

Buccleuch Property (Sheriffhall South) Limited
Financial statements
For the year ended 31 October 2013

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COMPANIES HOUSE

Company No. SC327090

Officers and professional advisers

Company registration number	SC327090
Registered office	27 Silvermills Court Henderson Place Lane EDINBURGH EH3 5DG
Directors	D H Peck N A G Waugh A H L Smith
Secretary	J A K Macleod
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square EDINBURGH EH2 2YB
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 7 Exchange Crescent EDINBURGH EH3 8AN

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 October 2013.

Principal activities

The principal activity of the company is that of property development.

Directors

The directors who served the company during the period were as follows:

D H Peck
N A G Waugh
A H L Smith (Appointed 8 August 2013)

None of the directors hold an interest in the shares of the company.

Directors' Responsibilities Statement

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 laws). 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 and 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 judgments and accounting 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 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

The directors are 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.

Report of the directors (continued)

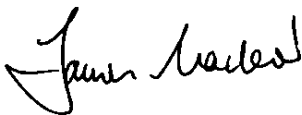
Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 489 of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



J A K Macleod
Secretary

18 March 2014



Independent auditor's report to the members of Buccleuch Property (Sheriffhall South) Limited

We have audited the financial statements of Buccleuch Property (Sheriffhall South) Limited for the year ended 31 October 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 31 October 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Buccleuch Property (Sheriffhall South) Limited (continued)

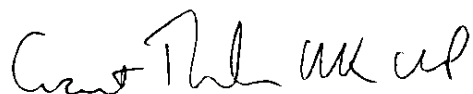
Opinion on other matter prescribed by the Companies Act 2006

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.

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and take advantage of the small companies exemption to prepare a strategic report, or in preparing the Directors' Report.



Andrew Howie
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

Edinburgh

18/3/14

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient working capital facilities to enable it to continue in business for the foreseeable future. In reaching this conclusion the directors have considered the support of the parent company.

Turnover

The turnover shown in the profit and loss account represents amounts earned during the period. It is the policy of the company to recognise turnover on the irrevocable exchange of terms between the seller and the purchaser.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Costs represent direct materials plus attributable overheads and finance charges incurred in development. Impairments to work in progress are attributed in the first instance to any capitalised finance charges, and thereafter against direct materials plus attributable overheads.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Taxation

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantially enacted at the balance sheet date. Current tax is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of recognised gains and losses.

Profit and loss account

	Note	2013 £	2012 £
Turnover		1,029	1,580
Cost of sales		(108)	-
Gross profit		921	1,580
Other operating charges	1	(13,485)	(13,850)
Operating loss	2	(12,564)	(12,270)
Interest receivable		474	283
Interest payable		(30,774)	(39,910)
Preference dividend payable		(131,703)	(117,204)
Loss on ordinary activities before taxation		(174,567)	(169,101)
Tax on loss on ordinary activities	4	12,551	22,595
Loss for the financial year	12	(162,016)	(146,506)

All of the activities of the company are classed as continuing.

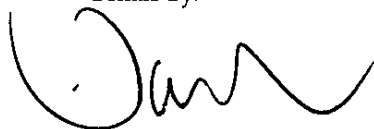
The company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet

	Note	2013 £	2012 £
Current assets			
Work in progress	5	2,034,230	2,003,915
Debtors	6	-	717
Cash at bank		14,108	20,182
		<u>2,048,338</u>	<u>2,024,814</u>
Creditors: amounts falling due within one year	7	<u>(286,361)</u>	<u>(152,196)</u>
Net current assets		<u>1,761,977</u>	<u>1,872,618</u>
Total assets less current liabilities		<u>1,761,977</u>	<u>1,872,618</u>
Creditors: amounts falling due after more than one year	8	<u>(2,936,003)</u>	<u>(2,884,628)</u>
Net liabilities		<u>(1,174,026)</u>	<u>(1,012,010)</u>
Capital and reserves			
Called-up equity share capital	11	1,000	1,000
Profit and loss account	12	(1,175,026)	(1,013,010)
Shareholders' deficit		<u>(1,174,026)</u>	<u>(1,012,010)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors on 18 March 2014 and are signed on their behalf by:



D H Peck
 Director

Notes to the financial statements

1 Other operating charges

	2013	2012
	£	£
Administrative expenses	<u>13,485</u>	<u>13,850</u>

2 Operating loss

Operating loss is stated after charging:

	2013	2012
	£	£
Auditor's fees	<u>2,425</u>	<u>2,425</u>

3 Particulars of employees

The company has no employees and neither the directors nor the secretary received any remuneration from the company in the period. The directors are employees of the ultimate parent undertaking, The Buccleuch Estates Limited, and are also directors of other group subsidiaries. Emoluments are paid by The Buccleuch Estates Limited, and it is not practicable to allocate emoluments between their services as executives of The Buccleuch Estates Limited and their services as directors of this company and other subsidiaries.

