

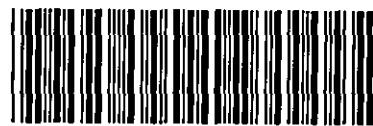
**Taylor Clark Properties Limited**

**Directors' report and financial  
statements**

Registered number SC26722

31 March 2010

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## **Directors and advisers**

### **Directors**

JS Brand FRICS (Managing Director)  
JA Dippie FCA  
CP Edwards FRICS  
RJ Harvey

### **Secretary**

Taylor Clark Limited

### **Registered office**

5 Drummond Street  
Inverness  
IV1 1QF

### **London office**

Fourth Floor South  
35 Portman Square  
London  
W1H 6LR

Telephone: 020 7486 0100

### **Auditors**

KPMG LLP

### **Bankers**

Clydesdale Bank PLC

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2010.

### Principal activities

The principal activity of the company and its subsidiaries is commercial and residential property development in England and Scotland.

### Business Review

During 2008/09 the Company refurbished an office building in Glasgow with approximately 23,000 square feet of net lettable space. During 2009/10 four lettings were made totalling approximately 14,000 square feet. The vacant space continues to be marketed and the Board anticipates further lettings will be made during 2010/11. The directors have reviewed the net realisable value of this property at 31 March 2010. This review resulted in an increase of £0.31m in the value of the property (2009: £2.73m decrease).

The majority of the Company's funds continue to be lent to its immediate parent and are available at short notice should they be needed.

The results for the year are set out in the profit and loss account on page 6 and the related notes.

### Proposed dividend

The directors do not recommend payment of a final dividend for the current year (2009: *£nil*).

### Directors

The Directors in office at the date of this report are set out on page 1.

### Directors' indemnity

The Group maintains a Directors and Officers liability insurance policy which indemnifies the directors of the Company if a claim is made against them in their capacity as a director of the Company.

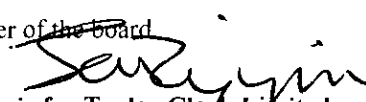
### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

  
JA Dippie for Taylor Clark Limited

Secretary

Fourth Floor South  
35 Portman Square  
London  
W1H 6LR

14 July 2010

## **Statement of directors' responsibilities in respect of the Directors' Report and the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



6 Lower Brook Street  
Ipswich  
IP4 1AP  
United Kingdom

## **Independent auditors' report to the members of Taylor Clark Properties Limited**

We have audited the financial statements of Taylor Clark Properties Limited for the year ended 31 March 2010 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 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 (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 web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 31 March 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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.

**Independent auditors' report to the members of Taylor Clark Properties Limited** *(continued)*

**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.



Steve Muncey (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

14 July 2010

## Profit and loss account

*for the year ended 31 March 2010*

	<i>Note</i>	<b>2010</b> <b>£000</b>	2009 £000
<b>Turnover</b>		<b>94</b>	-
Cost of sales		<b>88</b>	(2,886)
		<hr/>	<hr/>
<b>Gross profit / (loss)</b>		<b>182</b>	(2,886)
Administrative expenses		<b>(439)</b>	(426)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(257)</b>	(3,312)
Income from shares in group undertakings		-	1,177
		<hr/>	<hr/>
<b>Loss before interest</b>		<b>(257)</b>	(2,135)
Provisions made against fixed asset investments		-	(873)
Interest receivable and similar income	4	<b>150</b>	811
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	2	<b>(107)</b>	(2,197)
Tax on loss on ordinary activities	5	<b>30</b>	700
		<hr/>	<hr/>
<b>Loss for financial year</b>		<b>(77)</b>	(1,497)
		<hr/>	<hr/>

### Continuing operations

All items dealt with in arriving at the operating loss for 2010 and 2009 relate to continuing operations.

### Statement of total recognised gains and losses

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

### Note of historical cost profits and losses

There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year as stated in the profit and loss account above, and their historical cost equivalents.

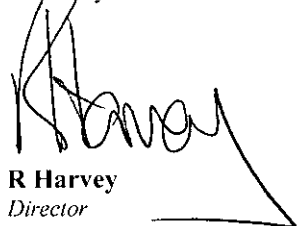


## Balance sheet

at 31 March 2010

	Note	2010 £000	2009 £000
<b>Fixed assets</b>			
Shares in group undertakings	7	8,200	8,200
Investment in joint ventures	7	2,457	2,457
		<u>10,657</u>	<u>10,657</u>
<b>Current assets</b>			
Property and developments		5,000	4,299
Debtors	8	13,613	13,848
Cash at bank		1	2
		<u>18,614</u>	<u>18,149</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(8,807)</u>	<u>(8,265)</u>
<b>Net current assets</b>		<u>9,807</u>	<u>9,884</u>
<b>Net assets</b>		<u>20,464</u>	<u>20,541</u>
<b>Capital and reserves</b>			
Called up share capital	10	17,500	17,500
Profit and loss account		2,964	3,041
<b>Equity shareholders' funds</b>	11	<u>20,464</u>	<u>20,541</u>

These financial statements were approved by the board of directors on 14 July 2010 and were signed on its behalf by:

  
**R Harvey**  
Director

Company Number: SC26722

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking of Taylor Clark Limited, which is incorporated in Great Britain, and whose consolidated financial statements include a consolidated cash flow statement which includes the cash flows of the company.

#### *Related party disclosures*

Under Financial Reporting Standard 8, the company is exempt from the requirement to disclose transactions with other group companies on the grounds that it is a wholly-owned subsidiary undertaking.

#### *Property and developments*

Property and developments are stated at the lower of cost and net realisable value. Cost comprises the original cost of the property, together with subsequent third party development costs until the property is complete and available for use.

#### *Investments*

Investments held as fixed assets are shown at cost less provision, where in the opinion of the directors there has been a permanent diminution in value.

