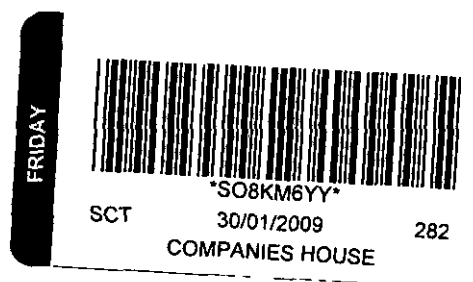


COMPANY REGISTRATION NUMBER SC141272

HOUSE OF GRAY (OPERATIONS) LIMITED
FINANCIAL STATEMENTS
FOR
31st MARCH 2008



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HOUSE OF GRAY (OPERATIONS) LIMITED

CHAIRMAN'S STATEMENT

YEAR ENDED 31st MARCH 2008

The directors are currently pursuing development possibilities in which the House of Gray (Operations) Limited will have a role and are very positive about the company's future.

The company has agreed to support the House of Gray (Dundee) Limited and defer repayment of the monies due to it until the House of Gray (Dundee) Limited projects are adequately funded.

HOUSE OF GRAY (OPERATIONS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31st MARCH 2008

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st March 2008.

PRINCIPAL ACTIVITIES

The company ceased trading during the year ending 31st March 2002.

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:

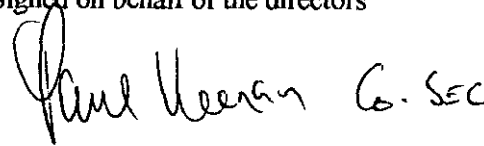
	Ordinary Shares of £0.01 each	
	At 31 March 2008	At 1 April 2007
C Aldridge	155,740	155,740
M B J Heathcote	60,523	60,523
M van der Matten	63,030	63,030
P M G Keenan	—	—

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
Glendoick
Perth
PH2 7RQ

Signed on behalf of the directors

pp  Co. Sec
M B J Heathcote
Director

Approved by the directors on 26th January 2009

HOUSE OF GRAY (OPERATIONS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st MARCH 2008

Profit and loss account	Note	2008	2007
		£	£
TURNOVER		-	-
Administrative expenses		<u>15</u>	<u>130</u>
OPERATING LOSS	2	(15)	(130)
Interest receivable		-	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(15)	(130)
Tax on (loss)/profit on ordinary activities	3	-	-
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(15)	(130)
Balance brought forward		<u>45,378</u>	<u>45,508</u>
Balance carried forward		<u>45,363</u>	<u>45,378</u>

The notes on pages 8 to 9 form part of these financial statements

HOUSE OF GRAY (OPERATIONS) LIMITED

BALANCE SHEET

31st MARCH 2008

Balance Sheet	Note	2008 £	2007 £
CURRENT ASSETS			
Debtors	4	0	0
Cash at bank		4	4
		<u>4</u>	<u>4</u>
CREDITORS: Amounts falling due within one year	5	0	0
NET CURRENT ASSETS		<u>4</u>	<u>4</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4</u>	<u>4</u>
DEBTORS: Amounts falling due after one year	4	322,669	322,684
CREDITORS: Amounts falling due after one year	5	<u>18,453</u>	<u>18,453</u>
		304,215	304,230
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	6	6,810	6,810
		<u>297,409</u>	<u>297,424</u>

The Balance sheet continues on the following page.
The notes on pages 7 to 9 form part of these financial statements

HOUSE OF GRAY (OPERATIONS) LIMITED

BALANCE SHEET (continued)

31st MARCH 2008

Balance Sheet	Note	2008 £	2007 £
CAPITAL AND RESERVES			
Called-up equity share capital	8	8,883	8,883
Share premium account		243,163	243,163
Profit and loss account		45,363	45,378
SHAREHOLDERS' FUNDS		<u>297,409</u>	<u>297,424</u>

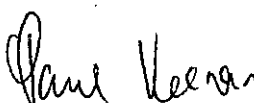
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) 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 26th January 2009 and are signed on their behalf by:

pp  Co. Sec
M B J HEATHCOTE

HOUSE OF GRAY (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

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).

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OPERATING LOSS

Operating loss is stated after charging:

	2008	2007
	£	£
Directors' emoluments	—	—

3. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2008	2007
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2003 - 20%)	—	—
Total current tax	—	—

4. DEBTORS

	2008	2007
	£	£
Other debtors	226,117	226,132
Prepayments and accrued income	96,552	96,552
	<u>322,669</u>	<u>322,684</u>

The debtors are amounts due from House of Gray (Dundee) Limited and are not expected to be repaid within 1 year.

HOUSE OF GRAY (OPERATIONS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2008

5. CREDITORS: Amounts falling due after one year

	2008	2007
	£	£
Other creditors:		
Amounts falling due within one year	-----	30
Accruals and Creditors falling due after one year	18,453	18,423
	<u>18,453</u>	<u>18,453</u>

6. DEFERRED TAXATION

The balance of the deferred taxation provision throughout the year was £6,810.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Interest receivable	6,810	6,810
	<u>6,810</u>	<u>6,810</u>

7. RELATED PARTY TRANSACTIONS

All the directors are also directors of House of Gray (Dundee) Limited. The net indebtedness due by that company at the year end was £322,669 (2003 - £322,684).

8. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
1,000,000 Ordinary shares of £0.01 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2008		2007	
	No	£	No	£
Ordinary shares of £0.01 each	<u>888,344</u>	<u>8,883</u>	<u>888,344</u>	<u>8,883</u>

9. CONTROLLING PARTY

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