,500</u>	<u>4,500</u>
	<u>4,950</u>	<u>4,950</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

5. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of administrative staff	<u>16</u>	<u>17</u>

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	198,621	287,914
Social security costs	45,053	47,843
Other pension costs	11,511	15,647
	<u>255,185</u>	<u>351,404</u>

The company operates a defined contribution pension scheme in respect of certain employees. The pension charge represents contributions due by the company. Pension contributions prepaid at the year end mounted to £1,875 (2011 £3,172 contributions outstanding).

6. DIRECTORS' REMUNERATION

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

	2012	2011
	£	£
Remuneration receivable	<u>-</u>	<u>10,500</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on bank borrowing	239,078	942,072
Interest on bank loans	1,291,866	834,506
	<u>1,530,944</u>	<u>1,776,578</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax:		
UK Corporation tax based on the results for the year at -% (2011 - -%)	-	(2,663)
Total current tax	<u>-</u>	<u>(2,663)</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(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:

	2012 £	2011 £
Loss on ordinary activities before taxation	<u>(313,157)</u>	<u>(1,758,525)</u>
Profit on ordinary activities by rate of tax	-	-
Adjustments to tax charge in respect of previous periods	-	(2,663)
Total current tax (note 8(a))	<u>-</u>	<u>(2,663)</u>

9. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(178,812) (2011 - £(1,087,863)).

10. DIVIDENDS

Equity dividends

	2012 £	2011 £
Paid during the year:		
Dividends on equity shares	<u>-</u>	<u>120,000</u>

11. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £	Equipment £	Showhouse furniture £	Total £
COST				
At 1 November 2011	107,538	118,682	487,038	713,258
Additions	-	1,311	-	1,311
At 31 October 2012	<u>107,538</u>	<u>119,993</u>	<u>487,038</u>	<u>714,569</u>
DEPRECIATION				
At 1 November 2011	96,070	90,641	382,671	569,382
Charge for the year	2,294	5,652	26,092	34,038
At 31 October 2012	<u>98,364</u>	<u>96,293</u>	<u>408,763</u>	<u>603,420</u>
NET BOOK VALUE				
At 31 October 2012	<u>9,174</u>	<u>23,700</u>	<u>78,275</u>	<u>111,149</u>
At 31 October 2011	<u>11,468</u>	<u>28,041</u>	<u>104,367</u>	<u>143,876</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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11. TANGIBLE FIXED ASSETS *(continued)*

Company	Fixtures & Fittings £	Equipment £	Showhouse furniture £	Total £
COST				
At 1 November 2011	107,538	118,682	377,509	603,729
Additions	—	1,311	—	1,311
At 31 October 2012	<u>107,538</u>	<u>119,993</u>	<u>377,509</u>	<u>605,040</u>
DEPRECIATION				
At 1 November 2011	96,070	90,641	286,045	472,756
Charge for the year	2,294	5,652	22,866	30,812
At 31 October 2012	<u>98,364</u>	<u>96,293</u>	<u>308,911</u>	<u>503,568</u>
NET BOOK VALUE				
At 31 October 2012	<u>9,174</u>	<u>23,700</u>	<u>68,598</u>	<u>101,472</u>
At 31 October 2011	<u>11,468</u>	<u>28,041</u>	<u>91,464</u>	<u>130,973</u>

12. INVESTMENTS

Group	Joint ventures & participating interests £	Shared equity and secured loans £	Total £
See Note 13 for details of Loans.			
COST			
At 1 November 2011 and 31 October 2012	<u>1</u>	<u>347,295</u>	<u>347,296</u>
LOANS			
At 1 November 2011	1,443,143	-	1,443,143
Repaid in year	(18,681)	-	(18,681)
Impairment provision	(281,571)	-	(281,571)
At 31 October 2012	<u>1,142,891</u>	<u>-</u>	<u>1,142,891</u>
NET BOOK VALUE			
At 31 October 2012	<u>1,142,892</u>	<u>347,295</u>	<u>1,490,187</u>
At 31 October 2011	<u>1,443,144</u>	<u>347,295</u>	<u>1,790,439</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

12. 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
AMA (Majestic) Limited (formerly Majestic (Buildings) Ltd)	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%
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Nature of business: Property investment & development

Majestic (Belford) Ltd's year-end was 30 April 2012 and this is not co-terminous with the group. Special accounts have been prepared to 31 October 2012 for consolidation purposes only. AMA (Majestic) Ltd (formerly Majestic (Buildings) Ltd) holds a 50% share of Majestic (Belford) Ltd.

