

Registration number: SC216154

St Vincent Street Developments Limited

Directors' Report and Financial Statements
for the Year Ended 28 February 2009

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St Vincent Street Developments Limited

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St Vincent Street Developments Limited
Officers and Advisers

Directors	Esplanade Director Limited S R McCabe
Secretary	Esplanade Secretarial Services Limited
Registered office	4A Melville Street Edinburgh EH3 7NS
Solicitors	Denton Wilde Sapte LLP 1 Fleet Place London EC4M 7WS
Bankers	Bank of Scotland plc 21-23 Hill Street Mayfair London W1J 5JW
Auditors	Mazars LLP 90 St Vincent Street Glasgow G2 5UB

St Vincent Street Developments Limited

Directors' Report for the Year Ended 28 February 2009

The directors present their report and the audited financial statements for the year ended 28 February 2009.

Directors' responsibilities

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

The 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, the 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 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. The directors 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 to auditor

Each 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 directors confirm 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 property development.

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 of the company are set out on page 6.

The directors do not recommend the payment of a dividend (2008: £nil).

St Vincent Street Developments Limited

Directors' Report for the Year Ended 28 February 2009

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Principal risks and uncertainties

We draw attention to the Going Concern disclosures on page 8 relating to the group's ongoing discussions with its principal lender concerning the renegotiation of the group's bank facility.

Other 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 on a group basis and are discussed in more detail in the annual report of the ultimate parent company, Scarborough Group International Limited.

Directors

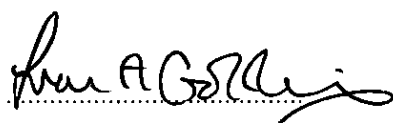
The directors who held office during the year and up to the date of this report were as follows:

- Esplanade Director Limited
- S R McCabe (appointed 30 September 2008)

Auditors

Mazars LLP continue in office in accordance with section 487(2) Companies Act 2006.

Approved by the Board on 26th February 2010 and signed on its behalf by:



Esplanade Secretarial Services Limited
Company Secretary

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 year ended 28 February 2009 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made 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 auditors' 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

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of 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).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 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.

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 an 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

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Opinion

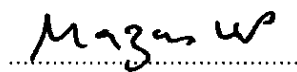
In our opinion:

- 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 2009 and of its loss 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.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 1, under the heading Going Concern. The company is dependant upon Scarborough Group International Limited continuing to provide it with sufficient funding for the foreseeable future. This assumes that Scarborough Group International Limited reaches a satisfactory conclusion in relation to the renegotiation of its bank facilities.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments which would result if the company was unable to continue as a going concern.


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Mazars LLP

Chartered Accountants and Registered Auditors

90 St Vincent Street
Glasgow
G2 5UB

Date: 5/3/2010

St Vincent Street Developments Limited**Profit and Loss Account for the Year Ended 28 February 2009**

	Note	2009 £	2008 £
Turnover		1,989,424	1,370,493
Administrative expenses		(455,651)	(142,859)
Operating profit	2	<u>1,533,773</u>	<u>1,227,634</u>
Interest receivable and similar income		10,990	-
Interest payable and similar charges	5	(2,122,383)	(1,494,036)
Loss on ordinary activities before taxation		<u>(577,620)</u>	<u>(266,402)</u>
Tax on loss on ordinary activities	6	(72,194)	116,038
Loss for the financial year		<u><u>(649,814)</u></u>	<u><u>(150,364)</u></u>

Turnover and operating profit 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 13 form an integral part of these financial statements.

St Vincent Street Developments Limited
Balance Sheet as at 28 February 2009

		2009	2008
	Note	£	£
Current assets			
Stock	7	29,059,915	28,479,424
Debtors	8	3,396,918	1,794,403
		<u>32,456,833</u>	<u>30,273,827</u>
Creditors: Amounts falling due within one year	9	<u>(33,275,913)</u>	<u>(30,443,093)</u>
Net liabilities		<u>(819,080)</u>	<u>(169,266)</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss reserve	11	<u>(819,081)</u>	<u>(169,267)</u>
Equity shareholders' deficit	12	<u>(819,080)</u>	<u>(169,266)</u>

The financial statements were approved by the Board on 26th February 2010 and signed on its behalf by:



 Esplanade Director Limited
 Director

The notes on pages 8 to 13 form an integral part of these financial statements.

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2009

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

In accordance with Financial Reporting Standard No. 1 (revised) the company is exempt from the requirement to produce a cash flow statement on the basis that a consolidated cash flow statement is prepared by Scarborough Group International Limited, the parent undertaking of the smallest and largest group for which group accounts are drawn up and of which the company is a member.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the company is able to realise its assets and discharge its liabilities in the normal course of business.

In common with other subsidiaries of Scarborough Group International Limited ("the group") the company is reliant upon the continued availability of group funding. The current intention of the group is that, for the foreseeable future, it will continue to make available sufficient funds as are needed by its subsidiaries and that it will not seek repayment of amounts already made available.

