Blackridge Properties Limited

Directors' report and financial statements
Registered number 159415
31 March 2006

Contents

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 March 2006.

Principal activity

The company is a property investment company.

Business review

During the year, the company made a profit after tax of £342,000 *(2005: £316,000)*. The directors recommend the payment of a dividend of £nil *(2005: £133,000)*. This has not been included within creditors as it was not approved before the year end.

Directors

The directors of the company during the year and their shareholdings were as follows:

	At 31 March 2005 and 31 March 2006 Ordinary shares of £1 each No
IM Anderson	1
DG Anderson	1

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, 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

AM Stewart

AM Stewart
Secretary

Carrick House
40 Carrick Street
Glasgow
G2 8DA

23 June 2006

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.

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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

KPMG

KPMG LLP
191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditors' report to the members of Blackridge Properties Limited

We have audited the financial statements of Blackridge Properties Limited for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 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 described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 judgments 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.

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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

26 June 2006

Profit and loss account
for the year ended 31 March 2006

	Note	2006	2005 (restated - see note 6)
		£000	£000
Turnover	2	**834**	752
Other operating charges		**(51)**	(35)
Operating profit	3	**783**	717
Interest payable and similar charges	4	**(303)**	(269)
Profit on ordinary activities before taxation		**480**	448
Tax on profit on ordinary activities	7	**(138)**	(132)
Profit for the financial year	13	**342**	316

All amounts relate to continuing activities.

There were no gains or losses recognised for the years ended 31 March 2006 and 31 March 2005 other than those set out above.

Balance sheet
at 31 March 2006

	Note	2006		2005 (restated - see note 6)	
		£000	£000	£000	£000
Fixed assets					
Tangible fixed assets	*8*		5,728		5,131
Current assets					
Debtors	*9*	187		210	
Cash at Bank		12		-	
		199		210	
Creditors: amounts falling due within one year	*10*	(631)		(1,192)	
Net current liabilities			(432)		(982)
Total assets less current liabilities			5,296		4,149
Creditors: amounts falling due after more than one year	*11*		(4,201)		(3,263)
Net assets			1,095		886
Capital and reserves					
Called up share capital	*12*		-		-
Profit and loss account	*13*		1,095		886
Equity shareholders' funds	*13*		1,095		886

These financial statements were approved by the board of directors on 23 June 2006 and were signed on its behalf by:

Douglas Anderson

Douglas Anderson
Director

Iain Anderson
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost accounting rules, modified to include the revaluation of investment properties. The company has adopted FRS 21: Events after the balance sheet date, in the financial statements and comparative figures have been restated accordingly.

Investment properties

Investment properties are defined as properties held for their investment potential. These properties are held in the balance sheet at their open market value at the balance sheet date on the basis of a directors' valuation.

In accordance with Statement of Standard Accounting Practice No. 19,

i investment properties are revalued annually at open market values. All surpluses and deficits arising on valuation are taken directly to revaluation reserve except that any permanent diminution in the value of an investment property is taken to the profit and loss account for the year; and

ii no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

At the current time the directors are satisfied that cost and market value are not materially different.

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 required by FRS 19.

2 Turnover

Turnover represents amounts invoiced to tenants for rent of properties excluding value added tax.

3 Operating profit

	2006	2005
	£000	£000
Operating profit is stated after charging/(crediting):		
Auditor's remuneration	1	1
Loss/(gain) on disposal of fixed assets	4	(25)

Notes *(continued)*

4 Interest payable and similar charges

	2006 £000	2005 £000
On bank loans and overdrafts	**303**	269

5 Directors' emoluments

	2006 £000	2005 £000
Directors' emoluments (excluding pension contributions) – note 14	**-**	-

6 Dividends

	2006 £000	2005 £000
Final dividend paid in respect of prior year but not recognised as liability in that year	**133**	100

During the year the company adopted FRS 21: Events after the balance sheet date, which superseded SSAP 17. Under the new standard, final dividends payable are recognised only in the period in which they are declared at the annual general meeting and therefore come a liability and interim dividends are recognised in the period in which they are paid, whereas under SSAP 17 dividends were accrued for when proposed. This has resulted in an increase of £150,000 in retained profit for the year ended 31 March 2006. Of the £150,000 proposed £133,333 has been paid during the year to 31 March 2006.

7 Tax on profit on ordinary activities

(a) Tax charge

	2006 £000	2005 £000
UK corporation tax at 30%		
- current year	**146**	132
- prior year	**(8)**	-
Tax on profit on ordinary activities	**138**	132

Notes *(continued)*

7 Tax on profit on ordinary activities *(continued)*

(b) Reconciliation of tax charge

	2006 £000	2005 £000
Profit on ordinary activities before tax	**480**	448
Current tax at 30% *(2005: 30%)*	**144**	134
Effects of:		
Disallowable expenditure	**-**	19
Non chargeable loss/(gain) on disposal	**2**	(25)
Other	**-**	4
Adjustment in respect of prior periods	**(8)**	-
Total current tax charge	**138**	132

8 Tangible fixed assets

	Investment properties £000
Cost	
At 31 March 2005	5,131
Additions	777
Disposals	(180)
At 31 March 2006	**5,728**

Investment properties were valued by the directors on an open market basis at 31 March 2006.

9 Debtors

	2006 £000	2005 £000
Trade debtors	**23**	-
Other debtors and accrued income	**164**	210
	187	210

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2006 £000	2005 (restated - see note 6) £000
Bank loans and overdraft (secured - note 11)	**464**	999
Accruals and deferred income	**21**	50
Corporation tax	**146**	143
	631	1,192

11 Creditors: amounts falling due after more than one year

	2006 £000	2005 £000
Bank loan	**4,201**	3,263

Debt due after more than one year can be analysed as falling due:		
In one year or less	**464**	999
Between 1-2 years	**238**	172
Within 2-5 years	**714**	515
Over five years	**3,249**	2,576
	4,665	4,262

The bank loans and overdraft are secured by legal charges over the properties.

12 Share capital

	2006 £	2005 £
Authorised		
100 Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	2

Notes *(continued)*

13 Reconciliation of movement in shareholders' funds

	Profit and loss account	
	2006	2005 (restated - see note 6)
	£000	£000
Profit for the financial year	**342**	316
Dividends paid on equity shares	**(133)**	(100)
Net addition to shareholders' funds	**209**	216
Opening shareholders' funds (originally £736,000 *(2005: £570,000)* before adding prior year adjustment of £150,000 (£100,000) – note 6)	**886**	670
Closing shareholders' funds	**1,095**	886

14 Related party transactions

The rent received during for the year from GAP Group Limited, a company partly owned by IM Anderson and DG Anderson, was £697,000 *(2005:£621,000)*. At the year end £nil *(2005: £nil)* was outstanding.

15 Cash flow statement

Companies which are entitled to the exemption available in Sections 246 to 249 of the Companies Act 1985 for small companies are granted exemption by FRS1 from the requirement to prepare a cash flow statement, provided that certain conditions are met. Blackridge Properties Limited is such a company and, accordingly, a cash flow statement has not been prepared.