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

12. INVESTMENTS *(continued)*

Share of assets of associates:	
Share of assets, associate	- 3,440,604
Share of liabilities, associate	- (2,532,635)
Share of net assets	<u>- 907,969</u>

Company	Group companies	Joint ventures & participating interests	Shared equity	
	£	£	£	£
COST				
At 1 November 2011 and 31 October 2012	<u>537,693</u>	<u>-</u>	<u>263,225</u>	<u>800,918</u>
LOANS				
At 1 November 2011	8,761,483	1,443,143	-	10,204,626
Repaid in year	(583,087)	(18,681)	-	(601,768)
Impairment provision	-	(281,571)	-	(281,571)
At 31 October 2012	<u>8,178,396</u>	<u>1,142,891</u>	<u>-</u>	<u>9,321,287</u>
NET BOOK VALUE				
At 31 October 2012	<u>8,716,089</u>	<u>1,142,891</u>	<u>263,225</u>	<u>10,122,205</u>
At 31 October 2011	<u>9,299,176</u>	<u>1,443,143</u>	<u>263,225</u>	<u>11,005,544</u>

Loans to subsidiary undertakings have no set repayment terms.

During the year ended 31/10/11 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.

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

13. LOANS TO JOINT VENTURES AND PARTICIPATING INTERESTS

	Loans to participat- -ing interests £	Loan to a company formerly a joint venture £	Total £
At 1 November 2011	346,185	1,096,958	1,443,143
Repayments	(18,681)		(18,681)
Impairment provision	(281,571)		(281,571)
At 31 October 2012	<u>45,933</u>	<u>1,096,958</u>	<u>1,142,891</u>

14. STOCKS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Work in progress	<u>51,991,673</u>	<u>62,666,957</u>	<u>22,860,758</u>	<u>29,472,645</u>

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

15. DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
VAT recoverable	52,392	27,381	—	27,362
Other debtors	370,322	208,678	370,322	98,678
Directors loan accounts	18,314	—	18,314	—
Prepayments and accrued income	117,857	12,978	365,368	12,978
	<u>558,885</u>	<u>249,037</u>	<u>754,004</u>	<u>139,018</u>

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans and overdrafts	47,936,124	58,428,844	23,165,888	29,543,343
Trade creditors	52,640	23,370	52,640	23,370
Other creditors including taxation and social security:				
Corporation tax	—	4,125	—	4,125
Other taxation and social security	12,013	12,003	32,883	12,003
Other creditors	83,720	90,470	81,220	87,972
Due to connected companies	1,128,904	1,311,591	1,127,740	1,310,425
Accruals and deferred income	81,070	161,903	70,929	73,916
	<u>49,294,471</u>	<u>60,032,306</u>	<u>24,531,300</u>	<u>31,055,154</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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16. 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	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	<u>47,936,124</u>	<u>58,428,844</u>	<u>-</u>	<u>29,543,343</u>

Bank Securities

The Royal Bank of Scotland plc hold standard securities over the development properties of the company. 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.

The directors have almost concluded discussions with the bank to renew the facility, the bank have confirmed their support and agreement shall be reached in the near future.

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Debenture loans	24,170	24,170	24,170	24,170
Amounts owed to group undertakings	-	-	1,774,507	1,967,257
	<u>24,170</u>	<u>24,170</u>	<u>1,798,677</u>	<u>1,991,427</u>

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.

18. DEFERRED TAXATION

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

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

19. OTHER PROVISIONS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Maintenance provision	95,298	127,632	76,362	112,703
Charge to profit & loss	18,857	(32,334)	(27,850)	(36,341)
	<u>114,155</u>	<u>95,298</u>	<u>48,512</u>	<u>76,362</u>

20. 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	£219,747
AMA (Cramond) Ltd	£17,102,445
AMA (Fusion) Ltd	£7,667,789
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.

21. TRANSACTIONS WITH THE DIRECTORS

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

M.H.B. Afshar £18,314 (2011 nil).

The loan was repaid subsequent to the year end.

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

22. RELATED PARTY TRANSACTIONS

Included in other debtors is an amount of £321,731 due by AMA Building Design & Development (2011 £93,977). Payments of £395,393 were also made to AMA Building Design & Development during the year under normal trading terms. These amounts are included within direct 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 £1,127,740 due to AMA Construction (Edinburgh) Ltd (2011 £1,310,246).

Amounts of £2,750,000 were invoiced by AMA Construction (Edinburgh) Ltd to AMA (New Town) Ltd during the year for construction work carried out (2011 £1,830,083). Management fees and other overhead recharges totalling £337,786 were invoiced to AMA Construction (Edinburgh) Ltd under normal trading terms (2011 £127,587).

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 £45,933 due by Majestic (Belford) Ltd, an associated undertaking (2011 £346,186).

