

**Dundonald (Cumbernauld) Limited**

**Financial statements**

**30 June 2007**

**Company Registration Number 5983938**

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# Dundonald (Cumbernauld) Limited

## Financial statements

Period ended 30 June 2007

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# **Dundonald (Cumbernauld) Limited**

## **Directors and advisors**

### **The board of directors**

E M Ziff  
T J Crawford  
R A Lewis  
R H Bigley  
K L Prior  
D S Gee

### **Company secretary**

K L Prior

### **Registered office**

Town Centre House  
The Merrion Centre  
Leeds  
LS2 8LY

### **Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants  
& Registered Auditors  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

### **Bankers**

Lloyds TSB Bank PLC  
The Royal Bank of Scotland

# Dundonald (Cumbernauld) Limited

## Directors' report

### Period ended 30 June 2007

The directors present their report and the financial statements of the company for the period ended 30 June 2007

### Principal activities and business review

The principal activity of the company during the year was property investment

The loss for the period amounted to £11,879 (2006 £) The directors have not recommended a dividend

### Future outlook

The performance of the company is in line with the previous year and also with directors expectations. We remain confident that in spite of a downturn in investment property conditions that we should maintain our current level of performance in the future

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks

The key business risks and uncertainties affecting the company are considered to relate to the possibility of a recession in the UK economy and the impact this may have on the long-term viability of key tenants and the subsequent impact on the valuation of our investment property portfolio

### Key performance indicators ("KPI's")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

### Directors

The directors who served the company during the period were as follows

E M Ziff	(Appointed 9 May 2007)
T J Crawford	(Appointed 31 October 2006)
R A Lewis	(Appointed 9 May 2007)
R H Bigley	(Appointed 9 May 2007)
K L Prior	(Appointed 31 October 2006)
D S Gee	(Appointed 9 May 2007)

All directors at the year end are directors of Town Centre Securities PLC, the ultimate parent undertaking, and their interests in the share capital of group companies are disclosed in that company's financial statements

### Directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make 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 company will continue in business

# Dundonald (Cumbernauld) Limited

## Directors' report *(continued)*

### Period ended 30 June 2007

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.

In so far as the directors are aware

there is no relevant audit information of which the company'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.

### Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the Board



K L Prior  
Company Secretary

12 February 2008

# Dundonald (Cumbernauld) Limited

## Independent auditors' report to the members of Dundonald (Cumbernauld) Limited

We have audited the financial statements of Dundonald (Cumbernauld) Limited for the period ended 30 June 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss for the period then ended.

the financial statements have been properly prepared in accordance with the Companies Act 1985 and the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants & Registered Auditors  
Leeds

12 February 2008

## **Dundonald (Cumbernauld) Limited**

### **Profit and loss account**

**Period ended 30 June 2007**

	Note	2007 £
<b>Turnover</b>		<b>23,831</b>
Property expenses		<u>(3,745)</u>
<b>Operating profit</b>		<b>20,086</b>
Interest receivable		<u>(31,965)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(11,879)</b>
Tax on loss on ordinary activities	3	<u>—</u>
<b>Loss for the financial period</b>		<b><u>(11,879)</u></b>

### **Statement of Total recognised gains and losses**

**Year ended 30 June 2007**

	2007 £
Loss for the financial period	<u>(11,879)</u>
Unrealised gain on the revaluation of certain fixed assets	<u>135,364</u>
<b>Total gains and losses recognised for the period</b>	<b><u>123,485</u></b>

There is no material difference between the reported profit and that calculated on an historical cost basis

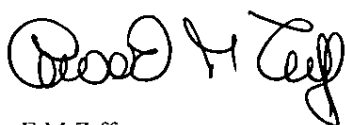
# Dundonald (Cumbernauld) Limited

## Balance sheet

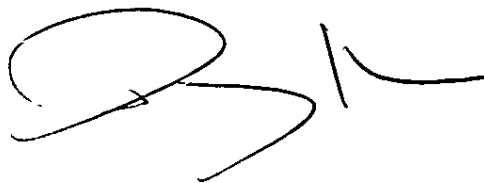
30 June 2007

	Note	2007 £
<b>Fixed assets</b>		
Tangible assets	4	<u>2,300,000</u>
<b>Current assets</b>		
Debtors	5	262,947
<b>Creditors Amounts falling due within one year</b>	6	<u>(2,439,461)</u>
<b>Net current liabilities</b>		<u>(2,176,514)</u>
<b>Total assets less current liabilities</b>		<u>123,486</u>
<b>Capital and reserves</b>		
Called-up equity share capital	8	1
Revaluation reserve	9	135,364
Profit and loss account	9	<u>(11,879)</u>
<b>Shareholders' funds</b>	10	<u>123,486</u>

These financial statements on pages 5 to 11 were approved by the directors on the 12 February 2008 and are signed on their behalf by