One director (2012: one) is accruing benefits under a defined benefit pension scheme and two directors (2012: one) are accruing benefits under a defined contribution scheme in respect of their services to the group companies.

4 Tax on ordinary activities

In the prior year tax losses arising in the company were surrendered to other group companies for payment. The credit recognised in the profit and loss account represents the payment received for the tax losses surrendered. Tax losses arising in the current year have been carried forward for offset against future profits arising in the company.

5 Work in progress

	2013	2012
	£	£
Opening balance	2,003,915	2,000,000
Additions	<u>30,315</u>	<u>3,915</u>
Closing balance	<u>2,034,230</u>	<u>2,003,915</u>

The figure above includes capitalised finance costs amounting to £26,970 (2012: £26,970) of which £nil (2012: £nil) was capitalised during the year.

Notes to the financial statements (continued)

6 Debtors

	2013 £	2012 £
Amounts owed by group undertakings	-	717
	<u>-</u>	<u>717</u>

7 Creditors: amounts falling due within one year

	2013 £	2012 £
Other creditors	4,803	2,425
Amount owed to group undertakings	84	-
Accrued preference dividend	281,474	149,771
	<u>286,361</u>	<u>152,196</u>

8 Creditors: amounts falling due after more than one year

	2013 £	2012 £
Amounts owed to group undertakings	463,095	411,720
Redeemable preference shares	2,472,908	2,472,908
	<u>2,936,003</u>	<u>2,884,628</u>

There are no fixed terms of repayments on group borrowings and interest has been charged at a commercial rate.

The company has provided a guarantee and a standard security over its interests in the property held to its parent company's bankers.

The company has a total contingency at 31 October 2013 amounting to £88,933,913 (2012: £84,494,976) as a result of an unlimited inter-company guarantee within The Buccleuch Estates Limited group.

9 Contingent liabilities

The company had no contingent liabilities as at 31 October 2013 and at 31 October 2012 other than those disclosed in note 8.

Notes to the financial statements (continued)

10 Related party transactions

During the year the company entered into the following transactions with related parties:

Related Party	Relationship	Nature of transactions	2013 £	2012 £
Tarras Park Properties Limited	Parent	Intercompany loan interest	30,774	39,910
Buccleuch Property Investment Managers Limited	Fellow subsidiary of ultimate parent undertaking	Management fees	10,000	10,000

The following balances were due to related parties at 31 October 2012:

Related Party	Relationship	Nature of balance	2013 £	2012 £
Tarras Park Properties Limited	Parent	Intercompany loan	463,095	411,720

11 Share capital

Authorised share capital:

	2013 £	2012 £
Ordinary shares of £1 each	1,000	1,000
Cumulative redeemable preference shares of £1 each	2,472,908	2,242,908
	<u>2,473,908</u>	<u>2,473,908</u>

Allotted and called up:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Cumulative redeemable preference shares of £1 each	2,472,908	2,472,908	2,472,908	2,472,908
	<u>2,473,908</u>	<u>2,473,908</u>	<u>2,473,908</u>	<u>2,473,908</u>

The preference shares carry a fixed cumulative preferential dividend at the rate of 4.9% on the allotted shares and there is no fixed redemption date.

Notes to the financial statements (continued)

12 Reserves

	Share capital	Profit and loss account	Total share- holders' deficit
	£	£	£
At 1 November 2012	1,000	(1,013,010)	(1,012,010)
Loss for the year	-	(162,016)	(162,016)
At 31 October 2013	<u>1,000</u>	<u>(1,175,026)</u>	<u>(1,174,026)</u>

13 Ultimate parent company

The company's immediate parent undertaking is Tarras Park Properties Limited, a company registered in England and the ultimate parent undertaking and controlling entity is The Buccleuch Estates Limited, a company registered in Scotland.