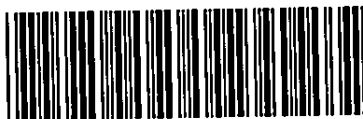


Registration number 6133270

Esplanade Secretarial Services Limited

Directors' Report and Financial Statements
for the Year Ended 28 February 2010

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Esplanade Secretarial Services Limited

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Esplanade Secretarial Services Limited
Officers and Advisers

Directors C M Di Ciacca
Esplanade Director Limited

Secretaries I A Goldberg
Debbie Wrightson

Registered office Europa House
20 Esplanade
Scarborough
YO11 2AQ

Auditors Mazars LLP
90 St Vincent Street
Glasgow
G2 5UB

Esplanade Secretarial Services Limited

Directors' Report for the Year Ended 28 February 2010

The directors present their report and the audited financial statements for the year ended 28 February 2010. The company registration number is 6133270.

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Principal activity and business review

The principal activity of the company is the provision of Company Secretarial services to fellow group companies.

Both the level of activity for the year and the financial position at the end of the year were as anticipated and the directors expect that the current level of activity will be sustained for the foreseeable future.

Results and dividends

The results of the company are set out on page 6.

The directors do not recommend the payment of a dividend (2009 £nil).

Esplanade Secretarial Services Limited

Directors' Report for the Year Ended 28 February 2010

continued

Principal risks and uncertainties

We draw attention to the Going Concern disclosures on page 8 relating to the group's ongoing discussions with its principal lender concerning the renegotiation of the group's bank facility

Other principal risks and uncertainties mainly relate to volatility of interest rates and the state of the UK property market. These risks and uncertainties are managed on a group basis and are discussed in more detail in the annual report of the ultimate parent company, Scarborough Group International Limited

Directors

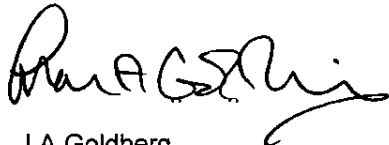
The directors who held office during the year and up to the date of this report were as follows

- C M Di Ciacca
- Esplanade Director Limited

Auditors

Mazars LLP continue in office in accordance with section 487(2) Companies Act 2006

Approved by the Board on 26 November 2010 and signed on its behalf by



I A Goldberg
Company Secretary

Independent Auditors' Report to the Members of Esplanade Secretarial Services Limited

We have audited the financial statements of Esplanade Secretarial Services Limited for the year ended 28 February 2010 which comprise the Profit and Loss Account, the Balance Sheet and 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 2, 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 (APB's) Ethical Standards for Auditors. This report is made solely to the company's members, 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 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2010 and of its profit 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1, under the heading Going Concern. The company is dependant upon Scarborough Group International Limited continuing to provide it with sufficient funding for the foreseeable future. This assumes that Scarborough Group International Limited reaches a satisfactory conclusion in relation to the renegotiation of its bank facilities.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments which would result if the company was unable to continue as a going concern.

Opinion on the 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.

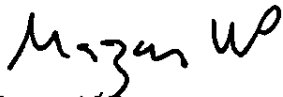
**Independent Auditors' Report to the Members of
Esplanade Secretarial Services Limited**

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



Mazars LLP,
Chartered Accountants (Statutory auditor)

Richard Metcalfe (Senior statutory auditor)

90 St Vincent Street
Glasgow
G2 5UB

Date

26/11/10

Esplanade Secretarial Services Limited**Profit and Loss Account for the Year Ended 28 February 2010**

	Note	2010 £	2009 £
Turnover		41,445	43,925
Cost of sales		(34,621)	(36,715)
Gross profit		<u>6,824</u>	<u>7,210</u>
Administrative expenses		(2,496)	(2,018)
Operating profit	2	<u>4,328</u>	<u>5,192</u>
Interest receivable and similar income		669	381
Profit on ordinary activities before taxation		<u>4,997</u>	<u>5,573</u>
Tax on profit on ordinary activities	5	(1,504)	(1,570)
Profit for the financial year		<u><u>3,493</u></u>	<u><u>4,003</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

There is no material difference between the result reported above and the result on an unmodified historical cost basis

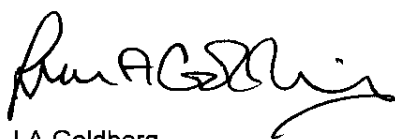
The notes on pages 8 to 11 form an integral part of these financial statements

Esplanade Secretarial Services Limited

Balance Sheet as at 28 February 2010

		2010	2009
	Note	£	£
Current assets			
Debtors	6	20,919	16,384
Creditors: Amounts falling due within one year	7	<u>(11,147)</u>	<u>(10,105)</u>
Net assets		<u>9,772</u>	<u>6,279</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss reserve	9	<u>9,771</u>	<u>6,278</u>
Equity shareholders' funds	10	<u>9,772</u>	<u>6,279</u>