E M Ziff  
Director





## **Dundonald (Cumbernauld) Limited**

### **Cash flow statement**

**Period ended 30 June 2007**

	Note	2007 £
Net cash inflow from operating activities	11	2,196,600
Returns on investments and servicing of finance	11	(31,965)
Capital expenditure and financial investment	11	(2,164,636)
Cash outflow before financing		<u>(1)</u>
Financing	11	1
Increase in cash		<u>—</u>

The cash flow statement should be read in conjunction with the Note given above

# Dundonald (Cumbernauld) Limited

## Notes to the financial statements

Period ended 30 June 2007

### 1 Accounting policies

#### Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards

The principle accounting policies which have been applied consistently are as follows

#### Rental income

Turnover which excludes value added tax, represents the invoiced value of rent and services supplied to customers. Rental income is accounted for as it falls due in accordance with the lease to which it relates

#### Investment properties

Investment properties are included in the accounts at open market values based on a valuation as at 30 June each year. Short leasehold properties are held at cost and are amortised over the life of the lease

#### Depreciation and amortisation

In accordance with SSAP 19 "Accounting for Investment Properties", no depreciation or amortisation is provided in respect of freehold and long leasehold investment properties, including fixed plant, which is included in properties. The requirement of the Companies Act 1985 is to depreciate all properties but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The Directors consider that this accounting policy is necessary for the Accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the accounts' valuation and the amount attributable to this factor cannot be separately identified or quantified. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation

#### Profit available for distribution

Surpluses arising on revaluations of properties are not regarded as being available for dividend and are therefore, transferred to non distributable reserves

### 2 Operating Profit

None of the directors received any emoluments in respect of their services to the company during the year (2006 £nil). The company had no other employee's in the year to 30 June 2007

### 3 Taxation on ordinary activities

#### Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30%

	2007 £
Loss on ordinary activities before taxation	(11,879)
Loss on ordinary activities by rate of tax	(3,564)
Losses to carry forward against future profits	3,564
Total current tax	-

# Dundonald (Cumbernauld) Limited

## Notes to the financial statements

Period ended 30 June 2007

### 4 Tangible fixed assets

	Freehold Property £
Cost or valuation	
Additions	2,164,636
Revaluation	135,364
At 30 June 2007	<u>2,300,000</u>
Net book value	
At 30 June 2007	<u>2,300,000</u>

Investment properties were revalued as at 30 June 2007 on the basis of open market value. In arriving at the total valuation each property has been valued individually and no allowance has been made for expenses of realisation or for taxation which may arise in the event of a disposal. The valuation was carried out by Jones Lang La Salle.

### 5 Debtors

	2007 £
Trade debtors	21,297
Amounts owed by parent undertaking	241,650
	<u>262,947</u>

### 6 Creditors: Amounts falling due within one year

	2007 £
Trade creditors and accruals	20,546
Amounts owed to Town Centre Securities PLC	2,418,915
	<u>2,439,461</u>

### 7 Related party transactions

Town Centre Securities PLC provided administrative and secretarial services to the company free of charge. During the year the loan to Town Centre Securities PLC has been repaid and a loan from Town Centre Securities PLC to the company has been granted with interest payable, of £31,965, being charged at a commercial rate.

### 8 Share capital

#### Authorised share capital.

	2007 £
1,000 Ordinary shares of £1 each	<u>1,000</u>
Allotted, called up and fully paid	
Ordinary shares of £1 each	<u>1</u>

# Dundonald (Cumbernauld) Limited

## Notes to the financial statements

Period ended 30 June 2007

### 9 Reserves

	Revaluation reserve £	Profit and loss account £
Loss for the period	—	(11,879)
Surplus on revaluation of investment properties	135,364	—
Balance carried forward	<u>135,364</u>	<u>(11,879)</u>

### 10 Reconciliation of movements in shareholders' funds

	2007 £
Loss for the financial period	(11,879)
New ordinary share capital subscribed	1
Surplus on revaluation of investment properties	135,364
Net addition to shareholders' funds	<u>123,486</u>
Closing shareholders' funds	<u>123,486</u>

### 11 Notes to the statement of cash flows

#### Reconciliation of operating profit to net cash inflow from operating activities

	2007 £
Operating profit	20,086
Increase in debtors	(262,947)
Increase in creditors	2,439,461
Net cash inflow from operating activities	<u>2,196,600</u>

#### Returns on investments and servicing of finance

	2007 £
Interest received	(31,965)
Net cash outflow from returns on investments and servicing of finance	<u>(31,965)</u>

#### Capital expenditure

	2007 £
Payments to acquire tangible fixed assets	(2,164,636)
Net cash outflow from capital expenditure	<u>(2,164,636)</u>

#### Financing

	2007 £
Issue of equity share capital	1
Net cash inflow from financing	<u>1</u>

## **Dundonald (Cumbernauld) Limited**

### **Notes to the financial statements**

**Period ended 30 June 2007**

#### **11 Notes to the statement of cash flows (*continued*)**

The cash flow statement should be read in conjunction with the Note given above

#### **12 Capital and other commitments**

The company had no capital or other commitments not provided for at the 30 June 2007

#### **13 Parent undertaking and controlling party**

The company's parent undertaking and controlling party is Dundonald Property Developments Limited , a company incorporated in England