Included within creditors due within one year is an amount of £1,164 due to Silvermills Car Park Ltd (2011 £1,164).

23. SHARE CAPITAL

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

24. RESERVES

Group	Revaluation reserve £	Profit and loss account £
Balance brought forward	587,756	4,983,253
Loss for the year	—	(313,157)
Other movements		
- transfer to/from revaluation reserve	(587,756)	—
Balance carried forward	<u>—</u>	<u>4,670,096</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

24. RESERVES *(continued)*

Company	Profit and loss account £
Balance brought forward	7,589,320
Loss for the year	<u>(178,812)</u>
Balance carried forward	<u>7,410,508</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Loss for the financial year	(313,157)	(1,755,862)
Equity dividends	—	(120,000)
Amortisation of issue expenses on non-equity shares		
Transfer from revaluation reserve to profit and loss account	<u>(587,756)</u>	—
Net reduction to shareholders' funds	(900,913)	(1,875,862)
Opening shareholders' funds	<u>5,621,009</u>	<u>7,496,871</u>
Closing shareholders' funds	<u>4,720,096</u>	<u>5,621,009</u>

26. FINANCIAL COMMITMENTS

At 31 October 2012 the company had annual commitments under non-cancellable operating leases as follows:

	2012 £	2011 £
Expiry date:		
In more than five years	124,000	124,000

27. NOTES TO THE CASH FLOW STATEMENT

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

	2012 £	2011 £
Operating profit/(loss)	1,810,922	(4,906)
Depreciation	34,038	43,402
Loss on disposal of fixed assets	—	100
Decrease/(increase) in stocks	10,675,284	(9,502,548)
(Increase)/decrease in debtors	(291,534)	1,950,966
Decrease in creditors	(58,303)	(494,237)
Increase/(decrease) in provisions	<u>18,857</u>	<u>(32,424)</u>
Net cash inflow/(outflow) from operating activities	<u>12,189,264</u>	<u>(8,039,647)</u>

AMA (NEW TOWN) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2012

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

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012	2011
	£	£
Interest received	8,647	20,941
Interest paid	<u>(1,530,944)</u>	<u>(1,776,578)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(1,522,297)</u>	<u>(1,755,637)</u>

TAXATION

	2012	2011
	£	£
Taxation	<u>(4,125)</u>	<u>6,788</u>

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012	2011
	£	£
Payments to acquire tangible fixed assets	(1,311)	(5,746)
Receipts from sale of fixed assets	—	(100)
Loans to participating interests	—	(10,791)
Repayment of loans by participating interests	<u>18,681</u>	<u>—</u>
Net cash inflow/(outflow) for capital expenditure and financial investment	<u>17,370</u>	<u>(16,637)</u>

ACQUISITIONS AND DISPOSALS

	2012	2011
	£	£
Disposal of investments in participating interests	—	100
Net cash inflow from acquisitions and disposals	<u>—</u>	<u>100</u>

FINANCING

	2012	2011
	£	£
(Repayment of)/increase in bank loans	(10,720,676)	12,035,471
Net outflow from other short-term creditors	(182,687)	(2,330,566)
Repayment of directors' long-term loans	<u>(18,314)</u>	<u>—</u>
Net cash (outflow)/inflow from financing	<u>(10,921,677)</u>	<u>9,704,905</u>

AMA (NEW TOWN) LIMITED
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27. NOTES TO THE CASH FLOW STATEMENT *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012	2011
	£	£
Decrease in cash in the period	(241,465)	(220,128)
Net cash outflow from/(inflow) from bank loans	10,720,676	(12,035,471)
Net outflow from other short-term creditors	182,687	2,330,566
Cash outflow from directors' long-term loans	18,314	—
	<u>10,680,212</u>	<u>(9,925,033)</u>
Change in net debt	10,680,212	(9,925,033)
Net debt at 1 November 2011	(59,750,100)	(49,825,066)
Net debt at 31 October 2012	<u>(49,069,886)</u>	<u>(59,750,100)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Nov 2011	Cash flows	At 31 Oct 2012
	£	£	£
Net cash:			
Cash in hand and at bank	14,505	(13,507)	998
Overdrafts	(178,374)	(227,956)	(406,330)
	<u>(163,869)</u>	<u>(241,463)</u>	<u>(405,332)</u>
Debt:			
Debt due within 1 year	(59,562,061)	10,903,363	(48,658,698)
Debt due after 1 year	(24,170)	18,314	(5,856)
	<u>(59,586,231)</u>	<u>10,921,677</u>	<u>(48,664,554)</u>
Net debt	<u>(59,750,100)</u>	<u>10,680,214</u>	<u>(49,069,886)</u>