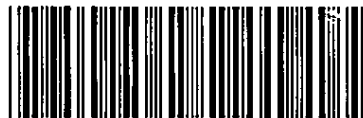


**GEORGE STREET PROPERTY  
HOLDINGS LTD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 SEPTEMBER 2010**

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**GEORGE STREET PROPERTY HOLDINGS LTD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

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# GEORGE STREET PROPERTY HOLDINGS LTD

## OFFICERS AND PROFESSIONAL ADVISERS

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### **The Board of Directors**

Bruce C Weir  
Robert Fisher  
Alasdair D Coates

### **Company Secretary**

Bruce C Weir

### **Registered Office**

37 One  
37 George Street  
Edinburgh  
EH2 2HN

### **Auditor**

Chiene + Tait  
Chartered Accountants  
& Statutory Auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

### **Bankers**

Clydesdale Bank  
14 Bothwell Street  
Glasgow  
G2 6QY

The Royal Bank of Scotland plc  
36 St Andrew Square  
Edinburgh  
EH2 2YB

# GEORGE STREET PROPERTY HOLDINGS LTD

## THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2010

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The directors present their report and the financial statements of the company for the year ended 30 September 2010.

### Principal activities

The principal activity of the company during the year was property development.

### The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 September 2010	At 1 October 2009
Bruce C Weir	34	34
Robert Fisher	33	33
Alasdair D Coates	33	33

### 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 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.

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
- each director has taken all steps that ought to have been taken to ensure they are aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

Chiene + Tait are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

# GEORGE STREET PROPERTY HOLDINGS LTD

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2010

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### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:

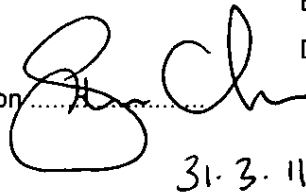
37 One  
37 George Street  
Edinburgh  
EH2 2HN

Signed on behalf of the directors

Bruce C Weir

Director

Approved by the directors on

  
31.3.11

# GEORGE STREET PROPERTY HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GEC STREET PROPERTY HOLDINGS LTD



**YEAR ENDED 30 SEPTEMBER 2010**

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We have audited the financial statements of George Street Property Holdings Ltd for the year ended 30 September 2010 on pages 6 to 11. 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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.

### **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 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 September 2010 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.

### **Opinion on 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.

# GEORGE STREET PROPERTY HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GEC STREET PROPERTY HOLDINGS LTD *(continued)*



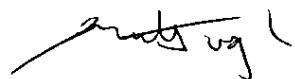
YEAR ENDED 30 SEPTEMBER 2010

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### **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 and the directors' report in accordance with the small companies regime.

  
**Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)**  
**For and on behalf of**  
**CHIENE + TAIT**  
**Chartered Accountants & Statutory Auditor**

**61 Dublin Street**  
**Edinburgh**  
**EH3 6NL**

*31.13/* 2011

**GEORGE STREET PROPERTY HOLDINGS LTD**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010 £	2009 £
<b>Turnover</b>		<b>632,714</b>	3,000,242
Cost of sales		<u>311,447</u>	<u>1,775,109</u>
<b>Gross profit</b>		<b>321,267</b>	1,225,133
Administrative expenses		23,218	111,013
Other operating income		(554)	—
<b>Operating profit</b>	<b>2</b>	<u>298,603</u>	<u>1,114,120</u>
Interest receivable		1,496	860
Interest payable and similar charges		(63,548)	(110,756)
<b>Profit on ordinary activities before taxation</b>		<u>236,551</u>	<u>1,004,224</u>
Tax on profit on ordinary activities	<b>4</b>	<u>68,707</u>	281,277
<b>Profit for the financial year</b>		<u><u>167,844</u></u>	<u><u>722,947</u></u>



# GEORGE STREET PROPERTY HOLDINGS LTD

## BALANCE SHEET

30 SEPTEMBER 2010

	Note	£	2010 £	2009 £
<b>Current assets</b>				
Stocks	6	1,630,175		1,801,506
Debtors	7	52,271		15,006
Cash at bank and in hand		238,459		732,001
		<u>1,920,905</u>		<u>2,548,513</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>1,964,587</u>		<u>2,460,039</u>
<b>Net current (liabilities)/assets</b>			<u>(43,682)</u>	<u>88,474</u>
<b>Total assets less current liabilities</b>			<u>(43,682)</u>	<u>88,474</u>
<b>Capital and reserves</b>				
Called-up equity share capital	10		100	100
Profit and loss account	11		<u>(43,782)</u>	<u>88,374</u>
<b>(Deficit)/shareholders' funds</b>	11		<u>(43,682)</u>	<u>88,474</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

 31.3.11  
Bruce G Weir

Company Registration Number: SC286959

# GEORGE STREET PROPERTY HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2010

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### 1. 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).

