

HAYMARKET YARDS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2005
TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS
REGISTERED NUMBER: SC209008



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HAYMARKET YARDS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2005

The directors present their annual report and the financial statements for the year to 31 July 2005.

PRINCIPAL ACTIVITIES:

The principal activity of the company during the year was that of property investment and development.

RESULTS AND DIVIDENDS:

Results and dividends for the year were as follows:

Accumulated profit at 31 July 2004	£	29,923
Profit for the financial year		6,541
Accumulated profit at 31 July 2005	£	36,464

No dividend was paid or proposed in respect of the year (2004 - £Nil).

DIRECTORS AND THEIR INTERESTS:

The directors who served the company during the year were as follows:

D Gaffney (appointed 9 March 2005)
I T Townsend (resigned 28 January 2005)
D Robinson
I B Tudhope
A Glasgow

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company (Note 14).

HAYMARKET YARDS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2005 (continued)

DIRECTORS' RESPONSIBILITIES:

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of its profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 which 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 1985. 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.

AUDITORS:

The directors will place a resolution before the annual general meeting to re-appoint Whitelaw Wells as auditors for the ensuing year.

SMALL COMPANY PROVISIONS:

The 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).

9 Charlotte Square
Edinburgh
EH2 4DR

BY ORDER OF THE BOARD



12 May 2006

D Horne
Secretary

WHITELAW WELLS

**Chartered Accountants
9 Ainslie Place
Edinburgh EH3 6AT**

Independent Auditors Report to the Shareholders of HAYMARKET YARDS LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 6 and 7.

This report is 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:

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION:

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 July 2005 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WHITELAW WELLS

CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

12 MAY 2006

HAYMARKET YARDS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
OTHER INCOME	1(d)	£ 22,494	£ 21,000
Other operating expenses		(16,508)	(8,422)
		<hr/>	<hr/>
OPERATING PROFIT	2	5,986	12,578
Investment income	4	917	555
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,903	13,133
Tax on profit on ordinary activities	5	(362)	(1,416)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		£ 6,541	£ 11,717
		<hr/>	<hr/>

The current year results have been derived wholly from continuing operations.

The company has no recognised profits or losses in the year or the prior year other than the profit for the year.

The reported profit on ordinary activities before taxation equates to the historical cost on ordinary activities before taxation.

There were no movements in shareholders' funds other than the profit for the year.

The accompanying notes form an integral part of this profit and loss account.

HAYMARKET YARDS LIMITED

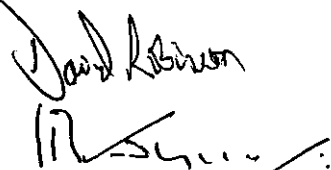
BALANCE SHEET - 31 JULY 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
FIXED ASSETS			
Tangible assets	6	£ 1,016,892	£ 1,016,892
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	7	3,839	2,056
Cash at bank		43,736	30,241
		<hr/>	<hr/>
		47,575	32,297
CREDITORS: Amounts falling due within one year	8	(14,997)	(6,260)
		<hr/>	<hr/>
NET CURRENT ASSETS		32,578	26,037
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,049,470	1,042,929
CREDITORS: Amounts falling due after one year	9	(1,012,853)	(1,012,853)
PROVISIONS FOR LIABILITIES AND CHARGES	10	(151)	(151)
NET ASSETS		£ 36,466	£ 29,925
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called-up equity share capital	11	£ 2	£ 2
Profit and loss account	12	36,464	29,923
SHAREHOLDERS' FUNDS		£ 36,466	£ 29,925
		<hr/>	<hr/>

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).

SIGNED ON BEHALF OF THE BOARD ON 12 MAY 2006

D Robinson)
) Directors
I B Tudhope)



The accompanying notes form an integral part of this balance sheet.

HAYMARKET YARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES:

The principal accounting policies, which have been applied consistently throughout the year and the prior year are:

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Tangible fixed assets

Development properties are those properties in respect of which construction and development have not been completed at the balance sheet date, and are reflected at cost including an allocation of overheads and interest charges on borrowings which are related to the properties, where recoverability is reasonably certain. Interest is capitalised from the point at which development sites or properties are acquired except where there is a substantial delay between acquisition and commencement of physical construction, when capitalisation will commence at the latter point. Profit is accrued on a conservative basis as developments proceed where the realisation of profit is reasonably certain. Development properties currently being operated for business purposes are not depreciated. Provisions are made against the carrying value of development properties when the directors consider book value to exceed recoverable value. The directors consider that these policies are necessary to provide a true and fair view.

(c) Taxation

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

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are normally recognised in the financial statements of the surrendering undertakings.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

HAYMARKET YARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued):

(c) Taxation (continued)

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 a non-discounted basis.

