

**COMPANY REGISTRATION NUMBER SC111513**

**HOUSE OF GRAY (DUNDEE) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31st MARCH 2007**



**HOUSE OF GRAY (DUNDEE) LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31<sup>st</sup> MARCH 2007**

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**HOUSE OF GRAY (DUNDEE) LIMITED**

**CHAIRMAN'S STATEMENT**

**YEAR ENDED 31<sup>st</sup> MARCH 2007**

The directors are currently pursuing other development possibilities for The House of Gray (Dundee) Limited and feel very positive about the future.

The majority of company's loan holders and creditors have agreed to defer repayment of monies due to them until such time as the projects engaged in by the company are fully funded.

Conrad Aldridge

Chairman

# HOUSE OF GRAY (DUNDEE) LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31<sup>st</sup> MARCH 2007

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

### PRINCIPAL ACTIVITIES

The principal activity of the company is that of property owning and operating hotels

### THE DIRECTORS AND THEIR INTERESTS IN 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

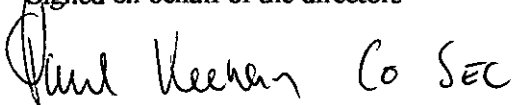
	Class of share	At 31 March 2007	At 1 April 2006
C Aldridge	A Ord	80,000	80,000
	B Ord	117,667	117,667
M B J Heathcote	A Ord	—	—
	B Ord	158,971	158,971
M van der Matten	A Ord	—	—
(resigned 12/11/2007)	B Ord	158,895	158,895
P M G Keenan	A Ord	—	—
	B Ord	<u>85,664</u>	<u>85,664</u>

### 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

Registered office  
Sandyhall Farmhouse  
Glendock  
Perth PH2 7RQ

Signed on behalf of the directors

  
fp M B J Heathcote  
Director

Approved by the directors on 20<sup>th</sup> January 2008

**HOUSE OF GRAY (DUNDEE) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31<sup>st</sup> MARCH 2007**

	Notes	2007	2006
<b>TURNOVER</b>		—	
Cost of sales		—	—
<b>GROSS (LOSS)/PROFIT</b>		—	
Administrative expenses		(218)	(17,283)
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	<b>(218)</b>	<b>(17,283)</b>
Interest receivable			
interest payable		(50,005)	(77,729)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(50,222)</b>	<b>(95,012)</b>
VAT re-claimed on disposal of Tangible Assets	<b>3</b>		(27 825)
Intangible Assets written off	<b>4</b>	—	(816,907)
<b>(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>(50,222)</b>	<b>(939,743)</b>
Balance brought forward		<b>(1,078,308)</b>	<b>(138,565)</b>
Balance carried forward		<b>(1,128,530)</b>	<b>(1,078,308)</b>

The notes on pages 8 to 12 form part of these financial statements

# HOUSE OF GRAY (DUNDEE) LIMITED

## BALANCE SHEET

31<sup>st</sup> MARCH 2007

Balance Sheet	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Intangible assets	4	—	—
Tangible assets	5	—	—
		<hr/>	<hr/>
		—	—
<b>CURRENT ASSETS</b>			
Debtors	6	18,344	18,244
Cash at bank		104	552
		<hr/>	<hr/>
		18,448	18,796
<b>CREDITORS: Amounts falling due within one year</b>	7	80,481	75,957
		<hr/>	<hr/>
<b>NET CURRENT LIABILITIES</b>		(62,032)	(57,161)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(62,032)	(57,161)
		<hr/>	<hr/>
<b>CREDITORS: Amounts falling due after more than one year</b>	8	(1,311,650)	(1,264,799)
		<hr/>	<hr/>
		(1,373,682)	(1,321,960)
		<hr/>	<hr/>

The Balance sheet continues on the following page  
The notes on pages 8 to 12 form part of these financial statements

# HOUSE OF GRAY (DUNDEE) LIMITED

## BALANCE SHEET

31<sup>st</sup> MARCH 2007

Balance Sheet	Note	2007 £	2006 £
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	11	14,932	14,932
Share premium account		157,128	157,128
Capital loss account	12	(415,712)	(415,712)
Profit and loss account	13	(1,130,031)	(1,078,309)
<b>SHAREHOLDERS' FUNDS</b>		<u>(1,373,682)</u>	<u>(1,321,960)</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

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 June 2002)

These financial statements were approved by the directors on the 20<sup>th</sup> January 2008 and are signed on their behalf by

*Paul Keenan Co Sec*

pp M B J HEATHCOTE

The notes on pages 8 to 12 form part of these financial statements

**HOUSE OF GRAY (DUNDEE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2007**

**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 June 2002)

The company continues in its development stage and has received no income in the year. Expenditure is primarily funded by shareholders funds and shareholder' and other loans. The loanholders have indicated to the directors their intention to continue to support the company through this development stage.

**Pre-operational costs**

Pre-operational costs are capitalised and were written off after the disposal of the House of Gray property.

**Fixed assets**

All fixed assets are recorded at their current market value.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value over the useful economic life of that asset as follows:

Plant & Machinery	25% Straight line
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**Grants**

Grants receivable from "Historic Scotland" have been deducted from the cost of the asset whilst Grants receivable from "Scottish Enterprise Tayside" amounting to £216 000 were required to be repaid on the disposal of the freehold property to a private buyer.



