

Dundonald (Cumbernauld) Limited

Financial statements

30 June 2010



Dundonald (Cumbernauld) Limited

Financial statements

Year ended 30 June 2010

Contents	Page
Directors and advisors	1
The directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9

Dundonald (Cumbernauld) Limited

Directors and advisors

The board of directors

E M Ziff
R A Lewis
D S Gee
C J Kelly

Company secretary

C J Kelly

Registered office

Town Centre House
The Merrion Centre
Leeds
LS2 8LY

Auditor

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

Bankers

Lloyds Banking Group plc

Dundonald (Cumbernauld) Limited

The directors' report

Year ended 30 June 2010

The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 30 June 2010. The directors' report has been prepared in accordance with the small companies regime of the Companies Act 2006.

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. Conditions in the investment property market have stabilised and the directors are confident that the company will maintain its 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 potential for a double dip 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. Property values are currently stable and the company has sufficient bank facilities and headroom in place. The company has no over-reliance on any one tenant. These factors are considered to mitigate the risks outlined.

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 profit for the year amounted to £95,265 (2009: £21,503). The directors have not recommended a dividend (2009: £nil).

Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, cash flow and fair value interest rate risk. In addition to the mitigating factors outlined above, the majority of the Company's borrowings are protected against future interest rate volatility through an interest rate swap.

Directors

The directors who served the Company during the year, and up to the date of signing the financial statements, were as follows:

E M Ziff

R A Lewis

D S Gee

C J Kelly

R H Bigley

(Appointed 12 April 2010)

(Resigned 30 November 2009)

Dundonald (Cumbernauld) Limited

The directors' report *(continued)*

Year ended 30 June 2010

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 of the profit or loss of the Company for that period. 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 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.

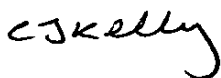
In so far as the directors are aware

- 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.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the directors



C J Kelly
Company Secretary

Approved by the directors on 23 March 2011

Dundonald (Cumbernauld) Limited

Independent auditor's report to the shareholders of Dundonald (Cumbernauld) Limited for the year ended 30 June 2010

We have audited the financial statements of Dundonald (Cumbernauld) Limited for the year ended 30 June 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. 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).

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 Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for, and only for, the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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 30 June 2010 and of its profit and cash flows 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.

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.



Steve Denison (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

 March 2011

Dundonald (Cumbernauld) Limited

Profit and loss account

Year ended 30 June 2010

	Note	2010 £	2009 £
Turnover		140,155	130,362
Property expenses		(1,342)	(10,049)
Other operating income	3	1,791	—
Operating profit	4	140,604	120,313
Interest receivable		—	36
Interest payable and similar charges		(45,339)	(98,846)
Profit on ordinary activities before taxation		95,265	21,503
Tax on profit on ordinary activities	5	—	—
Profit for the financial year	11	95,265	21,503

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 12 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Statement of total recognised gains and losses

Year ended 30 June 2010

	2010	2009
	£	£
Profit for the financial year attributable to the shareholders	95,265	21,503
Unrealised gain/(loss) on revaluation of certain fixed assets	20,000	(310,000)
Total gains and losses recognised since the last annual report	<u>115,265</u>	<u>(288,497)</u>

The notes on pages 9 to 12 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Balance sheet

30 June 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	6	<u>1,900,000</u>	<u>1,880,000</u>
Current assets			
Debtors	7	—	253
Creditors: Amounts falling due within one year	8	<u>(2,112,924)</u>	<u>(2,208,442)</u>
Net current liabilities		<u>(2,112,924)</u>	<u>(2,208,189)</u>
Total assets less current liabilities		<u>(212,924)</u>	<u>(328,189)</u>
Capital and reserves			
Called-up equity share capital	10	1	1
Revaluation reserve	11	(264,636)	(284,636)
Profit and loss account	11	<u>51,711</u>	<u>(43,554)</u>
Shareholders' deficit	12	<u>(212,924)</u>	<u>(328,189)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements on pages 5 to 12 were approved by the directors and authorised for issue on 23 March 2011, and are signed on their behalf by



C J Kelly
Finance Director

Company Registration Number 5983938

The notes on pages 9 to 12 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Cash flow statement

Year ended 30 June 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	13	45,339	98,810
Returns on investments and servicing of finance	13	(45,339)	(98,810)
Increase in cash		—	—

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

The notes on pages 9 to 12 form part of these financial statements.

