

C*

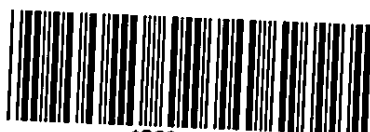
Ochil Developments (UK) Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2011

WEDNESDAY



S234A60X

SCT

27/02/2013

#193

COMPANIES HOUSE

Ochil Developments (UK) Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M. Al Tajir
D. King

SECRETARY

Burness Paull & Williamsons LLP

REGISTERED OFFICE

Burnside of Balhaldie
Dunblane
Perthshire
FK15 0NB

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

BANKERS

Lloyds Banking Group plc
The Mound
Edinburgh
EH1 1YZ

Ochil Developments (UK) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Ochil Developments (UK) Limited for the year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the development of land for housing and leisure purposes.

DIRECTORS

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

M. Al Tajir

D. King

I. Valder

(Retired 10 May 2011)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



M. Al Tajir

Director

26th February 2013

Ochil Developments (UK) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OCHIL DEVELOPMENTS (UK) LIMITED

We have audited the financial statements on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As more fully explained 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 and express an opinion on 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.

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 website at www.frc.org.uk/apb/scope/private.cfm.

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 31 December 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 modified, we have considered the adequacy of disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern, principally in respect of the need to renegotiate the repayment terms of the bank funding. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company were unable to continue as a going concern.

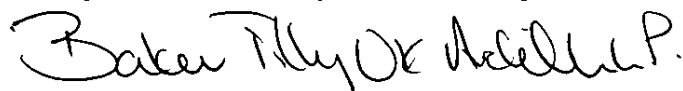
Opinion on other matter prescribed by the Companies Act 2006

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.



ALAN AITCHISON (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Breckenridge House

274 Sauchiehall Street

Glasgow G2 3EH

26th February 2013

Ochil Developments (UK) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

		2011	2010
	<i>Notes</i>	£	£
TURNOVER		—	—
Administrative expenses		11,197	27,693
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(11,197)</u>	<u>(27,693)</u>
Taxation	2	(466,765)	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	10	<u>455,568</u>	<u>(27,693)</u>

Ochil Developments (UK) Limited

BALANCE SHEET

31 December 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	3	<u>42,222,121</u>	<u>44,864,672</u>
CURRENT ASSETS			
Stocks		7,544,250	—
Debtors	4	1,270,323	644,975
Cash at bank and in hand		<u>477</u>	<u>93</u>
		8,815,050	645,068
CREDITORS			
Amounts falling due within one year	5	<u>35,486,363</u>	<u>30,573,083</u>
NET CURRENT LIABILITIES		<u>(26,671,313)</u>	<u>(29,928,015)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		15,550,808	14,936,657
CREDITORS			
Amounts falling due after more than one year	6	15,000,500	15,000,500
Deferred taxation	7	<u>1,295,494</u>	<u>1,136,911</u>
		<u>(745,186)</u>	<u>(1,200,754)</u>
CAPITAL AND RESERVES			
Called up share capital	9	1	1
Profit and loss account	10	<u>(745,187)</u>	<u>(1,200,755)</u>
DEFICIT		<u>(745,186)</u>	<u>(1,200,754)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 12 were approved by the board of directors and authorised for issue on 26th February 2013 and are signed on their behalf by:

M. Al Tajir
Director



Ochil Developments (UK) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

FIXED ASSETS

Property held for development is stated at cost including, where appropriate, gross capitalised interest less provision for any known or anticipated loss.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% Reducing balance
Motor Vehicles	- 25% Reducing balance
Computer Equipment	- 33.33% Reducing balance

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

GOING CONCERN

The Company is completing a property development project. As such, the Company is not yet revenue generative and is dependent upon the ongoing support of its Bank, Lloyd's Banking Group, and fellow related Companies to fund completion of the project. At the year end, the Group had outstanding bank loans of £34.9m and intercompany loans of £15.0m and is therefore dependent upon this ongoing support to enable it to continue as a going concern. The related Companies have provided assurance that they will continue to support the project and the Bank facilities have been extended to 31 May 2013 to allow negotiations to complete on the extension of the development facility. Given the stage of completion, the Directors believe that these new bank facilities will be successfully negotiated and on that basis consider it appropriate to prepare the accounts on a Going Concern basis.

