

Registration number SC216154

St Vincent Street Developments Limited

Director's Report and Financial Statements
for the Year Ended 28 February 2007

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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	(resigned 10 July 2007)
	Esplanade Director Limited	(appointed 10 July 2007)
Secretaries	Teesland Secretarial Services Limited	(resigned 10 July 2007)
	Esplanade Secretarial Services Limited	(appointed 10 July 2007)
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

Director's Report for the Year Ended 28 February 2007

The director presents their report and the audited financial statements for the year ended 28 February 2007

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 year 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, and

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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

Statement of disclosure of information to auditors

In accordance with section 234 of the Companies Act, the director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that they know of and which they know the auditors are unaware of

Principal activity and business review

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

Both the level of activity for the year and the financial position at the end of the year were as anticipated and the directors expect that the current level of activity will be sustained for the foreseeable future

Results and dividends

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

The director does not recommend the payment of a dividend (2006 £Nil)

Principal risks and uncertainties

The principal risks and uncertainties mainly relate to volatility of interest rates and the state of the UK property market. These risks and uncertainties are managed by the management of the joint venture partners and are discussed in more detail in the annual reports of each partner, as detailed in note 15

St Vincent Street Developments Limited

Director's Report for the Year Ended 28 February 2007

continued

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

Directors and their interests

The director who held office during the year and up to the date of this report was as follows

Europa Director Limited (resigned 10 July 2007)

Esplanade Director Limited (appointed 10 July 2007)

The director did not have an interest in the shares of the company at any time during the year

Approved by the Board and signed on its behalf by



Esplanade Secretarial Services Limited
Company Secretary

Date 10th March 2008

Independent Auditors' Report to the Members of St Vincent Street Developments Limited

We have audited the financial statements of St Vincent Street Development Limited for the year ended 28 February 2007 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.

Respective responsibilities of directors and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

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 whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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.

**Independent Auditors' Report to the Members of
St Vincent Street Developments Limited**

continued

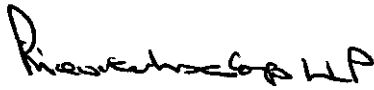
Opinion

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 2007 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Benson House
33 Wellington Street
Leeds
LS1 4JP

Date *26 March 2008*

St Vincent Street Developments Limited

Profit and Loss Account for the Year Ended 28 February 2007

	Note	Year ended 28 February 2007 £ 000	1 January 2005 to 28 February 2006 £ 000
Turnover			
Administrative expenses		(19)	(120)
Other operating income	2	14	18
Operating loss	3	<u>(5)</u>	<u>(102)</u>
Amounts written back to investments			1,945
Interest payable and similar charges	6	(14)	(193)
(Loss)/profit on ordinary activities before taxation		<u>(19)</u>	<u>1,650</u>
Tax on (loss)/profit on ordinary activities	7	30	35
Profit for the financial year		<u>11</u>	<u>1,685</u>
Retained profit for the financial year		<u>11</u>	<u>1,685</u>

Turnover and operating loss derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

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

The notes on pages 8 to 14 form an integral part of these financial statements

St Vincent Street Developments Limited

Balance Sheet as at 28 February 2007

		28 February 2007	28 February 2006
	Note	£ 000	£ 000
Current assets			
Stocks	8	24,562	11,406
Debtors	9	206	169
		<u>24,768</u>	<u>11,575</u>
Creditors Amounts falling due within one year	10	<u>(24,787)</u>	<u>(11,605)</u>
Net liabilities		<u>(19)</u>	<u>(30)</u>
Capital and reserves			
Called up share capital	11		
Profit and loss reserve	12	(19)	(30)
Equity shareholders' deficit	13	<u>(19)</u>	<u>(30)</u>

These accounts were approved by the Director on 10th March 2008

P. Richardson

Esplanade Director Limited
Director

The notes on pages 8 to 14 form an integral part of these financial statements

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and the accounting policies set out below, in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom

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

Going concern

These financial statements have been prepared on a going concern basis of accounting because of its parent company's bank facility being made available to the company through a group loan and of the profitability forecast on the sale of the development. Therefore the company can continue to meet its liabilities as they fall due

Revenue recognition

Proceeds received on the sale of development projects are recognised on unconditional exchange of contract. Rental income accrues on a daily basis

Stock

Stock consists of properties held for resale and development work in progress. Unless presold, properties held for resale and development properties are held at the lower of cost and net realisable 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 as soon as they are foreseen. Net realisable value is based on estimated selling price after taking into account all further costs expected to be incurred on disposal

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 asset 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

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

continued

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets and liabilities are not discounted.

