

COMPANY REGISTRATION NUMBER 5983938

Dundonald (Cumbernauld) Limited

Financial statements

30 June 2008

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Dundonald (Cumbernauld) Limited

Financial statements

Year ended 30 June 2008

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Dundonald (Cumbernauld) Limited

Directors and advisors

The board of directors

E M Ziff
T J Crawford (resigned 24 July 2008)
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

Auditor

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

Bankers

Lloyds Banking Group PLC

The Royal Bank of Scotland

Dundonald (Cumbernauld) Limited

Directors' report

Year ended 30 June 2008

The directors present their report and the financial statements of the Company for the year ended 30 June 2008.

Principal activities and business review

The principal activity of the Company during the year was property investment.

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 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.

Results and dividends

The loss for the year amounted to £53,178. The directors have not recommended a dividend.

Directors

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

E M Ziff
T J Crawford (resigned 24 July 2008)
R A Lewis
R H Bigley
K L Prior
D S Gee

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)*

Year ended 30 June 2008

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.

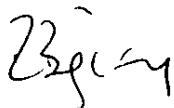
In so far as the directors are aware:

- 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.

Auditor

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 directors



R H Bigley
Finance Director

Approved by the directors on 18 March 2009

Dundonald (Cumbernauld) Limited

Independent auditor's report to the shareholders of Dundonald (Cumbernauld) Limited for the year ended 30 June 2008

We have audited the financial statements of Dundonald (Cumberland) Ltd for the period ended 30 June 2008 which comprise the profit and loss account, statement of total recognised gains and losses, 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 auditor

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 shareholders 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 other information in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the list of Directors and advisors and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 2008 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

PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
Leeds
18 March 2009

Dundonald (Cumbernauld) Limited

Profit and loss account

Year ended 30 June 2008

	Note	2008 £	2007 £
Turnover		130,362	23,831
Property expenses		(2,462)	(3,745)
Operating profit	3	127,900	20,086
Interest payable		(181,078)	(31,965)
Loss on ordinary activities before taxation		(53,178)	(11,879)
Tax on loss on ordinary activities	4	—	—
Loss for the financial year		<u>(53,178)</u>	<u>(11,879)</u>

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

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The notes on pages 9 to 13 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Statement of total recognised gains and losses

Year ended 30 June 2008

	2008 £	2007 £
Loss for the financial year attributable to the shareholders	(53,178)	(11,879)
Unrealised (loss)/profit on revaluation of certain fixed assets	(110,000)	135,364
Total gains and losses recognised since the last financial statements	<u>(163,178)</u>	<u>123,485</u>

The notes on pages 9 to 13 form part of these financial statements.

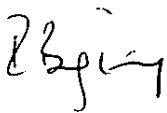
Dundonald (Cumbernauld) Limited

Balance sheet

As at 30 June 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	5	<u>2,190,000</u>	<u>2,300,000</u>
Current assets			
Debtors	6	217,797	262,947
Creditors: Amounts falling due within one year	7	<u>(2,447,489)</u>	<u>(2,439,461)</u>
Net current liabilities		<u>(2,229,692)</u>	<u>(2,176,514)</u>
Total assets less current liabilities		<u>(39,692)</u>	<u>123,486</u>
Capital and reserves			
Called-up equity share capital	9	1	1
Revaluation reserve	10	25,364	135,364
Profit and loss account	10	<u>(65,057)</u>	<u>(11,879)</u>
Shareholders' (deficit)/funds	11	<u>(39,692)</u>	<u>123,486</u>

These financial statements were approved by the directors and authorised for issue on 18 March 2009, and are signed on their behalf by:


R H Bigley
Finance Director

The notes on pages 9 to 13 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Cash flow statement

Year ended 30 June 2008

	Note	2008 £	2007 £
Net cash inflow from operating activities	12	181,078	2,196,600
Returns on investments and servicing of finance	12	(181,078)	(31,965)
Capital expenditure and financial investment	12	—	(2,164,636)
Cash outflow before financing		<u>—</u>	<u>(1)</u>
Financing	12	—	1
Increase in cash		<u>—</u>	<u>—</u>

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

The notes on pages 9 to 13 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2008

1. Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention as modified by the revaluation of certain tangible fixed assets, in accordance with the Companies Act 1985, and with applicable UK accounting standards.

