Registration number SC216154

St Vincent Street Developments Limited

Directors' Report and Financial Statements

for the Period from 1 January 2005 to 28 February 2006

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St Vincent Street Developments Limited

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St Vincent Street Developments Limited

Officers and Advisers

Directors	Europa Director Limited	(appointed 17 June 2005)
	J L Burnley	(resigned 17 June 2005)
	J S Lloyd	(resigned 17 June 2005)
	K C McCabe	(resigned 17 June 2005)
	D J Walkden	(resigned 17 June 2006)
Secretary	Teesland Secretarial Services Limited	(appointed 17 June 2005)
Registered office	93 George Street Edinburgh EH2 3ES	
Bankers	Bank of Scotland 21 23 Hill Street Mayfair London W1J 5JW	
Auditors	PricewaterhouseCoopers LLP Benson House 33 Wellington Street Leeds LS1 4JP	

St Vincent Street Developments Limited

Directors' Report for the Period Ended 28 February 2006

The directors present their report and the audited financial statements for the period ended 28 February 2006

Directors' responsibilities

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss of the company for the period ending on that date In preparing those financial statements, directors are required to

- select suitable accounting policies and 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,
- prepare the financial statements on a 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 the 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

Principal activity and business review

The principal activity of the company is the development and refurbishment of commercial property

The directors consider that the results for the period and the financial position at the end of the period were satisfactory and the financial position of the Company will be maintained during the forthcoming year

Post balance sheet events

No events have occurred since the period end which require reporting or disclosing in the financial statements

St Vincent Street Developments Limited

Directors' Report for the Period Ended 28 February 2006

continued

Results and dividend

The results for the company are set out in the financial statements

The director does not recommend the payment of a dividend

Directors and their interests

The directors who held office at the balance sheet date and, unless otherwise stated, during the period were as follows

Europa Director Limited	(appointed 17 June 2005)
J L Burnley	(resigned 17 June 2005)
J S Lloyd	(resigned 17 June 2005)
K C McCabe	(resigned 17 June 2005)
D J Walkden	(resigned 17 June 2006)

None of the directors had an interest in the shares of the company at any time during the period

Retirement of directors

In accordance with the Articles of Association, directors are not required to retire from the board on a rotational basis

Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for re appointment in accordance with section 385 of the Companies Act 1985

Approved by the Board and signed on its behalf by

Europa Director Limited
Director

Date 21 December 2006

Independent Auditors' Report to the Members of

St Vincent Street Developments Limited

We have audited the financial statements of St Vincent Street Developments Limited for the period ended 28 February 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom 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) This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, 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

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

Basis of 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2006 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Benson House
33 Wellington Street
Leeds
LS1 4JP

Date 21 December 2006

St Vincent Street Developments Limited

Profit and Loss Account for the Period Ended 28 February 2006

	Note	1 January 2005 to 28 February 2006 £ 000	Year ended 31 December 2004 £ 000
Administrative expenses		(120)	(235)
Other operating income	2	18	
Operating loss	3	(102)	(235)
Waiver of loan from group company		1,945	
Interest payable and similar charges	7	(193)	(292)
Profit/(loss) on ordinary activities before taxation		1,650	(527)
Tax on profit/(loss) on ordinary activities	8	35	85
Profit/(loss) on ordinary activities after taxation		1,685	(442)
Retained loss brought forward		(1,715)	(1,273)
Retained loss carried forward		(30)	(1,715)

The above results derive wholly from continuing operations

The company has no recognised gains or losses for the period other than the profit/(loss) on ordinary activities before taxation

There is no material difference between the result reported above and the result on an unmodified historical cost basis

The notes on pages 7 to 13 form an integral part of these financial statements

St Vincent Street Developments Limited

Balance Sheet as at 28 February 2006

	Note	28 February 2006 £ 000	31 December 2004 £ 000
Fixed assets			
Tangible assets	9		6,483
Current assets			
Stocks	10	11,406	
Debtors	11	169	167
		11,575	167
Creditors. Amounts falling due within one year	12	(11,605)	(8,365)
Net current liabilities		(30)	(8,198)
Net liabilities		(30)	(1,715)
Capital and reserves			
Called up share capital	13		
Profit and loss reserve		(30)	(1,715)
Equity shareholders' deficit		(30)	(1,715)

These accounts were approved by the Director on 21 December 2006

Europa Director Limited
Director

The notes on pages 7 to 13 form an integral part of these financial statements

1 Accounting policies

Basis of preparation

The Financial Statements are prepared on a going concern basis under the historical cost convention and the accounting policies below, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom

The company has adopted FRS 21 'Events after the balance sheet date' and FRS 25 'Financial instruments Disclosure and presentation' during the year The adoption of these standards does not have an impact on the financial statements

Going concern

The financial statements have been prepared on the going concern basis of accounting because the joint venture partners have agreed to provide adequate funds for the company and its parent to meet its liabilities as they fall due

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Properties 50 years
Equipment 10 years

Stock

Unless presold, development properties are held at the lower of cost, including finance costs and market value Cost is based on the cost of the land and all other direct costs incurred to date, including demolition costs and interest paid in respect of borrowings to finance the relevant development Presold development properties are stated at cost plus attributable profits less losses, where the outcome can be assessed with reasonable certainty, less progress payments receivable Attributable profit consists of the relevant proportion of the total estimated profit appropriate to the progress made in construction and letting Losses are recognised immediately

