

SCOTTISH TRUST MANAGERS LIMITED

FINANCIAL STATEMENTS

31st MARCH 2010

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SCOTTISH TRUST MANAGERS LIMITED

CONTENTS

	Page
Company information	1
Report of the Directors	2 - 3
Auditors' report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	6
Balance sheet	7
Notes to the financial statements	8 - 12

SCOTTISH TRUST MANAGERS LIMITED

COMPANY INFORMATION

Directors

C S R Stroyan

C N Bardswell

E Y Whittingdale

S A Talbot-Williams

Secretary

R W Toye

Registered office

Temple Chambers
3 - 7, Temple Avenue
London
EC4Y 0HP

Auditors

Moore Stephens LLP
150, Aldersgate Street
London EC1A 4AB

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their report together with the audited financial statements of the company for the year ended 31st March 2010

Principal activity

The principal activity of the company is property investment

Review of the business

In the light of the economic circumstances and with particular reference to the uncertainties surrounding the future of the London property market, a strategic decision was taken in the autumn of 2009 to wind-down the operations of the Company

The programme of refurbishment was completed during the year and certain properties will now be sold. The minority shareholder has informed the board that he will consider making a bid for the Company with a view to continuing operations in a reduced form. If this does not come to fruition, the remainder of the property portfolio will be placed on the market later in 2010 and the trading operations brought to a halt.

Results and dividend

The loss for the year after tax amounted to £13,393 (2009 £8,805 profit). The directors paid an interim dividend of £300,000 (2009 - £Nil). The directors do not recommend the payment of a final dividend (2009 £Nil).

Directors

The directors who held office during the period were

C S R Stroyan
C N Bardswell
E Y Whittingdale
S A Talbot-Williams

REPORT OF THE DIRECTORS
(Continued)

Directors' responsibilities for financial statements

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors have

- selected suitable accounting policies and applied them consistently,
- made judgements and estimates that are reasonable and prudent, and
- prepared the financial statements on the going concern basis.

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

Directors' Disclosure of Information to Auditors

Each of the persons who are directors at the time when this report is approved has confirmed that

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) each director has taken all steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and of the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Basis of Preparation

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The report of the directors was approved by the Board on 28th July 2010 and signed on its behalf by



Roger William Toye
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SCOTTISH TRUST MANAGERS LIMITED**

We have audited the financial statements of Scottish Trust Managers Limited for the year ended 31st March 2010 which are set out on pages 6 to 12. 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 members, as a body, in accordance with Sections 495 - 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 Boards (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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st March 2010 and of its 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 matter prescribed by the Companies Act 2006

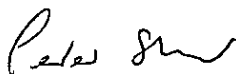
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SCOTTISH TRUST MANAGERS LIMITED (Continued)**

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Peter Stewart, Senior Statutory Auditor

For and on behalf of Moore Stephens LLP, Statutory Auditor
150, Aldersgate Street
London
EC1A 4AB

Date 30 July 2010

SCOTTISH TRUST MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st March 2010

	Note	2010 £	2009 £
Turnover: continuing operations	1	22,193	25,292
Administration expenses		(43,069)	(22,026)
		<hr/>	<hr/>
Operating (loss)/profit: continuing operations	2	(20,876)	3,266
Interest receivable	3	1,121	6,067
Interest payable	4	(230)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(19,985)	9,333
Tax on (loss)/profit on ordinary activities	6	6,592	(528)
		<hr/>	<hr/>
(Loss)/profit for the year	13	(13,393)	8,805
		<hr/>	<hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st March 2010

	2010 £	2009 £
(Loss)/profit for the financial year	(13,393)	8,805
Unrealised surplus on property revaluation	90,000	750
	<hr/>	<hr/>
Total recognised gains	76,607	9,555
	<hr/>	<hr/>

SCOTTISH TRUST MANAGERS LIMITED

BALANCE SHEET

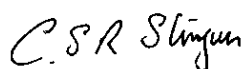
Company Registration No.: 315883

at 31st March 2010

	Note	2010 £	2009 £
Tangible assets	7	766,250	669,750
Current assets			
Debtors	8	7,261	1,116
Cash at bank		15,978	224,615
		23,239	225,731
Creditors: Amounts falling due within one year	9	(8,893)	(11,492)
Net current assets		14,346	214,239
Total assets less current liabilities		780,596	883,989
Creditors: Amounts falling due after more than one year	10	(120,000)	-
Net assets		660,596	883,989
Capital and reserves			
Called up share capital	12	8,000	8,000
Revaluation reserve	13	622,906	532,906
Other reserve	13	3,065	3,065
Profit and loss account	13	26,625	340,018
Shareholders' funds		660,596	883,989

These financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies regime

The financial statements were approved and authorised for issue by the Board on 28th July 2010 and signed on its behalf by



Colin Strathearn Ropner Stroyan
Director

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

1. ACCOUNTING POLICIES

Accounting convention

These financial statements are prepared in accordance with applicable accounting standards under the historical cost convention modified by the revaluation of investment properties

Turnover

Turnover comprises rental income receivable

Deferred Taxation

Deferred taxation is provided on timing differences that have originated, but not reversed by the balance sheet date on a non-discounted basis

Deferred taxation assets are recognised only to the extent that it is more likely than not that there will be suitable trading profits from which future reversals of the underlying timing differences can be deducted. No provision is made where the amounts involved are not material