The principal 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 financial statements at open market values based on external valuation as at 30 June each year.

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 financial statements to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the financial statements' 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

Unrealised gains/(losses) arising on the revaluation of property 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 (2007: £nil). The Company had no other employees in the year to 30 June 2008 (2007: none).

3. Operating profit

Operating profit is stated after charging:

	2008	2007
	£	£
Auditor's fees in respect of the statutory audit	500	-

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2008

4. Taxation on ordinary activities

(a) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 29.50% (2007 - 30%).

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(53,178)</u>	<u>(11,879)</u>
Loss on ordinary activities by rate of tax	<u>(11,167)</u>	<u>(3,564)</u>
Losses to carry forward against future profits	<u>11,167</u>	<u>3,564</u>
Total current tax	<u>-</u>	<u>-</u>

(b) Factors that may affect future tax charges

The standard rate of corporation tax in the UK changes to 28% with effect from 1 April 2008.

At 30 June 2008, the company had accumulated tax losses with a tax value of £11,167 (2007: £3,564), which are available for offset against future taxable profits of the same trade, but where no deferred tax has been recognised.

5. Tangible fixed assets

	Freehold Property £
Cost or valuation	
At 1 July 2007	2,300,000
Revaluation	<u>(110,000)</u>
At 30 June 2008	<u>2,190,000</u>
Net book value	
At 30 June 2008	<u>2,190,000</u>
At 30 June 2007	<u>2,300,000</u>

Investment properties have been revalued as at 30 June 2008 on the basis of open market value. The valuation was carried out by Jones Lang La Salle in accordance with the Royal Institution of Chartered Surveyors Appraisal and Investment Manual.

6. Debtors

	2008 £	2007 £
Trade debtors	-	21,297
Amounts owed by parent undertaking	<u>217,797</u>	<u>241,650</u>
	<u>217,797</u>	<u>262,947</u>

Amounts owed by parent undertaking are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2008

7. Creditors: Amounts falling due within one year

	2008	2007
	£	£
Trade creditors	3,335	–
Amounts owed to Town Centre Securities PLC	2,418,599	2,418,915
Other creditors	2,509	–
Accruals and deferred income	23,046	20,546
	<u>2,447,489</u>	<u>2,439,461</u>

Amounts due to Town Centre Securities PLC are unsecured, interest free, and repayable on demand. The Directors have received confirmation from the ultimate parent undertaking that they do not intend to seek repayment within one year.

8. Related party transactions

Town Centre Securities PLC provided administrative and secretarial services to the Company free of charge. Interest payable on the loan from Town Centre Securities PLC, of £181,078, is being charged at a commercial rate.

9. Share capital

Authorised share capital:

	2008	2007
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10. Reserves

	Revaluation reserve	Profit and loss account
	£	£
Balance brought forward	135,364	(11,879)
Loss for the year	–	(53,178)
Deficit on revaluation of investment properties	(110,000)	–
Balance carried forward	<u>25,364</u>	<u>(65,057)</u>

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2008

11. Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Loss for the financial year	(53,178)	(11,879)
New ordinary share capital subscribed	—	1
Deficit on revaluation of investment properties	(110,000)	135,364
Net (reduction)/addition to shareholders' funds	(163,178)	123,486
Opening shareholders' funds	123,486	—
Closing shareholders' (deficit)/funds	<u>(39,692)</u>	<u>123,486</u>

12. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2008 £	2007 £
Operating profit	127,900	20,086
Decrease/(increase) in debtors	45,150	(262,947)
Increase in creditors	8,028	2,439,461
Net cash inflow from operating activities	<u>181,078</u>	<u>2,196,600</u>

Returns on investments and servicing of finance

	2008 £	2007 £
Interest paid	(181,078)	(31,965)
Net cash outflow from returns on investments and servicing of finance	<u>(181,078)</u>	<u>(31,965)</u>

Capital expenditure

	2008 £	2007 £
Payments to acquire tangible fixed assets	—	(2,164,636)
Net cash outflow from capital expenditure	<u>—</u>	<u>(2,164,636)</u>

Financing

	2008 £	2007 £
Issue of equity share capital	—	1
Net cash inflow from financing	<u>—</u>	<u>1</u>

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

13. Capital and other commitments

The Company had no capital or other commitments not provided for at the 30 June 2008.

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2008

14. Parent undertaking and controlling party

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