

Tarras Park Properties (Lewes) Limited

Financial statements

For the year ended 31 October 2007

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COMPANIES HOUSE

Company No. 5801165

Officers and professional advisers

Company registration number	5801165
Registered office	3 Charles Street Berkeley Square LONDON W1J 5DD
Directors	D H Peck A J K Wordie
Secretary	J A K Macleod
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square EDINBURGH EH2 2YB
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1-4 Atholl Crescent EDINBURGH EH3 8LQ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 October 2007

Principal activities

The principal activity of the company is that of property investment

Directors

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

D H Peck
A J K Wordie

None of the directors hold an interest in the shares of the company

Directors' responsibilities

The directors are responsible for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

Report of the directors (continued)

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

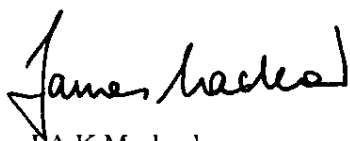
Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

BY ORDER OF THE BOARD



J A K Macleod
Secretary

17 April 2008



Report of the independent auditor to the member of Tarras Park Properties (Lewes) Limited

We have audited the financial statements of Tarras Park Properties (Lewes) Limited for the year ended 31 October 2007 on pages 9 to 15. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 8.

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

Report of the independent auditor to the member of Tarras Park Properties (Lewes) Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 October 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Edinburgh

21 April 2008

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

The turnover shown in the profit and loss account represents amounts earned during the year

Fixed assets

All fixed assets are initially recorded at cost

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with the FRSSE which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. In the opinion of the directors, the departure from the provisions of the Act is required in order to give a true and fair view.

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:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

Accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account


	Note	2007 £	2006 £
Turnover		430,206	178,646
Cost of sales		(4,329)	(4,722)
Gross profit		425,877	173,924
Other operating charges	1	(65)	(24)
Operating profit	2	425,812	173,900
Impairment of investment property		(501,023)	-
Interest receivable		5,507	150
Interest payable and similar charges		(491,231)	(200,538)
Loss on ordinary activities before taxation		(560,935)	(26,488)
Tax on loss on ordinary activities		18,633	7,946
Loss for the financial year	11	(542,302)	(18,542)

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	4	<u>6,430,000</u>	6,750,000
Current assets			
Debtors	5	18,733	62,029
Cash at bank		<u>52,055</u>	132,317
		<u>70,788</u>	194,346
Creditors: amounts falling due within one year	6	<u>(84,655)</u>	(60,863)
Net current (liabilities)/assets		<u>(13,867)</u>	133,483
Total assets less current liabilities		<u>6,416,133</u>	6,883,483
Creditors: amounts falling due after more than one year	7	<u>(6,976,877)</u>	(7,035,645)
		<u>(560,744)</u>	(152,162)
Capital and reserves			
Called-up equity share capital	10	100	100
Revaluation reserve	11	-	(133,720)
Profit and loss account	11	<u>(560,844)</u>	(18,542)
Shareholders' deficit		<u>(560,744)</u>	(152,162)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on 17 April 2008 and are signed on their behalf

by

D H Peck
Director

Other primary statements

Statement of total recognised gains and losses

	2007 £	2006 £
Loss for the financial year	(542,302)	(18,542)
Unrealised profit/(loss) on revaluation of investment properties	133,720	(133,720)
Total losses recognised for the year	(408,582)	(152,262)

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

	2007	2006
	£	£
Administrative expenses	65	24

2 Operating profit

Operating profit is stated after charging

	2007	2006
	£	£
Auditor's fees	-	-

The audit fee is met by Tarras Park Properties Limited, the company's immediate parent undertaking

3 Particulars of employees

The company has no employees and neither the directors nor the secretary received any remuneration from the company in the period. The directors are employees of the ultimate parent undertaking, The Buccleuch Estates Limited, and are also directors of other group subsidiaries. Emoluments are paid by The Buccleuch Estates Limited, and it is not practicable to allocate emoluments between their services as executives of The Buccleuch Estates Limited and their services as directors of this company and other subsidiaries.

One director (2006: one) is accruing benefits under a defined benefit pension scheme and one director (2006: none) is accruing benefits under a defined contribution scheme in respect of their services to the group companies.

4 Tangible fixed assets

	Investment Property £
Cost or valuation	
At 1 November 2006	6,750,000
Additions	47,303
Release of revaluation reserve	133,720
Impairment in investment property	(501,023)
At 31 October 2007	6,430,000
Depreciation	
At 1 November 2006 and 31 October 2007	-
Net book value	
At 31 October 2007	6,430,000
At 31 October 2006	6,750,000

Notes to the financial statements (continued)

4 Tangible fixed assets (continued)

Properties within the company's investment portfolio with a historical cost of £6,931,023 (2006 £6,883,720) were revalued to market value as at 31 October 2007 by DTZ Chartered Surveyors, in accordance with the RICS Appraisal and Valuation Manual, in the sum of £6,430,000 (2006 £6,750,000). The net revaluation deficit on the properties has been written off to the profit and loss account.

5 Debtors

	2007 £	2006 £
Trade debtors	-	53,983
Amounts owed by group undertakings	18,633	7,946
Called up share capital not paid	100	100
	<u>18,733</u>	<u>62,029</u>

6 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	13,944	-
Other creditors	70,711	60,863
	<u>84,655</u>	<u>60,863</u>

7 Creditors: amounts falling due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	<u>6,976,877</u>	<u>7,035,645</u>

There are no fixed terms of repayment of group borrowings, and interest has been charged at a commercial rate.

The company has provided a guarantee and a standard security over its interests in the property held to its parent company's bankers.

8 Contingent liabilities

The company had no contingent liabilities at 31 October 2007 and 31 October 2006 other than those disclosed in note 7.

Notes to the financial statements (continued)

9 Related party transactions

Related party transactions with other group undertakings are excluded from the consolidated financial statements of the ultimate parent undertaking, The Buccleuch Estates Limited, and are therefore exempt from disclosures in these financial statements

10 Share capital

Authorised share capital

	2007 £	2006 £
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Allotted and called up

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The amount of paid up share capital differs from the called up share capital stated above. This is due to unpaid calls as follows

	2007 £	2006 £
Ordinary shares of £1 each	100	100

11 Reserves

	Share capital	Revaluation reserve	Profit and loss account	Total share-holders' funds
	£	£	£	£
At 1 November 2006	100	(133,720)	(18,542)	(152,162)
Loss for the year	-	-	(542,302)	(542,302)
Release of revaluation reserve	-	133,720	-	133,720
At 31 October 2007	<u>100</u>	<u>-</u>	<u>(560,844)</u>	<u>(560,744)</u>

Notes to the financial statements (continued)

12 Ultimate parent company

The company's immediate parent undertaking is Tarras Park Properties Limited, a company registered in England and the ultimate parent undertaking and controlling entity is The Buccleuch Estates Limited, a company registered in Scotland