

Company Registration No. SC274858 (Scotland)

**PRINCES STREET INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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# **PRINCES STREET INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S Carlin A Rowell
<b>Secretary</b>	M.J. Dean
<b>Company number</b>	SC274858
<b>Registered office</b>	123 St Vincent Street Glasgow, G2 5EA
<b>Auditors</b>	Wilson Wright & Co., Chartered Accountants, Thavies Inn House, 3-4 Holborn Circus, London, EC1N 2HA.
<b>Bankers</b>	National Westminster Bank plc.

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# PRINCES STREET INVESTMENTS LIMITED

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# PRINCES STREET INVESTMENTS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2009

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The directors present their annual report and financial statements for the year ended 30 September 2009.

#### Principal activities and review of the business

The company's principal activity is property investment for rental return.

The company owns a portfolio of 22 petrol stations, located throughout England.

The service stations all of which trade well, are principally located in prominent areas beside busy arterial roads. The majority of the stations have recently been refurbished and re-branded from their original "Jet" brand to leading market brands such as Texaco, BP, Esso, Total and Elf.

The portfolio is let to Malthurst Limited, a prominent UK petrol station operator. The most southerly of these properties is located in Cornwall in the South West and the furthest north in Northumberland. The average size is approximately 0.5 acres in size.

The 22 petrol stations provide stable income generating an initial yield of 6.42%.

The sites were all tenanted as at 30 September 2009.

#### Principal risks and uncertainties

The company is subject to commercial property risk. Property is essentially a defensive asset class, which provides excellent diversification benefits.

Although over the long-term property is considered a low risk asset, investors must be aware that significant short and medium-term risk factors are inherent in the asset class.

Investments in properties are relatively illiquid and usually more difficult to realise than listed equities or bonds. Investment in property cannot therefore necessarily be converted to cash on demand.

Property is inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

#### Key performance indicators

	2009	2008	2007
	£	£	£
Rental receivable	1,558,750	1,558,750	1,143,383
Rental receivable per trading day	4,271	4,271	4,188

The above key performance indicators are based on trading periods of 365, 365 and 273 days respectively.

#### Results and dividends

The results for the year are set out on page 5.

No dividend has been proposed.

#### Future developments

There have not been any important post balance sheet events, nor are there any major plans for future development.

#### Directors

The following directors have held office since 1 October 2008:

S Carlin  
A Rowell

# PRINCES STREET INVESTMENTS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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### Creditor payment policy

The company's policy in relation to the payment of trade creditors, is to agree its terms of payment with each supplier on an individual basis.

### Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

### Auditors

The auditors, Wilson Wright & Co., will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

  
A Rowell

Director

27th May 2010

# **PRINCES STREET INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PRINCES STREET INVESTMENTS LIMITED**

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We have audited the financial statements of Princes Street Investments Limited for the year ended 30 September 2009 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **PRINCES STREET INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF PRINCES STREET INVESTMENTS LIMITED**

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Warren Baker BComm (Acc.), FCA (Senior Statutory Auditor)**  
**for and on behalf of Wilson Wright & Co.,**  
**Chartered Accountants and Statutory Auditors,**  
Thavies Inn House,  
3-4 Holborn Circus,  
London, EC1N 2HA.

27 May 2010

**PRINCES STREET INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Notes	2009 £	2008 £
Turnover		1,558,750	1,558,750
Administrative expenses		(43,458)	(40,879)
<b>Operating profit</b>	<b>2</b>	<b>1,515,292</b>	<b>1,517,871</b>
Interest receivable		1,260	7,549
Interest payable	<b>3</b>	(1,734,880)	(1,737,789)
<b>Loss on ordinary activities before taxation</b>		<b>(218,328)</b>	<b>(212,369)</b>
Tax on loss on ordinary activities	<b>4</b>	-	-
<b>Loss for the financial year</b>	<b>10</b>	<b>(218,328)</b>	<b>(212,369)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.



