

TERRACE HILL PROPERTIES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2011

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TERRACE HILL PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2011

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TERRACE HILL PROPERTIES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

R E Lane
M A Kelly
T G Walsh

Company secretary

Terrace Hill (Secretaries) Limited

Registered office

1 Portland Place
London
W1B 1PN

Auditor

BDO LLP
Statutory Auditor
55 Baker Street
London
W1U 7EU

TERRACE HILL PROPERTIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and the financial statements of the company for the year ended 30 September 2011

PRINCIPAL ACTIVITIES

The company's principal activity was that of a property investment company. There have been no changes in the company's activities in the year under review.

DIRECTORS

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

R E Lane
M A Kelly
T G Walsh

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

TERRACE HILL PROPERTIES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2011

AUDITOR

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

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
1 Portland Place
London
W1B 1PN

Signed by order of the directors



TERRACE HILL (SECRETARIES)
LIMITED
Company Secretary

Approved by the directors on 05 April 2012

TERRACE HILL PROPERTIES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRACE
HILL PROPERTIES LIMITED
YEAR ENDED 30 SEPTEMBER 2011

We have audited the financial statements of Terrace Hill Properties Limited for the year ended 30 September 2011 which comprise the Profit and Loss Account, Balance Sheet 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).

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 AUDITORS

As explained more fully in the statement of directors' responsibilities, 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 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 2011 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.

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.

TERRACE HILL PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRACE HILL PROPERTIES LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2011

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 directors' report in accordance with the small companies regime

BDO LLP

STEPHEN ELSWORTH (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU

05 April 2012

BDO LLP is a limited liability partnership registered in England & Wales (with registered number OC305127)

TERRACE HILL PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2011

	Note	Year to 30 Sep 11 £	Period from 1 Nov 09 to 30 Sep 10 £
TURNOVER	2	—	7,482
Cost of sales		569	(63,363)
GROSS PROFIT/(LOSS)		569	(55,881)
Administrative expenses		(1)	(3,729)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		568	(59,610)
Tax on profit/(loss) on ordinary activities	5	—	—
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		568	(59,610)

All of the activities of the company are classed as continuing

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

The notes on pages 8 to 10 form part of these financial statements.

TERRACE HILL PROPERTIES LIMITED

BALANCE SHEET

30 SEPTEMBER 2011

	Note	2011 £	2010 £
CURRENT ASSETS			
Debtors	6	1,684,888	1,684,320
TOTAL ASSETS		<u>1,684,888</u>	<u>1,684,320</u>
CAPITAL AND RESERVES			
Called-up equity share capital	8	1,800,100	1,800,100
Profit and loss account	9	(115,212)	(115,780)
SHAREHOLDER'S FUNDS	10	<u>1,684,888</u>	<u>1,684,320</u>

These financial statements were approved by the directors and authorised for issue on 05 April 2012, and are signed on their behalf by



T G WALSH

Company Registration Number 2134888

The notes on pages 8 to 10 form part of these financial statements.

TERRACE HILL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Turnover

Turnover represents rental income and service charges receivable, excluding Value Added Tax and arises solely within the United Kingdom

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

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

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

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

2. TURNOVER

An analysis of turnover is given below

	Year to 30 Sep 11	Period from 1 Nov 09 to 30 Sep 10
	£	£
Rental income and service charges receivable	-	7,482

TERRACE HILL PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2011

3 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after crediting

	Year to 30 Sep 11 £	Period from 1 Nov 09 to 30 Sep 10 £
Directors' remuneration	—	—
Auditor's remuneration is paid by the parent company	—	—

4. PARTICULARS OF EMPLOYEES

There were no employees other than the directors, during the year

5. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 27% (2010 - 28%)

	Year to 30 Sep 11 £	Period from 1 Nov 09 to 30 Sep 10 £
Profit/(loss) on ordinary activities before taxation	<u>568</u>	<u>(59,610)</u>
Profit/(loss) on ordinary activities by rate of tax	153	(16,691)
Group Relief	(153)	9,455
Other movements	—	7,236
Total current tax	<u>—</u>	<u>—</u>

6. DEBTORS

	2011 £	2010 £
Amounts owed by group undertakings	1,684,888	1,684,313
Other debtors	—	7
	<u>1,684,888</u>	<u>1,684,320</u>

7. RELATED PARTY TRANSACTIONS

The controlling party of the company was Saffery Champness Trust Corporation, trustees of a life interest trust in which R F M Adair is a beneficiary R F M Adair is a director of the ultimate parent company, Terrace Hill Group Plc.

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Terrace Hill Group Plc and are 100% owned

TERRACE HILL PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2011

8. SHARE CAPITAL

Allotted, called up and fully paid:

	2011		2010	
	No	£	No	£
1,800,100 Ordinary shares of £1 each	<u>1,800,100</u>	<u>1,800,100</u>	<u>1,800,100</u>	<u>1,800,100</u>

9. PROFIT AND LOSS ACCOUNT

	Year to 30 Sep 11 £	Period from 1 Nov 09 to 30 Sep 10 £
Balance brought forward	(115,780)	(56,170)
Profit/(loss) for the financial year	<u>568</u>	<u>(59,610)</u>
Balance carried forward	<u>(115,212)</u>	<u>(115,780)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit/(loss) for the financial year	568	(59,610)
Opening shareholders' funds	<u>1,684,320</u>	<u>1,743,930</u>
Closing shareholders' funds	<u>1,684,888</u>	<u>1,684,320</u>

11. ULTIMATE PARENT COMPANY

The immediate parent company is Terrace Hill Limited which is registered in England and Wales
The ultimate parent company is Terrace Hill Group Plc which is registered in Scotland

Copies of the consolidated financial statements of Terrace Hill Group Plc are available from the company's registered office