

WALLACE PROPERTY INVESTMENTS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2008

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 2008

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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 set out on pages 2 to 5, together with the financial statements of Wallace Property Investments Limited for the year ended 31 March 2008 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

Date: *28/1/09*

WALLACE PROPERTY INVESTMENTS LIMITED

ABBREVIATED BALANCE SHEET

31 MARCH 2008

	Note	2008 £	£	2007 £	£
Fixed assets	2				
Tangible assets			21,037,000		21,037,000
Current assets					
Debtors		64,896		164,045	
Cash at bank and in hand		2,706,716		259,445	
		<u>2,771,612</u>		<u>423,490</u>	
Creditors: Amounts falling due within one year		<u>(1,340,328)</u>		<u>(889,335)</u>	
Net current assets/(liabilities)			1,431,284		(465,845)
Total assets less current liabilities			<u>22,468,284</u>		<u>20,571,155</u>
Creditors: Amounts falling due after more than one year			(15,609,860)		(15,903,868)
Provisions for liabilities			(956,480)		(313,884)
			<u>5,901,944</u>		<u>4,353,403</u>
Capital and reserves					
Called-up share capital	5		1,000		1,000
Revaluation reserve			3,389,394		3,389,394
Profit and loss account			2,511,550		963,009
Shareholders' funds			<u>5,901,944</u>		<u>4,353,403</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 21 January 2009, and are signed on their behalf by:

W D Hill



E Rintoul



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 2008

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

The company's investment properties are shown at market value in the financial statements with any surplus over the cost being transferred to a revaluation reserve; where revaluation is less than cost and is considered to be permanent in nature, the shortfall is charged to the profit and loss account. Where the fall in value is considered to be temporary, any adjustment is taken to the revaluation reserve.

No depreciation is provided in respect of the company's investment properties. Although the Companies Act 1985 would normally require the systematic depreciation of fixed assets, the directors believe that this policy of not providing depreciation on investment properties is necessary in order for the financial statements to give a true and fair view as market valuation is more relevant than a measure of consumption in the activities of the company. It's the directors' policy to maintain the properties in good condition thus prolonging their useful life. Depreciation 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.

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.

WALLACE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

1. Accounting policies *(continued)*

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.

2. Fixed assets

	Tangible Assets £
Cost or valuation	
At 1 April 2007 and 31 March 2008	21,037,000
Net book value	
At 31 March 2008	21,037,000
At 31 March 2007	21,037,000

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 (2007: £17,647,606).

3. Cash at bank

Included within cash at bank is £2,459,828 of funds which the company has restricted access to. This money is in relation to lease termination fees received in the year.

4. Secured loans

Included within creditors falling due within one year is bank loans and overdrafts of £444,110 (2007: £546,948). Included within creditors falling due after more than one year is bank loans of £14,148,922 (2007: £14,442,930) and amounts owed to a related undertaking of £1,460,938 (2007: £1,460,938).

Bank term loans of £13,137,500 (2007: £13,437,500) are secured by a standard security over all of the company's investment properties and a bond and floating charge over the assets of the company. The loans bear interest at a margin over LIBOR but under the terms of an interest rate swap agreement this has been exchanged for a fixed rate. The loans are repayable at £25,000 and £50,000 per quarter until 2016.

The remaining bank loan of £1,460,938 (2007: £1,460,938) and the amount owed to the related undertaking of £1,460,938 (2007: £1,460,938) have both been granted as part of a joint financing arrangement. The loan owed to the related undertaking is unsecured and interest free. The remaining bank loan is secured by a standard security over all of the company's investment properties and a bond and floating charge over the assets of the company. Both loans are repayable in not less than five years.

Loan issue costs are released to the profit and loss account over the term of the loans.

WALLACE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2008

5. Share capital

Authorised share capital:

	2008	2007
	£	£
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:

	2008		2007	
	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.

6. Ultimate controlling party

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