

Registered number: SC 255675

CALA Land Investments (Bearsden) Limited

Report and accounts

for the year ended 30 June 2009

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CALA Land Investments (Bearsden) Limited

Report and accounts for the year ended 30 June 2009

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CALA Land Investments (Bearsden) Limited

Directors and advisers

Directors

Alan D Brown
Gerald C More (resigned 16 December 2009)
Neil J Stoddart
Alastair J H Hepburn (resigned 21 December 2009)
J Graham G Reid (appointed 16 December 2009)
Alastair White (appointed 16 December 2009)

Company secretary

Moir R Sibbald

Registered office

Adam House
5 Mid New Cultins
Edinburgh
EH11 4DU

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Erskine House
PO Box 90
68/73 Queen Street
Edinburgh
EH2 4NH

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

CALA Land Investments (Bearsden) Limited

Registered number SC255675

Directors' report for the year ended 30 June 2009

The directors present their report and audited financial statements of the company for the year ended 30 June 2009.

Principal activities

The principal activity of the company is to obtain planning permission for the site located at Bearsden bus garage and thereafter either develop or sell the site. The company was established for this purpose and the directors do not anticipate any change in the principal activity in the foreseeable future.

The results of the company show a loss on ordinary activities before taxation of £604,199 (2008: £784,704) for the financial year.

Future outlook

The directors intend to continue the work towards the achievement of planning permission for the company's site.

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 risk affecting the company is the granting of planning consent.

Key performance indicators

The directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company.

Dividends

The directors do not recommend the payment of a dividend (2008: £nil).

Political and charitable donations

The company made no political or charitable donations during the year (2008: £nil).

Going concern

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

The company is reliant on the support of CALA Group Limited and other group subsidiaries (together the "group") for its funding.

CALA Land Investments (Bearsden) Limited

Directors' report for the year ended 30 June 2009 (continued)

Going concern (continued)

As part of a financial restructuring of CALA Group Limited on 21 December 2009, the company became a wholly owned subsidiary of CALA Group Limited (formerly it was owned jointly with Bank of Scotland). The restructuring is centred on a debt for equity conversion that reduces the group's gearing, strengthens its balance sheet and puts in place agreed group borrowing facilities until 30 June 2013. The restructuring also included the conversion of £7,576,000 of intercompany debt owed by the company into share capital.

CALA Group Limited has indicated that it is its current intention that, for at least 12 months from the date of approval of these financial statements, it will continue to make available sufficient funds as are needed by the company to enable it to continue trading and to meet its day to day commitments in the normal course of business, and in particular it will not seek repayment at the current time of the amounts already made available. The directors are not aware of any current plans for disposal of the company. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis.

Post balance sheet event

On 21 December 2009 a financial restructuring of the group and company was completed. More information is set out in note 13.

Statement of 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 these 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;

CALA Land Investments (Bearsden) Limited

Directors' report for the year ended 30 June 2009 (continued)

- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the 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.

In accordance with the Companies Act 2006, an elective resolution has been passed by shareholders in order to dispense with the need to hold annual general meetings and to appoint auditors annually. PricewaterhouseCoopers LLP shall therefore continue as auditors to the company.

This report has been prepared in accordance with the small companies regime of the Companies Act 2006 relating to small companies.

By order of the board



M R Sibbald

Company secretary

9 February 2010

CALA Land Investments (Bearsden) Limited

Independent auditors' report to the members of CALA Land Investments (Bearsden) Limited

We have audited the financial statements of CALA Land Investments (Bearsden) Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Accounting Policies 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 2009 and of its loss 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.

CALA Land Investments (Bearsden) Limited

Independent auditors' report to the members of CALA Land Investments (Bearsden) Limited (continued)

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.



Mark Hoskyns-Abram (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

9 February 2010

CALA Land Investments (Bearsden) Limited

Profit and loss account for the year ended 30 June 2009

	Note	2009 £	2008 £
Administrative expenses		<u>(3,959)</u>	<u>(6,038)</u>
Operating loss		(3,959)	(6,038)
Interest payable and similar charges	2	<u>(600,240)</u>	<u>(778,666)</u>
Loss on ordinary activities before taxation	1	(604,199)	(784,704)
Tax on loss on ordinary activities	4	<u>(607,840)</u>	<u>256,292</u>
Loss for the financial year	10	<u>(1,212,039)</u>	<u>(528,412)</u>

All activities are continuing.

The company has no recognised gains or losses other than those recognised above, and therefore no separate statement of total recognised gains and losses has been presented.

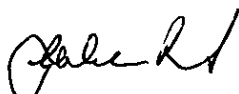
There is no difference between the loss on ordinary activities before taxation and the loss for the financial year, and their historical cost equivalents.