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain fixed assets and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The Directors have received confirmation from the joint venture parties, the parent company and the other group undertakings that they do not intend to seek repayment of amounts owed within one year of the date of approval of these financial statements, and that they will continue to support the business for the foreseeable future

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 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. Directors' emoluments

None of the directors received any emoluments in respect of their services to the company during the year (2009 £nil). The company had no other employees in the year to 30 June 2010 (2009 none)

3. Other operating income

	2010	2009
	£	£
Other operating income	<u>1,791</u>	<u>—</u>

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2010

4. Operating profit

Operating profit is stated after charging

	2010	2009
	£	£
Auditor's fees	<u>500</u>	<u>500</u>

5. Tax on profit on ordinary activities

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2009 lower) than the standard rate of corporation tax in the UK of 28% (2009 28%)

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>95,265</u>	<u>21,503</u>
Profit on ordinary activities multiplied by the standard rate of tax	26,674	6,021
Utilisation of tax losses	(20,006)	(4,516)
Difference between standard rate and small companies rate of tax	<u>(6,668)</u>	<u>(1,505)</u>
Total current tax	<u>-</u>	<u>-</u>

6. Tangible fixed assets

	Freehold Property £
Cost or valuation	
At 1 July 2009	1,880,000
Revaluation	<u>20,000</u>
At 30 June 2010	<u>1,900,000</u>
Net book value	
At 30 June 2010	<u>1,900,000</u>
At 30 June 2009	<u>1,880,000</u>

Investment properties were revalued as at 30 June 2010 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 in accordance with the Royal Institution of Chartered Surveyors Appraisal and Investment Manual.

7. Debtors

	2010	2009
	£	£
Trade debtors	<u>-</u>	<u>253</u>

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2010

8. Creditors: Amounts falling due within one year

	2010 £	2009 £
Trade creditors	897	—
Amounts owed to Town Centre Securities PLC	1,692,197	1,755,758
Amounts owed to parent undertaking	367,288	410,777
VAT	12,354	5,071
Other creditors	10,090	3,097
Accruals and deferred income	30,098	33,739
	<u>2,112,924</u>	<u>2,208,442</u>

Amounts owed to Town Centre Securities PLC and to parent undertaking are unsecured and repayable on demand. The directors have received confirmation from those companies that they do not intend to seek repayment within one year of the date of approval of these financial statements.

9. Related party transactions

Town Centre Securities PLC provided administrative and secretarial services to the company free of charge. During the year, interest payable of £45,339 (2009 £98,846) on the loan from Town Centre Securities PLC was charged at a commercial rate.

10. Share capital

Authorised share capital:

	2010 £	2009 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11. Reserves

	Revaluation reserve £	Profit and loss account £
Balance brought forward	(284,636)	(43,554)
Profit for the year	—	95,265
Deficit on revaluation of investment properties	<u>20,000</u>	<u>—</u>
Balance carried forward	<u>(264,636)</u>	<u>51,711</u>

Dundonald (Cumbernauld) Limited

Notes to the financial statements

Year ended 30 June 2010

12. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	95,265	21,503
Deficit on revaluation of investment properties	20,000	(310,000)
Net addition/(reduction) to shareholders' deficit	115,265	(288,497)
Opening shareholders' deficit	(328,189)	(39,692)
Closing shareholders' deficit	<u>(212,924)</u>	<u>(328,189)</u>

13. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2010 £	2009 £
Operating profit	140,604	120,313
Decrease in debtors	253	217,544
Decrease in creditors	(95,518)	(239,047)
Net cash inflow from operating activities	<u>45,339</u>	<u>98,810</u>

Returns on investments and servicing of finance

	2010 £	2009 £
Interest received	—	36
Interest paid	(45,339)	(98,846)
Net cash outflow from returns on investments and servicing of finance	<u>(45,339)</u>	<u>(98,810)</u>

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

14. Capital and other commitments

The Company had no capital or other commitments not provided for at 30 June 2010 (2009 £nil)

15. Parent undertaking and controlling party

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