**PRINCES STREET INVESTMENTS LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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	2009	2008
Notes	£	£
Loss for the financial year	(218,328)	(212,369)
Unrealised surplus/(deficit) on revaluation of properties	300,000	(3,100,000)
Total recognised gains and losses relating to the year	<u>81,672</u>	<u>(3,312,369)</u>

# PRINCES STREET INVESTMENTS LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Investment properties	5	23,700,000		23,400,000	
<b>Current assets</b>					
Debtors	6	28,385		26,459	
Cash at bank		448,673		470,745	
		<u>477,058</u>		<u>497,204</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(843,461)</u>		<u>(1,024,960)</u>	
<b>Net current liabilities</b>			<u>(366,403)</u>		<u>(527,756)</u>
<b>Total assets less current liabilities</b>			<u>23,333,597</u>		<u>22,872,244</u>
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(25,987,793)</u>		<u>(25,608,112)</u>	
		<u>(2,654,196)</u>		<u>(2,735,868)</u>	
<b>Capital and reserves</b>					
Called up share capital	9		1		1
Investment revaluation reserve	10	(2,004,283)		(2,304,283)	
Profit and loss account	10	(649,914)		(431,586)	
<b>Shareholders' funds</b>	11	<u>(2,654,196)</u>		<u>(2,735,868)</u>	

Approved by the Board and authorised for issue on 22 May 2010

  
A Rowell  
Director

Company Registration No. SC274858

**PRINCES STREET INVESTMENTS LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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	2009	2008
	£	£
<b>Net cash inflow from operating activities</b>	1,886,475	1,505,422
<b>Returns on investments and servicing of finance</b>		
Interest received	1,260	7,549
Interest paid	<u>(1,909,807)</u>	<u>(1,515,906)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>(1,908,547)</u>	<u>(1,508,357)</u>
<b>Net cash outflow before management of liquid resources and financing</b>	<u>(22,072)</u>	<u>(2,935)</u>
<b>Decrease in cash in the year</b>	<u><u>(22,072)</u></u>	<u><u>(2,935)</u></u>

# PRINCES STREET INVESTMENTS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

### FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Reconciliation of operating profit to net cash inflow from operating activities	2009		2008	
	£		£	
Operating profit	1,515,292		1,517,871	
Increase in debtors	(1,926)		(3,101)	
Increase/(decrease) in creditors within one year	373,109		(9,348)	
<b>Net cash inflow from operating activities</b>	<b>1,886,475</b>		<b>1,505,422</b>	
2 Analysis of net debt	1 October 2008	Cash flow 30 September 2009		
	£	£	£	
Net cash:				
Cash at bank	470,745	(22,072)	448,673	
Debt:				
Debts falling due after one year	(24,000,000)	-	(24,000,000)	
<b>Net debt</b>	<b>(23,529,255)</b>	<b>(22,072)</b>	<b>(23,551,327)</b>	
3 Reconciliation of net cash flow to movement in net debt	2009		2008	
	£		£	
(Decrease)/increase in cash in the year	(22,072)		(2,935)	
<b>Movement in net debt in the year</b>	<b>(22,072)</b>		<b>(2,935)</b>	
Opening net debt	(23,529,255)		(23,526,320)	
<b>Closing net debt</b>	<b>(23,551,327)</b>		<b>(23,529,255)</b>	

# **PRINCES STREET INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of the investment properties.

##### **1.2 Going concern**

At 30 September 2009 the company had net liabilities amounting to £2,654,196 and net current liabilities amounting to £366,403.

The financial statements have been prepared on a going concern basis which is considered appropriate due to the continuing financial support of its ultimate parent company Ciref Plc, who have undertaken to support the company for at least one year from the date of approval of the company's accounts for the year ended 30 September 2009.

##### **1.3 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

##### **1.4 Turnover**

Turnover represents rent receivable, excluding value added tax and arises solely in the United Kingdom.

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors and the directors on an open market value basis.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view.

Any aggregate surplus or deficit arising on revaluation is transferred to the investment revaluation reserve. Deficit on individual investment properties that are expected to be permanent are charged to the profit and loss account.

