

# **Exchangelaw (No.350) Limited**

## **Report and Financial Statements**

31 March 2007



# Exchangelaw (No 350) Limited

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Registered No SC262462

## **Director**

D Porter

## **Secretary**

DA Cumine

## **Auditors**

Ernst & Young LLP  
George House  
50 George Square  
Glasgow  
G2 1RR

## **Solicitors**

DLA Piper Scotland LLP  
249 West George Street  
Glasgow  
G2 4RB

## **Registered Office**

249 West George Street  
Glasgow  
G2 4RB

## Director's report

The director presents his report and financial statements for the 14 months ended 31 March 2007

### Results and dividends

The loss for the period, after taxation, amounted to £964 (2006 – £789) The director recommends no dividend for the period

### Principal activity, review of the business and future developments

The principal activity of the company was that of a property development company

On 23 November 2006 the allotted share capital of the company was acquired by Credential 233 St Vincent Street Limited On that date the company became non trading

The director presently has no plans for developing new business activities

### Post balance sheet events

On 11 June 2007 the allotted share capital of the company was transferred from Credential 233 St Vincent Street Limited to Credential Holdings Limited Following a group reorganisation on 26 July 2007 Credential Holdings Limited became a wholly owned subsidiary of Squeeze Newco 3 Limited

### Directors and their interests

The directors of the company during the period were

Mr D Porter (appointed 23 November 2006)

Mr W Sutherland (appointed 23 November 2006, resigned 18 January 2008)

Mrs M Macdonald (resigned 23 November 2006)

Miss G Pollock (resigned 23 November 2006)

No director had any interests in the share capital of the company during the period

### Director's qualifying third party indemnity provisions

The company has granted an indemnity to its director against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provision remains in force as at the date of approving the director's report

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the board



D Porter

Director

30 May 2008

## **Statement of director's responsibilities in respect of the financial statements**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditors' report to the members of Exchangelaw (No.350) Limited**

We have audited the financial statements of Exchangelaw (No 350) Limited for the period ended 31 March 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein. The financial statements of the company for the year ended 31 January 2006 are unaudited.

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**

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK 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).

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 directors' 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 audit opinion**

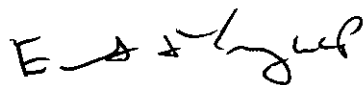
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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 31 March 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.



Ernst & Young LLP  
Registered Auditor  
Glasgow

2/6/2008

## Profit and loss account

for the period ended 31 March 2007

		<i>14 months ended 31 March 2007 £</i>	<i>Year ended 31 January 2006 £</i>
	<i>Notes</i>		
<b>Turnover</b>			
Administrative expenses		964	280
<b>Operating loss</b>	2	(964)	(280)
Interest payable and similar charges	3		(509)
<b>Loss on ordinary activities before taxation</b>		(964)	(789)
Taxation on loss on ordinary activities	4		
<b>Loss on ordinary activities after taxation</b>		(964)	(789)

All amounts relate to discontinued activities

## Statement of total recognised gains and losses

for the period ended 31 March 2007

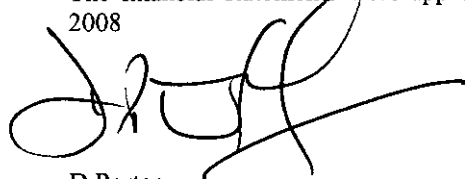
There were no recognised gains or losses other than the loss attributable to shareholders of the company of £964 in the period ended 31 March 2007 and of £789 in the year ended 31 January 2006

## Balance sheet

at 31 March 2007

	Notes	31 March 2007 £	31 January 2006 £
<b>Fixed assets</b>			
Investments	5	48,000	48,000
<b>Current assets</b>			
Debtors	6	2	2
<b>Creditors</b> amounts falling due within one year	7	(50,250)	(10,886)
<b>Net current liabilities</b>		(50,248)	(10,884)
<b>Total assets less current liabilities</b>		(2,248)	37,116
<b>Creditors</b> amounts falling due after more than one year	8		(38,400)
		(2,248)	(1,284)
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	(2,250)	(1,286)
<b>Shareholders' funds</b>	10	(2,248)	(1,284)

