

Mearns Cross Shopping Centre Limited

Abbreviated Financial Statements

For the year ended 31 July 2011

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Mearns Cross Shopping Centre Limited

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Mearns Cross Shopping Centre Limited

Directors and other information

Directors

S. Hamill
I. McCullough
P. Henry
P. Buchanan

Secretary

I. McCullough

Company number

SC304230

Registered office

Semple Fraser LLP
80 George Street
Edinburgh
EH2 3BU

Auditors

BDO
Statutory Auditor
Beaux Lane House
Mercer Street Lower
Dublin 2

Bankers

Ulster Bank Limited
54 Boucher Road
Belfast
BT12 6HR

Solicitors

Semple Fraser LLP
80 George Street
Edinburgh
EH2 3BU

Mearns Cross Shopping Centre Limited

Statement of 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.

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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which 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 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.

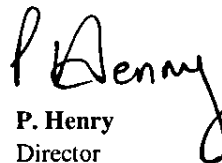
In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board:



S. Hamill
Director



P. Henry
Director

Date: 27 April 2012



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Mercer Street Lower
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Ireland

**Independent auditors report to Mearns Cross Shopping Centre Limited
under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts on pages 4 to 8 together with the financial statements of Mearns Cross Shopping Centre Limited for the year ended 31 July 2011 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Emphasis of Matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Company's ability to continue as a going concern, continuing bank support and the carrying value of fixed assets. Note 1 to the financial statements indicates the existence of uncertainties which may cast doubt about the Company's ability to continue as a going concern, continuing bank support and the carrying value of fixed assets. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern and our opinion is not qualified in respect to these matters.

BDO

Michael Costello (Senior statutory auditor)
For and on behalf of BDO, Statutory Auditor
Dublin 2, Ireland.

27 April 2012

Other Offices:

Four Michael Street
Limerick

The Red Church
Henry Street
Limerick

Katharine Byrne
Maurice Carr
Michael Costello
Kevin Doyle

Chartered Accountants

John Gilmor Gavin
Jim Hamilton
Sinead Heaney
Diarmuid Hendrick

Gerard Holliday
Teresa Morahan
Paul Nestor
John O'Sullivan

Derry Gray (Managing Partner)
Peter Carroll
Eddie Doyle
Stewart Dunne
Ivor Feerick
Alan Flynn
Brian Gartlan
David Giles

Denis Herlihy
David McCormick
Evin McLoughlin
Claran Medlar
David O'Connor
Michelle O'Keefe
Peter O'Neill
Noel Taylor

Mearns Cross Shopping Centre Limited

Abbreviated balance sheet as at 31 July 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	2	<u>43,122,000</u>	<u>61,500,000</u>
Current assets			
Debtors		930,030	674,681
Cash at bank and in hand		-	10,981
		<u>930,030</u>	<u>685,662</u>
Creditors: amounts falling due within one year		<u>(73,232,210)</u>	<u>(2,222,849)</u>
Net current liabilities		<u>(72,302,180)</u>	<u>(1,537,187)</u>
Total assets less current liabilities		<u>(29,180,180)</u>	<u>59,962,813</u>
Creditors: amounts falling due after more than one year		-	(71,750,000)
Net liabilities		<u>(29,180,180)</u>	<u>(11,787,187)</u>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account		<u>(29,180,182)</u>	<u>(11,787,189)</u>
Shareholders' deficit		<u>(29,180,180)</u>	<u>(11,787,187)</u>

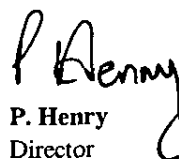
The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The notes on pages 5 to 7 form part of these financial statements.

These financial statements were authorised and approved for issue by the board on 27 April 2012.



S. Hamill
Director



P. Henry
Director

Mearns Cross Shopping Centre Limited

Notes to the abbreviated financial statements for the year ended 31 July 2011

1. Accounting policies

1.1. Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable UK accounting standards and with Companies Act 2006.