CALA Land Investments (Bearsden) Limited

Balance sheet at 30 June 2009

	Note	2009 £	2008 £
Current assets			
Stocks	5	9,169,079	8,838,142
Debtors	6	-	609,514
Cash at bank and in hand		<u>77,717</u>	<u>77,747</u>
		9,246,796	9,525,403
Creditors: amounts falling due within one year	7	<u>(12,542,383)</u>	<u>(11,608,951)</u>
Net current liabilities		<u>(3,295,587)</u>	<u>(2,083,548)</u>
Capital and reserves			
Called up share capital	9	4	4
Profit and loss account	10	<u>(3,295,591)</u>	<u>(2,083,552)</u>
Total shareholders' deficit	11	<u>(3,295,587)</u>	<u>(2,083,548)</u>

The financial statements on pages 7 to 16 were approved by the Board of Directors on 9 February 2010 and signed on its behalf by



J G G Reid
Director

CALA Land Investments (Bearsden) Limited

Cash flow statement for the year ended 30 June 2009

	Note	2009 £	2008 £
Net cash inflow from operating activities	A	<u>600,210</u>	<u>673,667</u>
Returns on investments and servicing of finance			
Interest paid		<u>(600,240)</u>	<u>(778,666)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(600,240)</u>	<u>(778,666)</u>
Taxation		<u>-</u>	<u>124,878</u>
(Decrease)/increase in cash	C	<u>(30)</u>	<u>19,879</u>

A. Reconciliation of operating loss to net cash inflow from operating activities

	2009 £	2008 £
Operating loss	(3,959)	(6,038)
Increase in stocks	(330,937)	(139,578)
Decrease/(increase) in debtors	1,674	(1,258)
Increase in creditors	<u>933,432</u>	<u>820,541</u>
Net cash inflow from operating activities	<u>600,210</u>	<u>673,667</u>

B. Reconciliation of net cash flow to net funds

	2009 £	2008 £
(Decrease)/increase in cash in the year	(30)	19,879
Net funds at beginning of the year	<u>77,747</u>	<u>57,868</u>
Net funds at end of the year	<u>77,717</u>	<u>77,747</u>

C. Analysis of net funds

	As at 1 July 2008 £	Cash flow £	As at 30 June 2009 £
Cash at bank and in hand	<u>77,747</u>	<u>(30)</u>	<u>77,717</u>

CALA Land Investments (Bearsden) Limited

Statement of accounting policies

Basis of accounting

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Turnover

Turnover consists of the sale of land. Sale of land is recognised when contracts are exchanged or missives concluded.

Interest

Interest incurred by the company is charged to the profit and loss account in that period.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation 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.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the 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 an undiscounted basis.

Going concern

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

The company is reliant on the support of CALA Group Limited and other group subsidiaries (together the "group") for its funding.

CALA Land Investments (Bearsden) Limited

Statement of accounting policies (continued)

Going concern (continued)

On 21 December 2009 CALA Group Limited finalised a debt and equity restructuring arrangement with Bank of Scotland putting in place agreed borrowing facilities for the group until 30 June 2013. The restructuring also included the conversion of £7,576,000 of intercompany debt owed by the company into share capital which resulted in the strengthening of the company's balance sheet such that it returned to a net assets position.

This enabled the directors to form the judgement that the group will continue to be able to provide the company with the appropriate level of funding to enable it to continue to meet its debts as they fall due.

For this reason, the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

These financial statements do not include any adjustments to the balance sheet if assets were to be realised at significantly less than book value or provision for further liabilities that may be required if the going concern basis of preparation is inappropriate.

CALA Land Investments (Bearsden) Limited

Notes to the accounts for the year ended 30 June 2009

1. Loss on ordinary activities before taxation	2009	2008
	£	£
Stated after charging:		
Auditors' remuneration: - audit	2,340	2,270
- other services	<u>1,590</u>	<u>1,590</u>

2. Interest payable and similar charges	2009	2008
	£	£
Bank loans, overdrafts and other borrowings	<u>600,240</u>	<u>778,666</u>

3. Employees	2009	2008
	Number	Number
Average monthly number of employees:		
Directors	<u>4</u>	<u>4</u>
No employment costs were incurred during the year (2008: £nil).		

4. Tax on loss on ordinary activities	2009	2008
(a) Analysis of tax charge/(credit) in the year	£	£
United Kingdom corporation tax on losses of the year	-	-
Adjustments in respect of prior years	-	(73,556)
Current tax credit	-	(73,556)
Deferred tax – current year	607,840	(219,716)
Deferred tax – adjustments in respect of prior years	-	36,980
Tax on loss on ordinary activities	<u>607,840</u>	<u>(256,292)</u>

(b) Factors affecting tax charge/(credit) for year:

The difference between the current tax credit on ordinary activities for the year, reported in the profit and loss account and the current year credit that would result in applying the relevant standard rate of tax to the loss on ordinary activities before taxation, is explained as follows:

	2009	2008
	£	£
Loss on ordinary activities before taxation	<u>(604,199)</u>	<u>(784,704)</u>
Loss on ordinary activities before taxation multiplied by standard rate of corporation tax in the United Kingdom of 28% (2008: 29.5%)	(169,176)	(231,509)
Effects of:		
Accelerated capital allowances/other timing differences	169,176	231,509
Adjustment in respect of prior years	-	(73,556)
Current tax credit for the year	<u>-</u>	<u>(73,556)</u>

CALA Land Investments (Bearsden) Limited

Notes to the Accounts for the year ended 30 June 2009 (continued)