The financial statements were approved by the board of directors and authorised for issue on 30 May 2008



D Porter  
Director

30 May 2008

## Notes to the financial statements

for the period ended 31 March 2007

### 1. Accounting policies

#### *Accounting convention*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

As at 31 March 2007, the company's liabilities exceeded its assets. The director considers it appropriate to prepare the financial statements on a going concern basis as the company's parent undertaking, has confirmed that it will continue to provide financial support when required

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met

Deferred tax balances are not discounted

### 2. Operating loss

Auditors' remuneration is paid by the ultimate parent company

### 3. Interest payable and similar charges

	<i>14 months ended 31 March 2007 £</i>	<i>Year ended 31 January 2006 £</i>
Other interest payable		509



## Notes to the financial statements

for the period ended 31 March 2007

### 4. Tax

(a) Tax on loss on ordinary activities

	<i>14 months ended 31 March 2007 £</i>	<i>Year ended 31 January 2006 £</i>
<i>UK Corporation tax</i>		
Current tax on loss for the period		

(b) Factors affecting current tax charges

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2006 – 30%) The differences are reconciled below

	<i>14 months ended 31 March 2007 £</i>	<i>Year ended 31 January 2006 £</i>
Loss on ordinary activities before tax	(964)	(789)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 – 30%)	(289)	(237)
Unrelieved tax losses carried forward	289	237
Current tax charge for period		

## Notes to the financial statements

for the period ended 31 March 2007

### 5. Fixed asset investments

	<i>Unlisted investment £</i>
<i>Cost</i>	
At 1 February 2006 and 31 March 2007	48,000

The company owns 24% of the allotted share capital of Quillco 157 Limited. The company's principal activity is that of property investment and development. Quillco 157 Limited made a profit for the year ended 31 March 2007 of £804 (2006 – loss £4,510) and its net assets at that date were £195,970 (2006 £195,166).

### 6. Debtors

	<i>31 March 2007 £</i>	<i>31 January 2006 £</i>
Amounts owed to group undertakings	2	2

### 7. Creditors' amounts falling due within one year

	<i>31 March 2007 £</i>	<i>31 January 2006 £</i>
Other loans		10,886
Amounts owed to group undertakings	50,250	
	50,250	10,886

### 8. Creditors: amounts falling due after more than one year

	<i>31 March 2007 £</i>	<i>31 January 2006 £</i>
Other loans		38,400

## Notes to the financial statements

for the period ended 31 March 2007

### 9 Share capital

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>31 March</i>	<i>31 January</i>	<i>31 March</i>	<i>31 January</i>
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Equity share capital				
Ordinary shares of £1 each	100	100	2	2

### 10. Reconciliation of shareholders funds and movement on reserves

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 February 2005	2	(497)	(495)
Loss for the year		(789)	(789)
At 1 February 2006	2	(1,286)	(1,284)
Loss for the year		(964)	(964)
At 31 March 2007	2	(2,250)	(2,248)

### 11. Related party disclosures

Pursuant to the exemption granted by Financial Reporting Standard 8 'Related Party Disclosures' transactions with other undertakings within, and related parties of, Credential Holdings Limited have not been disclosed in these financial statements

### 12 Ultimate parent company

At 31 March 2007 the director regards Credential Holdings Limited, a company registered in Scotland, as the company's ultimate parent company. Credential Holdings Limited, which is controlled by R B Clapham by virtue of his controlling interest in the share capital of that company, is the parent undertaking of the largest and smallest group of which the company is a member, and for which group accounts are drawn up. Copies of the accounts of Credential Holdings Limited may be obtained from the Registrar of Companies.

### 13 Post balance sheet events

On 11 June 2007 the allotted share capital of the company was transferred from Credential 233 St Vincent Street Limited to Credential Holdings Limited. Following a group reorganisation on 26 July 2007 Credential Holdings Limited became a wholly owned subsidiary of Squeeze Newco 3 Limited.