**HOUSE OF GRAY (DUNDEE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2007**

**2. OPERATING PROFIT**

Operating profit is stated after charging

	2007 £	2006 £
Directors' emoluments	—	—

The directors did not receive any remuneration or any other form of emoluments during the years ended 31st March 2007 and 2006

**3. VAT re-claimed on disposal of Tangible Assets**

HM Revenue and Customs re-claimed a VAT amount of £27,825 from the company on disposal of the freehold property to a private buyer

**4. INTANGIBLE FIXED ASSETS**

The company has not yet commenced operations but has incurred pre-operational expenses which have been written off on disposal of the freehold property

	Total £
<b>COST</b>	
At 1st April 2006	—
Additions	—
<b>At 31st March 2007</b>	—
<b>AMORTISATION – provision last year</b>	—
<b>NET BOOK VALUE</b>	
At 31st March 2007	—
At 31st March 2006	—

The additions for the year are made up as follows

	2007 £	2006 £
Administrative expenses	—	—
Depreciation	—	—
Interest	—	—
	—	—

**HOUSE OF GRAY (DUNDEE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2007**

**5. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Total £
<b>COST</b>			
At 1st April 2006	—	—	—
Additions in year	—	—	—
SET Grant repaid on disposal	—	—	—
Over provision of property disposal w/back	—	—	—
Disposals 2007 year	—	—	—
<b>At 31st March 2007</b>	<u>—</u>	<u>—</u>	<u>—</u>
<b>DEPRECIATION</b>			
At 1st April 2006	—	—	—
Charge for the year	—	—	—
On disposals	—	—	—
<b>At 31st March 2007</b>	<u>—</u>	<u>—</u>	<u>—</u>
<b>NET BOOK VALUE</b>			
<b>At 31st March 2007</b>	<u>—</u>	<u>—</u>	<u>—</u>
<b>At 31st March 2006</b>	<u>—</u>	<u>—</u>	<u>—</u>

**6. DEBTORS**

	2007 £	2006 £
Sundry Debtors	18,344	18,244
VAT recoverable	—	—
	<b>18,344</b>	<b>18,244</b>

Debtors are all recoverable within one year

**7. CREDITORS: Amounts falling due within one year**

	2007 £	2006 £
Trade creditors	—	—
Other creditors	—	—
Shareholders' loans	80,481	75,957
Other loans	—	—
Accruals and deferred income	—	—
VAT payable	—	—
	<u>80,481</u>	<u>75,957</u>
	<b>80,481</b>	<b>75,957</b>

**HOUSE OF GRAY (DUNDEE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> MARCH 2007**

**8. CREDITORS: Amounts falling due after more than one year**

	2007		2006
	£	£	£
Other creditors including			
Shareholders' loans	42,280		40,299
Other loans	1,138,177		1,112,951
Accruals and deferred income	118,061		105,408
Other creditors	13,132		6,051
	<u>1,311,650</u>		<u>1,264,799</u>

**9. RELATED PARTY TRANSACTIONS**

The company owed to House of Gray (Operations) Limited at the year end £322,684 (2006 £322,814)

At 31<sup>st</sup> March 2007 there was an amount due to Hospitality Developments Ltd of £815,494 (2006 £771,994) in respect of advances received

All the directors are shareholders and directors of House of Gray (Operations) Ltd and Hospitality Developments Ltd

Both associated companies, of House of Gray (Operations) Ltd and Hospitality Developments Ltd, have agreed to withhold repayment of their loans until such time as there is a positive cash flow

**10. FINANCIAL COMMITMENTS**

Amounts authorised by directors but not contracted

	2007	2006
	£	£
Freehold Acquisitions	12,500,000	12,500,000
Hotel building work	3,500,000	3,500,000
	<u>16,000,000</u>	<u>16,000,000</u>

**HOUSE OF GRAY (DUNDEE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. SHARE CAPITAL**

**Authorised share capital:**

	2007	2006
	£	£
250,000 A Ordinary shares of £0.01 each	2,500	2,500
2,750,000 B Ordinary shares of £0.01 each	27,500	27,500
	<u>30,000</u>	<u>30,000</u>

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

	2007		2006	
	No	£	No	£
A Ordinary shares of £0.01 each	200,000	2,000	200,000	2,000
B Ordinary shares of £0.01 each	1,293,195	12,932	1,293,195	12,932
	<u>1,493,195</u>	<u>14,932</u>	<u>1,493,195</u>	<u>14,932</u>

On the 10th January 2002 a shareholders resolution was approved amending the voting rights on the 'A' ordinary shares to one vote each. As a consequence of the resolution the 'A' ordinary and 'B' ordinary shares now rank pari passu in all respects except the 'A' ordinary shares have preferential rights over the 'B' ordinary shares in the event of a return of capital on the sale or winding up of the company.

**12. CAPITAL LOSS ACCOUNT**

As at the 31<sup>st</sup> March 2005 a provision of £467,603 was made for a Capital Loss on disposal of the freehold property. On disposal of the property during the year an over-provision of £51,891 was written back reducing the Capital Loss account to £415,712 as at 31<sup>st</sup> March 2006.

**13. PROFIT AND LOSS ACCOUNT**

Balance 1 April 2006	(1,078,308)
(Loss)/Profit for the year	<u>(50,222)</u>
Balance 31 March 2007	<u>(1,130,031)</u>

**14. CONTROLLING PARTY**

In the view of the directors no one party has overall control of the company.