5. Stocks	2009	2008
	£	£
Land	8,523,030	8,523,030
Work in progress	<u>646,049</u>	<u>315,112</u>
	<u>9,169,079</u>	<u>8,838,142</u>
 6. Debtors	 2009	 2008
	£	£
Other debtors	-	1,674
Deferred taxation (note 8)	<u>-</u>	<u>607,840</u>
	<u>-</u>	<u>609,514</u>
 7. Creditors: amounts falling due within one year	 2009	 2008
	£	£
Amounts owed to CALA Management Limited	-	11,235
Amounts owed to CALA Ventures Limited	12,512,103	11,503,810
Accruals	<u>30,280</u>	<u>93,906</u>
	<u>12,542,383</u>	<u>11,608,951</u>

CALA Land Investments (Bearsden) Limited

Notes to the accounts for the year ended 30 June 2009 (continued)

8. Deferred taxation	2009	2008
	£	£
Deferred tax assets:		
Losses	<u>-</u>	<u>607,840</u>

The deferred taxation movement during the year is as follows:

At 1 July 2008	607,840	425,104
(Charged)/credited to profit and loss account during the year	(607,840)	219,716
Adjustment in respect of prior years	<u>-</u>	<u>(36,980)</u>
At 30 June 2009	<u>-</u>	<u>607,840</u>

Following due consideration of the availability of tax losses in relation to future anticipated taxable profits, no deferred tax asset has been recognised as at 30 June 2009. The deferred tax asset not recognised will be recoverable should there be appropriate future taxable profits. The closing potential deferred tax asset unrecognised at 30 June 2009 is £777,017 (2008: nil) and is calculated at 28%.

9. Called up share capital

	Authorised 2008 Number of shares	Allotted and fully paid 2008 £
'A' ordinary shares of £1 each	3	3
'B' ordinary shares of £1 each	1	1
At 30 June 2008	<u>4</u>	<u>4</u>

	Authorised 2009 Number of shares	Allotted and fully paid 2009 £
'A' ordinary shares of £1 each	3	3
'B' ordinary shares of £1 each	1	1
At 30 June 2009	<u>4</u>	<u>4</u>

CALA Land Investments (Bearsden) Limited

Notes to the accounts for the year ended 30 June 2009 (continued)

9. Called up share capital (continued)

The 'A' shares and 'B' shares rank pari passu in all respects save as regards to the appointment and removal of directors, voting and quorum. No 'A' shareholder can appoint or remove from office a 'B' director, and no 'B' shareholder can appoint or remove from office an 'A' director. Any resolution proposed shall only be effective if it is carried by a majority of the directors including at least one 'A' and one 'B' director.

10. Profit and loss account	2009	2008
	£	£
At 1 July 2008	(2,083,552)	(1,555,140)
Loss for the financial year	(1,212,039)	(528,412)
	<hr/>	<hr/>
At 30 June 2009	<u>(3,295,591)</u>	<u>(2,083,552)</u>

11. Reconciliation of movements in shareholders' deficit

	2009	2008
	£	£
Opening shareholders' deficit	(2,083,548)	(1,555,136)
Loss for the financial year	(1,212,039)	(528,412)
	<hr/>	<hr/>
Closing shareholders' deficit	<u>(3,295,587)</u>	<u>(2,083,548)</u>

12. Related party transactions

	2009	2008
	£	£
Interest received from HBOS	-	(13,493)
Interest paid to CALA Ventures Limited	600,240	300,142
Interest paid to group undertakings	-	492,017
Amounts owed to CALA Ventures Limited	11,512,103	11,503,810
Amounts owed to CALA Management Limited	<hr/> -	<hr/> 11,235

CALA Land Investments (Bearsden) Limited is a wholly owned subsidiary of CALA Ventures Limited.

CALA Ventures Limited was owned jointly by Bank of Scotland and CALA Group Limited until 21 December 2009 when it became a wholly owned subsidiary of CALA Group Limited.

CALA Land Investments (Bearsden) Limited

Notes to the accounts for the year ended 30 June 2009 (continued)

13. Post balance sheet event

On 21 December 2009 CALA Group Limited finalised a debt and equity restructuring arrangement with its principal shareholder and lender, Bank of Scotland, putting in place agreed borrowing facilities for the group until 30 June 2013. Further information is given in the statement of accounting policies (page 10) and the directors' report (page 2).

As part of the financial restructuring £7,576,000 of inter-company debt owed by the company to its immediate parent company was converted to share capital which resulted in the strengthening of the company's balance sheet such that it returned to a net assets position.

At the same date the company became a wholly owned subsidiary of CALA Group Limited.

14. Ultimate controlling parties

The ultimate controlling parties as at 30 June 2009 were CALA Group Limited and Bank of Scotland. On 21 December 2009 the company became a wholly owned subsidiary of CALA Group Limited.

Copies of the financial statements can be obtained from CALA Group Limited, Adam House, 5 Mid New Cultins, Edinburgh EH11 4DU; and from Bank of Scotland, The Mound, Edinburgh EH1 1YZ.