##### **1.6 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

##### **1.7 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits. The deferred tax balance has not been discounted.

# PRINCES STREET INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2009

2	Operating profit	2009 £	2008 £
	Operating profit is stated after charging:		
	Operating lease rentals	17,250	17,250
	Auditors remuneration for - Audit	5,000	5,000
	Directors remuneration	-	-

3	Interest payable	2009 £	2008 £
	On bank loans and overdrafts	-	338
	On debenture loan	1,734,880	1,737,451
		<u>1,734,880</u>	<u>1,737,789</u>

4	Taxation	2009 £	2008 £
	Current tax charge	-	-
	<b>Factors affecting the tax charge for the year</b>		
	Loss on ordinary activities before taxation	<u>(218,328)</u>	<u>(212,369)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 - 28.00%)	<u>(61,132)</u>	<u>(59,463)</u>
	Effects of:		
	Tax losses	<u>61,132</u>	<u>59,463</u>
		<u>61,132</u>	<u>59,463</u>
	Current tax charge	-	-

The company has losses of approximately £626,000 (2008 - £408,000) available for carry forward against future trading profits.

# PRINCES STREET INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2009

#### 5 Tangible fixed assets

	Investment properties £
<b>Cost or valuation</b>	
At 1 October 2008	23,400,000
Revaluation	300,000
	<hr/>
At 30 September 2009	23,700,000
	<hr/>

Investment properties were valued by DTZ Debenham Tie Leung Limited, an International Property Advisor as at 30 September 2009 on an open market value basis. No depreciation is provided in respect of these properties.

The comparable historic cost amounted to £25,704,283.

#### 6 Debtors

	2009 £	2008 £
Other debtors	28,385	26,459
	<hr/>	<hr/>

#### 7 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	1,725	-
Taxes and social security costs	57,808	67,709
Accruals and deferred income	783,928	957,251
	<hr/>	<hr/>
	843,461	1,024,960
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# PRINCES STREET INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2009

8 Creditors: amounts falling due after more than one year	2009 £	2008 £
Debenture loan	24,000,000	24,000,000
Amount owed to Ciref Malthurst Limited	1,987,793	1,608,112
	<u>25,987,793</u>	<u>25,608,112</u>

The debenture loan is secured by way of fixed and floating charge over the assets of the company, bears interest at a rate of 7.1% per annum and is repayable in 2012.

The amount owed to Ciref Malthurst Limited is repayable in 2014. There is no interest payable on this loan.

9 Share capital	2009 £	2008 £
<b>Authorised</b>		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
1 Ordinary Shares of £1 each	<u>1</u>	<u>1</u>

10 Statement of movements on reserves	Investment revaluation reserve £	Profit and loss account £
Balance at 1 October 2008	(2,304,283)	(431,586)
Loss for the financial year	-	(218,328)
Revaluation during the year	300,000	-
Balance at 30 September 2009	<u>(2,004,283)</u>	<u>(649,914)</u>



# PRINCES STREET INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2009

11 Reconciliation of movements in shareholders' funds	2009 £	2008 £
Loss for the financial year	(218,328)	(212,369)
Other recognised gains and losses	300,000	(3,100,000)
Net addition to/(depletion in) shareholders' funds	81,672	(3,312,369)
Opening shareholders' funds	(2,735,868)	576,501
Closing shareholders' funds	(2,654,196)	(2,735,868)

### 12 Contingent liabilities

The company has provided a guarantee by way of fixed and floating charges on £18.25 million of borrowings of its immediate parent company, Ciref Malthurst Limited.

### 13 Financial commitments

At 30 September 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2010:

	Land and buildings	
	2009 £	2008 £
Operating leases which expire: In over five years	17,250	17,250

### 14 Employees

#### Number of employees

There were no employees during the year apart from the directors.

### 15 Control

Ciref Malthurst Limited, a company registered in the British Virgin Islands is the company's immediate parent.

Ciref Plc, a company registered in Jersey is regarded as the company's ultimate parent.

Group accounts are drawn up by Ciref Plc, the company is not a member of any other group preparing group accounts.

The accounts of the ultimate parent company are available from Channel House, Green Street, St Helier, JE2 4UH, Jersey.