Interest Cost

Interest which can fairly be attributed to properties held for, or in the course of, development is considered to be part of the cost Interest is calculated by reference to specific borrowings where relevant and otherwise by reference to the average rate paid on funding the assets employed by the Company Interest is attributed to the development for the period until substantially all activities necessary to bring the development into use have been completed

Deferred taxation

Deferred taxation is provided if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured using rates of tax that have been enacted by the balance sheet date

continued

Cash Flow Statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985 As a consequence, it is exempt from the requirements to publish a cash flow statement

2 Other operating income

	1 January 2005 to 28 February 2006 £ 000	Year ended 31 December 2004 £ 000
Other income	18	

3 Operating loss

Operating loss is stated after charging

	1 January 2005 to 28 February 2006 £ 000	Year ended 31 December 2004 £ 000
Auditors remuneration audit services	3	
Auditors remuneration non audit services	1	
Depreciation of tangible fixed assets	108	235

In 2004 auditors' remuneration was borne by Bank of Scotland, a member of HBOS plc

4 Waiver of loan from group company

On 17 June 2005 the company's immediate parent undertaking at that date, Horizon Property Company (Scarborough) Limited, a member of HBOS plc Group, waived an intercompany loan amounting to £1,945,000 (2004 £Nil)

5 Employee information

The company had no employees during the current or prior year

6 Directors' emoluments

No emoluments were paid to the directors during the period (2004 £nil)

continued

7 Interest payable and similar charges

	1 January 2005 to 28 February 2006 £ 000	Year ended 31 December 2004 £ 000
Interest payable to group undertakings	177	292
Bank interest payable	16	
	193	292

Following the appropriation of the company's property into stock on 17 June 2005, interest payable to group undertakings of £357,000 (2004 £Nil) incurred after that date has been capitalised into stock

8 Taxation

Analysis of current period tax charge

	1 January 2005 to 28 February 2006 £ 000	Year ended 31 December 2004 £ 000
Current tax		
Corporation tax charge	(32)	(85)
(Over)/under provision in previous year	(3)	
UK Corporation tax	(35)	(85)

continued

Factors affecting current period tax charge

The tax assessed on the profit/(loss) on ordinary activities for the period is lower than (Year ended 31 December 2004 higher than) the standard rate of corporation tax in the UK of 30 00% (Year ended 31 December 2004 30 00%)

The differences are reconciled below

	1 January 2005 to 28 February 2006 £ 000	Year ended 31 December 2004 £ 000
Profit/(loss) on ordinary activities before taxation	1,650	(527)
Standard rate corporation tax charge	495	(158)
Expenses not deductible for tax purposes (including goods)	32	73
Non taxable income	(583)	
Adjustment to prior year tax	(3)	
Compensation payable for transfer pricing adjustment	24	
Total current tax for the period	(35)	(85)

continued

9 Tangible fixed assets

	Land and buildings £ 000
Cost	
As at 1 January 2005	7,384
Disposals	(7,384)
As at 28 February 2006	
Depreciation	
As at 1 January 2005	901
Eliminated on disposals	(1,009)
Charge for the period	108
As at 28 February 2006	
Net book value	
As at 28 February 2006	
As at 31 December 2004	6,483

The company's property was appropriated from tangible fixed assets to stock on 17th June 2005 following the sale of the company from Horizon Property Company (Scarborough) Limited to SDG Forsyth Limited

10 Stocks and work in progress

	28 February 2006 £ 000	31 December 2004 £ 000
Stocks	11,406	

Stock includes attributable interest of £357,000 (2004 £Nil)

continued

11 Debtors

	28 February 2006 £ 000	31 December 2004 £ 000
Trade debtors	21	
Other debtors	148	167
	169	167

12 Creditors. Amounts falling due within one year

	28 February 2006 £ 000	31 December 2004 £ 000
Trade creditors	120	
Amounts owed to group undertakings	10,983	8,365
Other creditors	24	
Accruals and deferred income	478	
	11,605	8,365

13 Share capital

	28 February 2006 £	31 December 2004 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 ordinary shares of £1 each	1	1

continued

14 Reconciliation of movements in shareholders' funds

	28 February 2006 £ 000	31 December 2004 £ 000
Profit/(Loss) attributable to members of the company	1,685	(442)
	1,685	(442)
Net addition/(reduction) to shareholders' funds	1,685	(442)
Opening equity shareholders' deficit	(1,715)	(1,273)
Closing equity shareholders' deficit	(30)	(1,715)

15 Contingent liabilities

At 28 February 2006 the company has a contingent liability in relation to a guarantee on the bank loan of its parent undertaking amounting to £11,011,000 (2005 £Nil) The guarantee was secured on the development property of the company The directors do not expect this liability to crystallise

16 Related parties

Controlling entity

Until the 17 June 2005 the company was wholly owned by Horizon Property Company (Scarborough) Limited, a member of the HBOS plc Group

On 17 June 2005 the company was acquired by SDG Forsyth Limited SDG Forsyth Limited is jointly owned and controlled in equal proportions by each of Scarborough Property Company plc, Scarborough Development Group plc, SDG Caledonia Limited, SDG Property Holdings Limited, Scosim Limited and Quoin Property Company Limited

Copies of the financial statements of the above companies can be obtained from 93 George Street, Edinburgh EH2 3ES with the exception of Scarborough Development Group plc which can be obtained from Europa House, 20 Esplanade, Scarborough YO11 2AQ

Related party transactions

The company has taken advantage of the exemption available within FRS 8 not to disclose transactions with other group companies