#### *Turnover*

Turnover comprises of income from the sale of properties held for development, rental income and management fee income excluding VAT.

#### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting policies. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

## Notes (continued)

### 2 Loss on ordinary activities before taxation

	2010 £000	2009 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit of these financial statements	21	21
Other services relating to taxation	4	4
Management charge from parent company	406	392
Provision to (increase) / reduce carrying value of property and developments to the director's estimate of net realisable value	(307)	2,728
	<hr/>	<hr/>

The management team of Taylor Clark Properties Limited is employed by Taylor Clark Limited, the parent company. The management charge includes the cost of the management team's remuneration and accommodation.

### 3 Directors' remuneration

	2010 £000	2009 £000
<b>Directors</b>		
Directors' emoluments	174	153
	<hr/>	<hr/>

The aggregate of emoluments (excluding pension contributions) of the highest paid director were £141,291 (2009: £130,229). He is a member of a defined benefit scheme, under which the accrued pension to which he would be entitled from his normal retirement date if he were to retire at the year end, was £31,656 (2009: £29,007).

	Number of directors 2010	2009
Retirement benefits are accruing to the following number of directors under a defined benefit scheme	1	1

Certain of the directors of the company are members of the Taylor Clark Limited Retirement and Death Benefit Scheme, details of which can be found in the accounts of Taylor Clark Limited.

### 4 Interest receivable and similar income

	2010 £000	2009 £000
Bank interest	-	5
On loans to parent company	103	593
Other interest	47	213
	<hr/>	<hr/>
	150	811
	<hr/>	<hr/>

## Notes (continued)

### 5 Taxation

Analysis of credit in year

	2010 £000	2009 £000
<i>UK corporation tax</i>		
Corporation tax receivable for the year	(30)	(700)
	<hr/>	<hr/>
Total current tax	(30)	(700)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(30)	(700)
	<hr/>	<hr/>

#### Factors affecting the tax credit for the current year

The current tax credit for the year is equal to (2009: *more than*) the standard rate of corporation tax in the UK 28% (2009: 28%). The differences are explained below:

	2010 £000	2009 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(107)	(2,197)
	<hr/>	<hr/>
Current tax credit at 28% (2009: 28%)	(30)	(615)
<i>Effects of:</i>		
Tax credit on group income	-	(329)
Expenses not deductible for tax purposes	-	244
	<hr/>	<hr/>
Total current tax credit (see above)	(30)	(700)
	<hr/>	<hr/>

#### Factors that may affect future tax charges

At the year end there were no significant circumstances that were likely to affect future tax charges.

### 6 Dividends

The directors do not propose payment of a final dividend (2009: *£nil*).

## Notes (continued)

### 7 Fixed asset investments

	Investment in joint venture £'000	Shares in group undertakings £000
<i>At cost</i>		
At 1 April 2009 and 31 March 2010	2,457	8,200

The company owns the entire share capital of the following property companies incorporated in England and Wales:

Company	Activity
TCP Chertsey Limited	Dormant
TCP Pilgrim Limited	Property development
TCP Winchester Limited	Dormant
TCP Citypoint Limited	Dormant
TCP Canterbury Limited	Dormant

In addition, the company has an investment in Bowmore Estates Limited ('Bowmore') which was acquired in the year ended 31 March 2005. Bowmore is a property development company incorporated in England and Wales. The Company owns 50% of the voting rights of Bowmore and exercises joint control. The investment in Bowmore comprises shares of £500 and a loan of £3,538,307. In previous years provisions totalling £1,081,566 have been made resulting in the present carrying value of £2,457,241.

In the opinion of the directors, the investments are worth at least the amount at which they are stated in the balance sheet.

### 8 Debtors

	2010 £000	2009 £000
<i>Amounts due within one year</i>		
Amounts due from parent company	13,407	12,370
Amounts due from group undertakings	-	1,385
Amounts due from related parties	136	58
Group relief	30	-
Other debtors	40	35
	<u>13,613</u>	<u>13,848</u>

### 9 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	26	1
Amounts due to group undertakings	8,588	8,200
Consortium relief payable	149	-
Other creditors	-	36
Accruals and deferred income	44	28
	<u>8,807</u>	<u>8,265</u>

## Notes (continued)

### 10 Called up share capital

	2010 £000	2009 £000
<i>Authorised, called up and fully paid</i>		
Ordinary shares of £1 each	17,500	17,500

### 11 Reconciliation of movement in shareholders' funds

	2010 £000	2009 £000
Loss for the financial year	(77)	(1,497)
Dividends paid	-	(860)
Net movement in shareholders' funds	(77)	(2,357)
Opening shareholders' funds	20,541	22,898
Closing shareholders' funds	20,464	20,541

### 12 Capital commitments

No provision has been made in the financial statements in respect of financial commitments of £nil (2009: £nil) which relate to payments which will become due under contracts entered into for the purchase of land and buildings and the construction or redevelopment of properties.

### 13 Related party disclosures

The company has an investment in Bowmore Estates Limited ('Bowmore') which was acquired in the year ended 31 March 2005. The company owns 50% of the voting rights of this property development company and exercises joint control of this investment.

During the year ended 31 March 2010 Bowmore repaid £nil of the funding loan provided by the company (2009: £61,693 repaid by Bowmore). At 31 March 2010 the principal of the loan was £3,538,307 (2009: £3,538,307) and interest of £26,465 (2009: £58,261) was accrued on the loan. Interest on the loan of £84,919 was paid during the year (2009: £nil).

### 14 Ultimate parent company and parent undertaking of a larger group of which the company is a member and ultimate controlling parties

The company's ultimate parent company is Taylor Clark Limited which is incorporated in Great Britain and registered in England and Wales.