

Strathmartine (Holdings) Limited

Annual report and financial statements for the year ended 31 December 2010

Company number: SC153127

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Strathmartine (Holdings) Limited

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Strathmartine (Holdings) Limited

Directors and advisors

Directors

Neil Fitzsimmons
Colin E Lewis

Company secretary

Joanne E Massey

Registered office

Regency House
Crossgates Road
Halbeath
Dunfermline
Fife
KY11 7EG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Strathmartine (Holdings) Limited

Directors' report for the year ended 31 December 2010

The directors present their annual report together with the financial statements of the Company for the year ended 31 December 2010. In this report, the 'Group' means Gladedale Group Holdings Limited and its subsidiary undertakings, the 'Residential Group' means Gladedale Residential Group Limited and its subsidiaries and the 'Company' means Strathmartine (Holdings) Limited.

Principal activities, review of the business and future developments

The principal activity of the Company is a holding company within the Residential Group whose activities comprise housebuilding, property development and investment. The Company did not trade during the year and is expected to remain dormant for the foreseeable future.

Principal risks and uncertainties

The Company is a member of the Residential Group and its risks are disclosed in the consolidated financial statements of Gladedale Residential Group Limited. Operational and financial risks are managed on a Residential Group basis.

Directors

The directors who, unless otherwise stated, served throughout the year and up to the date of signing the financial statements were as follows:

N Fitzsimmons	(appointed 1 June 2010)
C E Lewis	(appointed 1 June 2010)
D Gaffney	(resigned 15 July 2010)

Strathmartine (Holdings) Limited

Directors' report for the year ended 31 December 2010

Statement of 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 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 accounting 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.

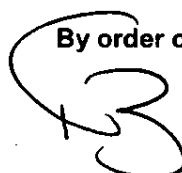
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

A handwritten signature in black ink, appearing to be 'N Fitzsimmons', followed by a horizontal line.

N Fitzsimmons
Director
25 July 2011

Strathmartine (Holdings) Limited

Independent auditors' report to the members of Strathmartine (Holdings) Limited for the year ended 31 December 2010

We have audited the financial statements of Strathmartine (Holdings) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the 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).

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 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 December 2010 and of its loss and cash flows 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.

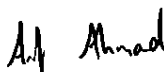
Opinion on other matter prescribed by the Companies Act 2006

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.

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.



Arif Ahmad (Senior Statutory Auditor)
For and on behalf of **PricewaterhouseCoopers LLP**
Chartered Accountants and Statutory Auditors
London

26 July 2011

Strathmartine (Holdings) Limited

Balance sheet as at 31 December 2010

		2010	2009
		£'000	£'000
Fixed assets			
Investments	3	-	-
Current assets			
Debtors (including £16,031,000 (2009: £16,031,000) due after more than one year)	4	16,031	16,031
		16,031	16,031
Creditors: amounts falling due within one year	5	(8)	(8)
Net current assets		16,023	16,023
Creditors: amounts falling due after more than one year	6	(16,004)	(16,004)
Net assets		19	19
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account	8	18	18
Total shareholders' funds	9	19	19

The financial statements on pages 5 to 9 were approved by the Board and authorised for issue on 25 July 2011.



N Fitzsimmons

Director

Strathmartine (Holdings) Limited
Company number: SC153127

Strathmartine (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

On 1 September 2009, as part of a group-wide restructuring exercise, the Company and its affiliates were acquired by Gladedale Group Holdings Limited. Arising from this change of ownership, new committed bank term loan and working capital facilities have been made available by the Group's principal lender, on this basis the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

Cash flow statement

The Company is a wholly owned subsidiary of Gladedale Group Holdings Limited, and is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Consolidated financial statements

The Company is exempt under section 400 of the Companies Act 2006 from preparing consolidated financial statements on the grounds that the results of the Company and its subsidiaries are incorporated in the consolidated financial statements of the ultimate parent company, Gladedale Group Holdings Limited.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Profit and loss account

The Company did not trade during the year and accordingly no profit and loss account has been prepared. The Company made neither a profit nor a loss nor had any other recognised gain or loss.

2 Operating profit

The Company did not have any employees during the year or prior year.

Directors' remuneration has been borne by Gladedale Holdings Limited, an intermediate parent undertaking.

Auditors' remuneration has been borne by another Group entity.

Strathmartine (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

3 Investments in subsidiary undertakings

All investments in subsidiaries have been written down to a £nil carrying value in previous years.

Principal investments in subsidiary undertakings

Details of investments which are not significant are not disclosed as this would result in a list of excessive length.

Subsidiary undertakings	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business
Castlegait Homes Limited	Scotland	Ordinary	100%	Development of private housing
Glademartin Homes Limited	Scotland	Ordinary	100%	Development of private housing
Gallions Approach Limited	England and Wales	Ordinary	100%	Development of private housing

4 Debtors

	2010	2009
	£'000	£'000
Amounts owed by Group undertakings	16,031	16,031

All amounts shown under debtors are owed by Group undertakings are interest free, carry no security and fall due for payment after more than one year.

5 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts due to Group undertakings	8	8

All amounts due to Group undertakings are interest free, carry no security and repayable on demand.

Strathmartine (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

6 Creditors: amounts falling due after more than one year

	2010	2009
	£'000	£'000
Amounts due to Group undertakings	16,004	16,004

All amounts due to Group undertakings are interest free, carry no security and repayable after more than one year.

7 Called up share capital

	2010	2009
	£	£
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
500 ordinary shares of £1 each	500	500

8 Reserves

	Profit and loss account
	£'000
Balance at 1 January 2010 and at 31 December 2010	18

Strathmartine (Holdings) Limited

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 Reconciliation of movement in total shareholders' funds

	2010	2009
	£'000	£'000
Profit for the financial year	-	-
Opening total shareholders' funds	19	19
Closing total shareholders' funds	19	19

10 Contingent liabilities

On 30 December 2009, the Company along with other Group member and related companies entered into cross guarantee and debenture instruments with the Bank of Scotland plc guaranteeing and securing liability in relation to their banking facilities. The aggregate amount outstanding at 31 December 2010 under these facilities was £475,224,075 (2009: £524,034,122).

11 Related party transactions

The Company is a wholly owned subsidiary of Gladedale Holdings Limited. Gladedale Group Holdings Limited, the ultimate parent undertaking, has prepared consolidated financial statements for the year ended 31 December 2010 and therefore the Company has relied on the exemptions contained within Financial Reporting Standard No. 8 in respect of the disclosure of related party transactions. There are no other related parties transactions that require disclosure in these financial statements.

12 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Gladedale Holdings Limited. The Company's shares have been pledged to HSDL Nominees Limited, a nominee of Bank of Scotland plc, as security for the Group's long term funding arrangements.

The directors consider Gladedale Group Holdings Limited, a company registered in England and Wales, to be the Company's ultimate parent company and controlling party. Gladedale Group Holdings Limited is the largest and Gladedale Residential Group Limited is the smallest group of which the Company is a member and for which consolidated financial statements will be prepared for 31 December 2010.

Copies of the financial statements of the ultimate parent company are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.