Profit is included in the financial statements in connection with property developments when a legally binding contract for the sale of the development has been entered into and the legal conclusion has taken place before the year end. When legally binding contracts exist, profits on the construction and refurbishment elements of the development are determined only when the outcome can be assessed with reasonable certainty. Provisions are made in full for foreseeable losses. Other profits arising from the developments are included in the financial statements only when the legal completion of the sale of the development has been effected.

#### Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities within the United Kingdom, stated net of value added tax.

#### Stocks

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

#### Work in progress

Development properties are stated at the lower of cost and net realisable value. Cost is computed on the total consideration paid. Net realisable value is based on estimated selling price less the estimated costs of disposal.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### 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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Operating profit

Operating profit is stated after charging:

	2010 £	2009 £
Auditor's fees	<u>2,104</u>	<u>1,346</u>

# GEORGE STREET PROPERTY HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2010

### 3. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2010 £	2009 £
Aggregate remuneration	-	-
Value of company pension contributions to money purchase schemes	-	100,000
	<u>-</u>	<u>100,000</u>

### 4. Taxation on ordinary activities

#### Analysis of charge in the year

	2010 £	2009 £
Current tax:		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	68,710	281,277
Over/under provision in prior year	(3)	-
Total current tax	<u>68,707</u>	<u>281,277</u>

### 5. Dividends

#### Equity dividends

	2010 £	2009 £
Paid during the year:		
Dividends on equity shares	<u>300,000</u>	<u>750,000</u>

### 6. Stocks

	2010 £	2009 £
Work in progress	<u>1,630,175</u>	<u>1,801,506</u>

### 7. Debtors

	2010 £	2009 £
Trade debtors	24,851	4,559
Other debtors	27,420	10,447
	<u>52,271</u>	<u>15,006</u>

**GEORGE STREET PROPERTY HOLDINGS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30 SEPTEMBER 2010**

**8. Creditors: amounts falling due within one year**

	2010	2009
	£	£
Bank loans and overdrafts	1,777,348	1,800,000
Trade creditors	637	1,952
Amounts owed to undertakings in which the company has a participating interest	58,783	58,783
Corporation tax	68,706	281,277
Other taxation	5,488	281,183
Other creditors	53,625	36,844
	<u>1,964,587</u>	<u>2,460,039</u>

The Clydesdale Bank Plc holds a heritable security over the company's development property at Burnfoot Industrial Estate, Hawick. The bank also hold a floating charge over the assets of the company.

**9. Related party transactions**

There is no ultimate controlling party in the opinion of the directors.

Bruce Weir, Alasdair Coates and Robert Fisher, all directors, are also shareholders in the company. Dividends of £100,000 were paid to each director during the financial year.

At 30 September 2010 a loan of £19,779 (2009 £19,779) was due to Bruce Weir Holdings Ltd, whom Bruce Weir, is also a director. Office rent charges were also paid to the company during the financial year totalling £2,275 (2009 £nil).

At 30 September 2010 loans were due to Alasdair Coates, of £19,502 (2009 £19,502) and Robert Fisher, director, of £19,502 (2009 £19,502).

All loans were interest free and have no fixed terms of repayment.

The directors have provided a personal guarantee for the sum of £50,000 each, to the Clydesdale Bank Plc in relation to the bank overdraft facility provided to the company during the year. The directors have also provided a cost over-run and interest shortfall guarantee to the bank.

**10. Share capital**

**Authorised share capital:**

	2010	2009
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	2010		2009	
	No	£	No	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# GEORGE STREET PROPERTY HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2010

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### 11. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total share-holders' funds
	£	£	£
Balance brought forward	100	88,374	88,474
Profit for the year	—	167,844	167,844
Equity dividends	—	(300,000)	(300,000)
Balance carried forward	<u>100</u>	<u>(43,782)</u>	<u>(43,682)</u>

### 12. Going concern

The company relies upon support from its shareholders in order to meet its day to day requirements. On the basis of the continued support of the company's shareholders, the directors consider it appropriate to prepare the financial statements on a going concern basis.