2 Other operating income

	Year ended 28 February 2007 £ 000	1 January 2005 to 28 February 2006 £ 000
Other income	14	18

3 Operating loss

Operating loss is stated after charging

	Year ended 28 February 2007 £	1 January 2005 to 28 February 2006 £
Auditors remuneration – audit services	3	3
Auditors remuneration – taxation services	4	1
Depreciation of tangible fixed assets		108

4 Particulars of employees

The company had no employees during the current or prior year.

5 Directors' emoluments

No emoluments were paid to the directors during the year (2006 – £nil)

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

continued

6 Interest payable and similar charges

	Year ended 28 February 2007 £ 000	1 January 2005 to 28 February 2006 £ 000
Interest payable to group undertakings		177
Bank interest payable		16
Other interest payable	14	
	<u>14</u>	<u>193</u>

Interest payable on loans of £1,014,000 (2006 £357,000) has been incurred during the year and capitalised within stock and work and progress

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

continued

7 Taxation

Analysis of current period tax credit

	Year ended 28 February 2007 £ 000	1 January 2005 to 28 February 2006 £ 000
Current tax		
Corporation tax credit	(24)	(32)
(Over)/under provision in previous year	(6)	(3)
UK Corporation tax	<u>(30)</u>	<u>(35)</u>

The tax assessed on the (loss)/ profit on ordinary activities for the year is lower (2006 lower) than the standard rate of corporation tax in the UK of 30%. The difference is explained below

	£	£
(Loss)/profit on ordinary activities before taxation	<u>(19)</u>	<u>1,650</u>
	£	£
Standard rate corporation tax charge	(6)	495
Expenses not deductible for tax purposes (including goods)		32
Non taxable income		(583)
Adjustment to prior year tax		(3)
Compensation payable for transfer pricing adjustment	(24)	24
Total current tax	<u>(30)</u>	<u>(35)</u>

8 Stock

	28 February 2007 £ 000	28 February 2006 £ 000
Stocks	<u>24,562</u>	<u>11,406</u>

Stock includes attributable interest of £1,371,000 (2006 £357,000)

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

continued

9 Debtors

	28 February 2007 £ 000	28 February 2006 £ 000
Trade debtors		21
Other debtors	206	148
	<u>206</u>	<u>169</u>

10 Creditors Amounts falling due within one year

	28 February 2007 £ 000	28 February 2006 £ 000
Trade creditors	1,374	120
Amounts owed to group undertakings	22,087	10,983
Other creditors		24
Accruals and deferred income	1,326	478
	<u>24,787</u>	<u>11,605</u>

11 Share capital

	28 February 2007 £	28 February 2006 £
Authorised		
Equity		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Equity		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

continued

12 Reserves

	Profit and loss reserve £ 000
Balance at 1 March 2006	(30)
Transfer from profit and loss account for the year	11
Balance at 28 February 2007	<u>(19)</u>

13 Reconciliation of movements in shareholders' funds

	28 February 2007 £ 000	28 February 2006 £ 000
Profit attributable to members of the company	<u>11</u>	<u>1,685</u>
	11	1,685
Opening equity shareholders' deficit	<u>(30)</u>	<u>(1,715)</u>
Closing equity shareholders' deficit	<u>(19)</u>	<u>(30)</u>

14 Contingent liabilities

At 28 February 2007 the company has a contingent liability in relation to a guarantee on the bank loan of its parent undertaking amounting to £21,953,000 (2006 £11,011,000). The guarantee was secured on the development property of the company. The directors do not expect this liability to crystallise.

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2007

continued

15 Related parties

Controlling entity

The company's immediate parent undertaking is Europa (Forsyth) Limited (formerly SDG Forsyth Limited)

Europa (Forsyth) Limited (formerly SDG Forsyth Limited) is jointly owned and controlled in equal proportions by each of Scarborough Property Company Limited, Valad Development Group (UK) Limited (formerly 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 Valad Development Group (UK) Limited (formerly Scarborough Development Group plc) which can be obtained from Europa House, 20 Esplanade, Scarborough YO11 2AQ

In the opinion of the director, K C McCabe is the ultimate controlling party

Related party transactions

At 28 February 2007 the amounts due to its parent undertaking, Europa (Forsyth) Limited (formerly SDG Forsyth Limited), consists of a loan of £21,914,680 (2006 £10,983,087) At the period end the loan had accrued interest of £172,617 (2006 74,571) The loan accrues interest at 2% above the base rate and are repayable on sale of the related development