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1 OPERATING LOSS

Operating loss is stated after charging:

	2011	2010
	£	£
Auditor's fees	<u>6,937</u>	<u>7,000</u>

2 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2011	2010
	£	£
Current tax:		
Over/under provision in prior year	(625,348)	-
Total current tax	<u>(625,348)</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences (note 7)		
Losses	-	148,075
Other	<u>158,583</u>	<u>(148,075)</u>
Total deferred tax (note 7)	<u>158,583</u>	<u>-</u>
Tax on loss on ordinary activities	<u>(466,765)</u>	<u>-</u>

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

3 TANGIBLE FIXED ASSETS

	Development in Progress £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
Cost					
At 1 January 2011	44,665,756	322,322	43,796	40,936	45,072,810
Additions	4,726,430	280,860	—	1,564	5,008,854
Transfers	(7,544,250)	—	—	—	(7,544,250)
At 31 December 2011	<u>41,847,936</u>	<u>603,182</u>	<u>43,796</u>	<u>42,500</u>	<u>42,537,414</u>
Depreciation					
At 1 January 2011	—	153,972	29,939	24,226	208,137
Charge for the year	—	97,627	3,464	6,065	107,156
At 31 December 2011	<u>—</u>	<u>251,599</u>	<u>33,403</u>	<u>30,291</u>	<u>315,293</u>
Net book value					
At 31 December 2011	<u>41,847,936</u>	<u>351,583</u>	<u>10,393</u>	<u>12,209</u>	<u>42,222,121</u>
At 31 December 2010	<u>44,665,756</u>	<u>168,350</u>	<u>13,857</u>	<u>16,710</u>	<u>44,864,673</u>

During the year the company capitalised finance costs of £980,116 (2010: £812,442).

Hire purchase agreements

Included within the net book value of £42,222,121 is £262,777 (2010 - £Nil) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £49,458 (2010 - £Nil).

4 DEBTORS

	2011 £	2010 £
Amounts owed by group undertakings	<u>1,270,323</u>	<u>644,975</u>

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

5 CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Bank overdrafts	34,911,378	30,179,220
Other taxation and social security costs	38,115	280,025
Obligations under hire purchase agreements	141,098	—
Other creditors	395,772	113,838
	<u>35,486,363</u>	<u>30,573,083</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2011	2010
	£	£
Bank overdrafts	<u>34,911,378</u>	<u>30,179,220</u>

The Bank of Scotland hold a standard security and floating charge over the property and assets of the company.

6 CREDITORS: Amounts falling due after more than one year

	2011	2010
	£	£
Amounts owed to group undertakings	15,000,000	15,000,000
Other creditors	500	500
	<u>15,000,500</u>	<u>15,000,500</u>

7 DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2011	2010
	£	£
Provision brought forward	1,136,911	1,136,911
Profit and loss account movement arising during the year	158,583	—
Provision carried forward	<u>1,295,494</u>	<u>1,136,911</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2011	2010
	£	£
Other timing differences	<u>1,295,494</u>	<u>1,136,911</u>
	<u>1,295,494</u>	<u>1,136,911</u>

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

8 RELATED PARTY TRANSACTIONS

The companies related party transactions during the year are summarised as follows:-

Related Party	Relationship	Transactions	Amount £	Balance due (to)/ from at 31/12/11 £
King Farms Limited	Common Director	Management charges	(126,518)	nil
Blackford Farms Limited	Common Director	Management charges	(120,000)	nil
King Contractors (Perth) Limited	Common Director	Purchases	(89,874)	nil

The companies related party transactions during the prior year are summarised as follows:-

Related Party	Relationship	Transactions	Amount £	Balance due (to)/ from at 31/12/10 £
King Farms Limited	Common Director	Management charges Other purchases	(131,647) (2,150)	nil
Blackford Farms Limited	Common Director	Management charges Land purchase	(120,000) (75,000)	nil
King Contractors (Perth) Limited	Common Director	Purchases	(162,929)	nil

9 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid: 1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

10 PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
At the beginning of the year	(1,200,755)	(1,173,062)
Profit/(loss) for the financial year	<u>455,568</u>	<u>(27,693)</u>
At the end of the year	<u>(745,187)</u>	<u>(1,200,755)</u>

11 CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £2,117,673 (2010 - £Nil).

Ochil Developments (UK) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

12 ULTIMATE PARENT COMPANY

The directors regard Park Tower Holdings Establishment, which is registered in Liechtenstein, to be the ultimate parent company. The immediate parent undertaking is Ochil Developments Limited, which is registered in Gibraltar.