At 31 July 2011 the Company had net liabilities of £29,180,180. The ability of the Company to continue to trade is dependent upon the continuing support of the Company's bankers, Ulster Bank and parent company, Abbey Centre Limited. Banking facilities have been extended to 31 August 2013 with £1,750,000 due to be repaid no later than 31 July 2012. The group is also in breach of its banking covenants and, as set out in note 3 the borrowings could be recalled by the bank. The directors are of the opinion that the Company will return to profitability and that it is appropriate for the financial statements to be prepared on a Going Concern basis.

At 31 July 2011 the Company had fixed assets with a carrying value of £43,122,000. (31 July 2010 : £61,500,000) as valued by the directors. The economic environment, in particular the downturn in the property market creates an uncertainty about the appropriateness of the carrying value of the fixed assets. The directors have considered in detail the carrying value of the investment property and are satisfied that no further diminution in value is required other than as provided for in note 2.

On the basis of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis and not to adjust the carrying value of the fixed assets as they believe there is no further diminution in value.

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

1.2. Investment property

This is stated at its open market value at year end as valued by the directors.

Revaluation gains are recognised in the profit and loss account (after adjustment for subsequent depreciation) to the extent that they reverse revaluation losses on the same assets that were previously recognised in the profit and loss account. All other revaluation gains are recognised in the statement of total recognised gains and losses. Revaluation losses caused by a clear consumption of economic benefits are recognised in the profit and loss account. Other revaluation losses are recognised in the statement of total recognised gains and losses until the carrying amount reaches its depreciated historical cost. Beyond this the loss is recognised in the profit and loss account, except where the recoverable amount of the asset is greater than its revalued amount. Then the loss is recognised in the statement of total recognised gains and losses to the extent that the recoverable amount is greater than its revalued amount.

In accordance with SSAP 19, depreciation is not provided on this asset. This treatment is a departure from the requirement under Company Law to provide depreciation on all fixed assets, which have a limited useful economic life. The accounting policy adopted is necessary for the financial statements to give a true and fair view.

Mearns Cross Shopping Centre Limited

Notes to the abbreviated financial statements for the year ended 31 July 2011

1.3. Taxation

Current tax is provided on the company's taxable profits, at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised on all timing differences where the transaction or event that gives rise to an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred taxation is measured using rates of tax that have been enacted by the balance sheet date. Deferred taxation is not provided in respect of timing differences arising from the sale or revaluation of fixed assets unless, by the balance sheet date, a binding commitment to sell the asset has been entered into.

2. Tangible assets

	Investment property £	Total £
Cost		
At 1 August 2010	61,500,000	61,500,000
Additions	54,592	54,592
Movement in valuation	(18,432,592)	(18,432,592)
At 31 July 2011	<u>43,122,000</u>	<u>43,122,000</u>

3. Bank security

Bank loans totalling £71,750,000 are secured by the following:

- a first fixed charge over the properties held by the Company.
- an omnibus guarantee and set-off agreement between the Borrower, Abbey Centre Limited, Gavlin Limited, Marshes Shopping Centre Limited, Ferna Developments Limited and Calderford Limited.
- all rental income to be mandated in favour of the Bank.

The loan to value ratio is below the level specified in the loan agreement. This is in breach of the loan covenant and therefore the bank has the right to call in the loan in full at any time. As the directors are in negotiation with the bank at the date of signing these financial statements they do not believe that the bank will enforce this.

Mearns Cross Shopping Centre Limited

Notes to the abbreviated financial statements for the year ended 31 July 2011

4. Share capital	2011	2010
	£	£
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
 Allotted, called up and fully paid equity		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

5. Ultimate parent undertaking

The company is wholly owned subsidiary of Abbey Centre Limited, a company incorporated in Northern Ireland with its registered office at 23/25 Queen Street, Coleraine, BT52 1BG.

6. Related party transactions

The company is availing of the exemption under FRS 8 "Related Party Transactions" to disclose transactions with other members of the group as consolidated financial statements are publicly available.

7. Comparative amounts

Comparative amounts have been regrouped, where necessary, on the same basis as those for the current year.

8. Approval of financial statements

The financial statements were authorised and approved for issue by the Board on 27 April 2012.