

WALLACE PROPERTY INVESTMENTS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2007

Company Registration Number SC216019



Tenon Limited
Accountants and Business Advisers
160 Dundee Street
Edinburgh
EH11 1DQ

WALLACE PROPERTY INVESTMENTS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

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WALLACE PROPERTY INVESTMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO WALLACE PROPERTY
INVESTMENTS LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of Wallace Property Investments Limited for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditor

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
160 Dundee Street
Edinburgh
EH11 1DQ

27/5/08

WALLACE PROPERTY INVESTMENTS LIMITED

ABBREVIATED BALANCE SHEET

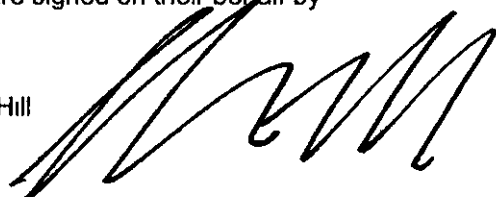
31 MARCH 2007

| | Note | 2007 £ | £ | 2006 £ | £ |
|--|------|------------------|-------------------|------------------|-------------------|
| Fixed assets | 2 | | | | |
| Tangible assets | | | 21,037,000 | | 19,171,049 |
| Current assets | | | | | |
| Debtors | | 164,045 | | 121,250 | |
| Cash at bank and in hand | | 105,671 | | 78,366 | |
| | | <u>269,716</u> | | <u>199,616</u> | |
| Creditors: Amounts falling due within one year | | <u>(735,561)</u> | | <u>(680,271)</u> | |
| Net current liabilities | | | (465,845) | | (480,655) |
| Total assets less current liabilities | | | <u>20,571,155</u> | | <u>18,690,394</u> |
| Creditors: Amounts falling due after more than one year | | | (15,903,868) | | (16,197,040) |
| Provisions for liabilities | | | (313,884) | | (221,489) |
| | | | <u>4,353,403</u> | | <u>2,271,865</u> |
| Capital and reserves | | | | | |
| Called up share capital | 4 | | 1,000 | | 1,000 |
| Revaluation reserve | | | 3,389,394 | | 1,523,443 |
| Profit and loss account | | | 963,009 | | 747,422 |
| Shareholders' funds | | | <u>4,353,403</u> | | <u>2,271,865</u> |

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 1 May 2008, and are signed on their behalf by

W D Hill



J K Berry



The notes on pages 3 to 5 form part of these abbreviated accounts

WALLACE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

The turnover shown in the profit and loss account represents rental income which is recognised on a straight line basis over the period of the lease. The company's activities are carried out wholly in the UK and are recorded exclusive of Value Added Tax

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view

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 or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the 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 enacted or substantively enacted at the balance sheet date

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Issue costs

Borrowings are stated net of related issue costs which have been incurred directly in connection with the issue of bank funding

Issue costs are written off to the profit and loss account over the life of the related bank borrowing and included within interest payable and similar charges

WALLACE PROPERTY INVESTMENTS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2007

2 Fixed assets

| | Tangible Assets £ |
|---------------------------|----------------------------------|
| Cost or valuation | |
| At 1 April 2006 | 19,171,049 |
| Revaluation | <u>1,865,951</u> |
| At 31 March 2007 | <u>21,037,000</u> |
| Net book value | |
| At 31 March 2007 | <u>21,037,000</u> |
| At 31 March 2006 | <u>19,171,049</u> |

The investment properties were revalued, on an open market basis, on 5 June 2007 by Lambert Smith Hampton. The directors do not consider the value of the investment properties at the year end to be significantly different from their current carrying value.

On a historical cost basis the investment properties would be stated at £17,647,606 (2006 £17,647,606)

3 Related party transactions

Included within debtors are amounts owing from HF Property Management Services Limited of £nil (2006 £361), Hamilton Park Developments (Plot 7B) Limited of £nil (2006 £79,470) and HF Developments Limited £nil (2006 £765)

Included within creditors due within one year are amounts owing to SBP Management Limited of £16,122 (2006 £nil) and HF Property Management Services Limited of £219 (2006 £nil)

During the year the company paid management charges to HF Property Management Services Limited of £50,833 (2006 £42,300) and SBP Management Services Limited of £28,890 (2006 £34,705). It also received rental income of £45,625 (2006 £45,365) from HF Management Services Limited.

In addition the company has been granted a loan by HF Developments Limited. Details of this loan are given in note 8 to the financial statements.

All of the above companies are companies in which W D Hill, a director of the company, has an interest.

The company has also been granted loans by The Royal Bank of Scotland Plc. Details of these loans are given in note 8 to the financial statements.

WALLACE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

4 Share capital

Authorised share capital

| | 2007 | 2006 |
|------------------------------------|--------------|--------------|
| | £ | £ |
| 500 Ordinary 'A' shares of £1 each | 500 | 500 |
| 500 Ordinary 'B' shares of £1 each | 500 | 500 |
| | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid

| | 2007 | | 2006 | |
|--------------------------------|--------------|--------------|--------------|--------------|
| | No | £ | No | £ |
| Ordinary 'A' shares of £1 each | 500 | 500 | 500 | 500 |
| Ordinary 'B' shares of £1 each | 500 | 500 | 500 | 500 |
| | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> | <u>1,000</u> |

The holders of the Ordinary 'A' and 'B' shares have equal rights with regards to voting and income

5. Ultimate controlling party

In the directors' opinion the company has no ultimate controlling party