The recent fall in property values has resulted in the group not meeting its financial covenants contained within the group's main bank facility with Bank of Scotland, now part of Lloyds Banking Group. Consequently, at the date of approval of these financial statements, the group's existing bank facilities are repayable on demand and therefore there is a material uncertainty in relation to the group's ability to provide the company with sufficient ongoing funding. However, the facility is currently being renegotiated and the directors believe that their discussions with the bank will lead to a satisfactory conclusion.

Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis as they expect that the group will continue to be able to provide its subsidiaries with sufficient funding for the foreseeable future to enable the subsidiaries to meet their liabilities as they fall due.

Turnover

Turnover represents amounts invoiced, net of value added tax, in respect of rental income from let properties, management fees and proceeds from sale of properties.

Revenue recognition

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

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2009

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Stock

Stock is stated at the lower of cost and net realisable value. Cost is based on the cost of the land and the cost incurred to date including any demolition costs and interest paid in respect of borrowings to finance the relevant development. Net realisable value is based on estimated selling price after taking into account all further costs expected to be incurred on disposal.

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 Operating profit

Operating profit is stated after charging:

	2009 £	2008 £
Auditors' remuneration - audit services	1,000	3,380
Auditors' remuneration - non audit services	2,950	2,075

3 Particulars of employees

The average number of employees during the year (excluding directors) was nil (2008: nil).

4 Directors' emoluments

No emoluments were paid to the directors during the year (2008: £nil).

5 Interest payable and similar charges

	2009 £	2008 £
Interest payable to group undertakings	2,122,383	1,494,036

Interest payable of £nil (2008: £579,782) incurred during the year has been capitalised within stock.

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2009

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6 Taxation

Analysis of current period tax charge/(credit)

	2009 £	2008 £
Current tax		
Corporation tax credit	-	(57,877)
Under/(over) provision in previous year	72,194	(58,161)
UK Corporation tax	<u>72,194</u>	<u>(116,038)</u>

The tax assessed on the loss on ordinary activities for the year is lower (2008: higher) than the standard rate of corporation tax in the UK of 28.17% (2008: 30%). The differences are explained below:

	£	£
Loss on ordinary activities before taxation	<u>(577,620)</u>	<u>(266,402)</u>
	£	£
Loss on ordinary activities multiplied by standard UK tax rate	(162,715)	(79,921)
Expenses not deductible for tax purposes	28	652
Tax rate adjustment	-	2,613
Losses brought forward	(18,779)	-
Losses carried forward	181,466	18,779
Prior year under/(over) provision	72,194	(58,161)
	<u>72,194</u>	<u>(116,038)</u>

The deferred tax asset of £181,466 for losses incurred has not been recognised at this stage due to the uncertainty about its ultimate realisation.

7 Stock

	2009 £	2008 £
Property held for resale	<u>29,059,915</u>	<u>28,479,424</u>

Stock includes attributable interest of £1,936,249 (2008: £1,936,249).

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2009

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8 Debtors

	2009 £	2008 £
Trade debtors	828	-
Amounts owed by group undertakings	-	271,929
Other debtors	36,173	151,981
Prepayments and accrued income	3,359,917	1,370,493
	<u>3,396,918</u>	<u>1,794,403</u>

9 Creditors: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	8,531	321,519
Amounts owed to group undertakings	33,100,082	30,089,176
Social security and other taxes	-	28,105
Other creditors	163,650	-
Accruals and deferred income	3,650	4,293
	<u>33,275,913</u>	<u>30,443,093</u>

10 Share capital

	2009 £	2008 £
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 2009

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11 Reserves

	Profit and loss reserve £
Balance at 1 March 2008	(169,267)
Loss for the year	(649,814)
Balance at 28 February 2009	<u>(819,081)</u>

12 Reconciliation of movements in shareholders' deficit

	2009 £	2008 £
Loss attributable to members of the company	<u>(649,814)</u>	<u>(150,364)</u>
	(649,814)	(150,364)
Opening equity shareholders' deficit	<u>(169,266)</u>	<u>(18,902)</u>
Closing equity shareholders' deficit	<u>(819,080)</u>	<u>(169,266)</u>

13 Contingent liabilities

The company is party to a guarantee covering the bank loans and overdrafts of Europa (Forsyth) Limited and its subsidiaries, which at 28 February 2009 stood at £48,550,968 (2008: £31,175,000).

St Vincent Street Developments Limited

Notes to the Financial Statements for the Year Ended 28 February 2009

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14 Related parties

Controlling entity

The immediate parent undertaking is Europa (Forsyth) Limited, a company registered in England and Wales. The ultimate parent company is Scarborough Group International Limited, a company registered in Scotland.

The parent undertaking of the largest and smallest group for which group accounts are drawn up and of which the company is a member, is Scarborough Group International Limited. Copies of the accounts of Scarborough Group International Limited can be obtained from: 4A Melville Street, Edinburgh, EH3 7NS.

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

Related party transactions

The company has taken advantage of the exemption allowed under FRS 8 relating to the disclosure of transactions with fellow subsidiaries where 90% or more of the voting rights are controlled by Scarborough Group International Limited.