Investment properties

Investment properties are revalued annually at open market value and any surplus or deficit is transferred to investment property revaluation reserve. Permanent deficits on individual properties are charged in the profit and loss account which is also credited with subsequent reversals

Cash flow statement

The company is exempt from preparing a cash flow statement

2. OPERATING (LOSS)/PROFIT

	2010 £	2009 £
Operating profit is arrived at after charging		
Auditors' remuneration	5,288	5,351
	<u> </u>	<u> </u>

3. INTEREST RECEIVABLE

	2010 £	2009 £
Bank interest	1,121	6,067
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

4. INTEREST PAYABLE

	2010 £	2009 £
Interest on a loan from immediate parent undertaking repayable on notice within two years	230	-

5. EMPLOYEES AND DIRECTORS

The company has no employees and the directors did not receive any emoluments in the year (2009 Nil)

Interest in transactions

Payments for advice and property services, including the collection of rents, amounting to £6,570 (2009 £3,317) were made to S A Talbot-Williams or to a company controlled by him

6. TAXATION

	2010 £	2009 £
(a) Analysis of tax (credit)/charge for the year		
UK Corporation tax	(6,084)	2,029
Prior year over provision	(508)	(1,501)
	<hr/>	<hr/>
Current tax (credit)/charge	(6,592)	528
	<hr/>	<hr/>
(b) Factors affecting current tax charge for the year		
(Loss)/profit on ordinary activities before tax at 28% (2009 28%)	(5,596)	2,613
Effect of		
Other	(488)	(584)
Prior year over provision	(508)	(1,501)
	<hr/>	<hr/>
Current tax (credit)/charge	(6,592)	528
	<hr/>	<hr/>

SCOTTISH TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

7. TANGIBLE ASSETS

	Freehold investment properties £
Open Market value at 1 st April 2009	669,750
Additions in year	6,500
Revaluation in year	90,000
	<hr/>
Open market value at 31 st March 2010	766,250
	<hr/>

The properties were revalued by the directors at the balance sheet date at the open market value. Comparable historical cost of properties is £143,344.

Taxation of £174,414 (2009: £149,200) would be payable if the properties were disposed of at their market value.

8. DEBTORS

	2010 £	2009 £
Group relief receivable	6,084	-
Prepayments and accrued income	1,177	1,116
	<hr/>	<hr/>
	7,261	1,116
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Corporation Tax	-	2,029
Accruals and deferred income	8,893	8,995
Other creditors	-	468
	<hr/>	<hr/>
	8,893	11,492
	<hr/>	<hr/>

SCOTTISH TRUST MANAGERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31st March 2010****10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010	2009
	£	£
Loan from immediate parent undertaking repayable on notice within two years	120,000	-
	<u> </u>	<u> </u>

11. DIVIDENDS

	2010	2009
	£	£
Interim paid		
Per "A" Ordinary share - £1,500 (2009 - £Nil)	225,000	-
Per "B" Ordinary share - £1,500 (2009 - £Nil)	75,000	-
	<u> </u>	<u> </u>
	300,000	-
	<u> </u>	<u> </u>

12. CALLED UP SHARE CAPITAL
Authorised, allotted and fully paid

	2010	2009
	£	£
150 "A" ordinary shares of £1 each	150	150
50 "B" ordinary shares of £1 each	50	50
7,800 deferred shares of £1 each	7,800	7,800
	<u> </u>	<u> </u>
	8,000	8,000
	<u> </u>	<u> </u>

Deferred shareholders' rights

Deferred shareholders have no rights to participate in the profits of the company. On a winding-up they are entitled to receive the amount paid up on such shares after the holders of the Ordinary Shares have been paid, but have no other right to participate in the assets of the company. Deferred shareholders have no right to receive notice of or to attend or vote at a General Meeting of the company.

NOTES TO THE FINANCIAL STATEMENTS

31st March 2010

13. RESERVES

	Revaluation reserve £	Other reserve £	Profit and loss account £
At 1 st April 2009	532,906	3,065	340,018
Movement during the year	90,000	-	(13,393)
Dividend paid	-	-	(300,000)
	<hr/>	<hr/>	<hr/>
At 31 st March 2010	622,906	3,065	26,625
	<hr/>	<hr/>	<hr/>

14. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	883,989	874,434
(Loss)/profit for the year	(13,393)	8,805
Dividend paid	(300,000)	-
Revaluation in the year	90,000	750
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Closing shareholders' funds	660,596	883,989
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15. PARENT UNDERTAKING

The immediate parent undertaking is Teniwood Securities Limited. The ultimate parent undertaking is Iowa Land Company Limited, which is incorporated in England. Group accounts are available to the public on payment of the appropriate fee from Companies Registration Office, Companies House, Crown Way, Cardiff, CF4 3UZ.

16. POST BALANCE SHEET EVENTS

The grant of a long lease has been negotiated, but contracts not yet exchanged, on one property held at 31st March 2010, for a consideration marginally in excess of the valuation placed on it by the directors at the balance sheet date. A second property has been placed for auction with the expectation that it will achieve the valuation placed on it by the directors at the balance sheet date.

It is estimated that on completion of the property sales that a small profit or loss would be recorded as part of next year's financial statements.