(d) Other Income

Other income comprises rental income of £22,494 (2004 – £21,000). This represents amounts invoiced during the year and is net of VAT.

2. OPERATING PROFIT:

Operating profit is stated after charging:

	<u>2005</u>	<u>2004</u>
Auditors' fees	£ 700	£ 600

3. STAFF COSTS:

The company had no employees during the year and the prior year.

During the year and the prior year none of the directors received any remuneration from the company.

4. INVESTMENT INCOME:

The following is included in investment income:

	<u>2005</u>	<u>2004</u>
Bank interest receivable	£ 917	£ 555

HAYMARKET YARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The tax charge comprises:

	<u>2005</u>	<u>2004</u>
Current tax		
UK Corporation tax	£ 362	£ 1,351
Total current tax	<u>362</u>	<u>1,351</u>
Deferred tax		
Origination and reversal of timing differences		
- current year	-	65
Total deferred tax (see note 10)	<u>-</u>	<u>65</u>
Total tax on profit on ordinary activities	<u>£ 362</u>	<u>£ 1,416</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	<u>2005</u>	<u>2004</u>
Profit on ordinary activities before tax	£ 6,903	£ 13,133
Tax on profit on ordinary activities at standard UK corporation tax rate of 0% (2004 – 19%)	<u>-</u>	<u>2,495</u>
Effects of:		
Marginal relief	-	(679)
Utilisation of tax losses	-	(400)
Capital allowances in excess of depreciation	-	(65)
Payment for group relief	362	-
	<u>£ 362</u>	<u>£ 1,351</u>

The company earns its profits in the UK, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 0% (2004 – 19%).

HAYMARKET YARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS:

	Development Property
COST:	
At 1 August 2004	£ 1,016,892
Additions	-
At 31 July 2005	<u>£ 1,016,892</u>
DEPRECIATION	
At 31 July 2005	<u>-</u>
At 31 July 2004	<u>-</u>
NET BOOK VALUE	
At 31 July 2005	<u>£ 1,016,892</u>
At 31 July 2004	<u>£ 1,016,892</u>

7. DEBTORS: Amounts falling due within one year:

The following amounts are included in the net book value of debtors:

	<u>2005</u>	<u>2004</u>
Trade debtors	£ 3,839	£ 2,056

8. CREDITORS: Amounts falling due within one year:

The following amounts are included in creditors falling due within one year:

	<u>2005</u>	<u>2004</u>
Amounts due to other group undertakings	362	-
Accruals and deferred income	13,428	3,979
VAT	1,107	816
Corporation tax	-	1,351
Other creditors	100	114
	<u>£ 14,997</u>	<u>£ 6,260</u>

9. CREDITORS: Amounts falling due after one year:

The following amounts are included in creditors falling due after one year:

	<u>2005</u>	<u>2004</u>
Other loans	£ 1,012,853	£ 1,012,853

The loan is interest free and has no fixed terms of repayment.

HAYMARKET YARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

10. PROVISIONS FOR LIABILITIES AND CHARGES:

Deferred taxation has been provided to the extent that the directors have concluded, on the basis of reasonable assumptions and the intentions of management, that it is probable that the liability will be realised. The deferred tax provision in the company at 31 July 2005 was £151 (2004 - £151).

	<u>2005</u>	<u>2004</u>
Deferred taxation	£ 151	£ 151
	<u> </u>	<u> </u>

Deferred taxation provided as at 31 July 2004 and 31 July 2005 was:

	Amounts provided <u>2005</u>	Amounts provided <u>2004</u>
Capital allowances in excess of depreciation	£ 151	£ 151
	<u>£ 151</u>	<u>£ 151</u>

11. SHARE CAPITAL:

	<u>2005</u>	<u>2004</u>
Authorised share capital:		
100 Ordinary shares of £1.00 each	£ 100	£ 100
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
2 Ordinary shares of £1.00 each	£ 2	£ 2
	<u> </u>	<u> </u>

12. RESERVES:

	Profit and loss <u>account</u>
Balance at 31 July 2004	£ 29,923
Profit for the financial year	6,541
Balance at 31 July 2005	<u>£ 36,464</u>

HAYMARKET YARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. RELATED PARTY TRANSACTIONS:

Loans to the company were made by Gladedale Capital Limited and The Premier Property Group Limited, who jointly own the issued share capital in the ultimate parent company.

The balance due to Gladedale Capital Limited at the year end was £506,426. The balance due to The Premier Property Group Limited at the year end was £506,426. These balances are shown in Other Loans.

14. ULTIMATE PARENT COMPANY:

The ultimate parent company is Haymarket Court Limited, a company which is registered in Scotland.

15. POST BALANCE SHEET EVENT:

Subsequent to the year end, the company disposed of its development property for a cash consideration of £3,950,000.