The financial statements were approved by the Board on 26 November 2010 and signed on its behalf by



I A Goldberg

for and on behalf of Esplanade Director Limited
Director

The notes on pages 8 to 11 form an integral part of these financial statements

Esplanade Secretarial Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2010

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and the accounting policies set out below, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Cash flow statement

In accordance with Financial Reporting Standard No 1 (revised) the company is exempt from the requirement to produce a cash flow statement on the basis that a consolidated cash flow statement is prepared by Scarborough Group International Limited, the parent undertaking of the smallest and largest group for which group accounts are drawn up and of which the company is a member

Going concern

These financial statements have been prepared on a going concern basis which assumes that the company is able to realise its assets and discharge its liabilities in the normal course of business

In common with other subsidiaries of Scarborough Group International Limited ("the group") the company is reliant upon the continued availability of group funding. The current intention of the group is that, for the foreseeable future, it will continue to make available sufficient funds as are needed by its subsidiaries and that it will not seek repayment of amounts already made available

The recent fall in property values has resulted in the group not meeting its financial covenants contained within the group's main bank facility with Bank of Scotland, now part of Lloyds Banking Group. Consequently, at the date of approval of these financial statements, the group's existing bank facilities are repayable on demand and therefore there is a material uncertainty in relation to the group's ability to provide the company with sufficient ongoing funding. However, the facility is currently being renegotiated and the directors believe that their discussions with the bank will lead to a satisfactory conclusion

Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis as they expect that the group will continue to be able to provide its subsidiaries with sufficient funding for the foreseeable future to enable the subsidiaries to meet their liabilities as they fall due

Turnover

Turnover is derived from the principal activity

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted

Esplanade Secretarial Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2010

continued

2 Operating profit

Operating profit is stated after charging

	2010 £	2009 £
Auditors' remuneration - audit services	1,250	1,200
Auditors' remuneration - non audit services	850	400

3 Particulars of employees

The average number of employees during the year (excluding directors) was nil (2009 nil)

4 Directors' emoluments

No emoluments were paid to the directors during the year (2009 £nil)

5 Taxation

Analysis of current period tax charge

	2010 £	2009 £
Current tax		
Corporation tax charge	1,504	1,570

The tax charge for the year is lower than (2009 equal to) the standard rate of corporation tax in the UK of 28% (2009 28 17%) The difference is explained below

	£	£
Profit on ordinary activities before taxation	4,997	5,573
Profit on ordinary activities multiplied by standard UK tax rate	1,399	1,570
Disallowable expenditure	105	-
	1,504	1,570

Esplanade Secretarial Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2010

continued

6 Debtors

	2010 £	2009 £
Trade debtors	397	86
Amounts owed by group undertakings	13,772	8,758
Prepayments and accrued income	6,750	7,540
	<u>20,919</u>	<u>16,384</u>

7 Creditors: Amounts falling due within one year

	2010 £	2009 £
Corporation tax	3,074	1,570
Social security and other taxes	497	251
Accruals and deferred income	7,576	8,284
	<u>11,147</u>	<u>10,105</u>

8 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
Equity		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

9 Reserves

	Profit and loss reserve £
Balance at 1 March 2009	6,278
Profit for the year	<u>3,493</u>
Balance at 28 February 2010	<u>9,771</u>

Esplanade Secretarial Services Limited

Notes to the Financial Statements for the Year Ended 28 February 2010

continued

10 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Profit attributable to members of the company	3,493	4,003
	<u>3,493</u>	<u>4,003</u>
Opening equity shareholders' funds	6,279	2,276
Closing equity shareholders' funds	<u>9,772</u>	<u>6,279</u>

11 Contingent liabilities

The company is party to a guarantee covering the bank loans of Scarborough Group Limited and its subsidiaries, which at 28 February 2010 stood at £261,200,057 (2009 £96,552,557). The guarantee was secured by a standard security over fixed assets and a bond and floating charge over all the assets of the respective companies.

12 Related parties

Controlling entity

The immediate parent undertaking is Scarborough Property Company Limited, a company registered in Scotland. The ultimate parent company is Scarborough Group International Limited, a company also registered in Scotland.

The parent undertaking of the largest and smallest group for which group accounts are drawn up and of which the company is a member, is Scarborough Group International Limited. Copies of the accounts of Scarborough Group International Limited can be obtained from 93 George Street, Edinburgh, EH2 3ES.

In the opinion of the directors, K C McCabe is the ultimate controlling party.

Related party transactions

As permitted under FRS 8, paragraph 3c, transactions with entities within the Scarborough Group International Limited group have not been disclosed.