

Strathclyde Park Lane (Braehead) Limited
(formerly MM&S (5285) Limited)

Directors' report and financial statements
Registered number 329824
31 December 2008



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Directors' report

The company was incorporated on 24 August 2007 and changed its name from MM&S (5285) Limited to Strathclyde Park Lane (Braehead) Limited on 7 December 2007.

The directors present their report and financial statements for the period ended 31 December 2008.

Principal activity and business review

The principal activity of the company in the period under review was that of property development. The company acquired a development site and had planned to build residential properties for sale. The company also incurred costs in preparing the site and establishing part of the site infrastructure. During the period however the economic environment deteriorated significantly and the residential housing market was adversely impacted.

The funding of costs incurred was provided by the company's shareholders and bank and they were to provide funding for the full development project. As a result of the deterioration in the housing market the directors have decided not to continue with the development and to seek buyers for the site. Following the disposal of the site the company will then cease trading and as a result these financial statements have not been prepared on a going concern basis.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period were as follows:

| | |
|-------------------------|-----------------------------|
| Peter Brogan | (appointed 5 December 2007) |
| Brian Clarke | (appointed 5 December 2007) |
| John O'Neill | (appointed 5 December 2007) |
| David S Robinson | (appointed 5 December 2007) |
| Vindex Limited | (resigned 5 December 2007) |
| Vindex Services Limited | (resigned 5 December 2007) |

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution for the reappointment of KPMG LLP as auditors of the company will be made at the forthcoming annual general meeting.

By order of the board


David S Robinson
Secretary

151 St Vincent Street
Glasgow
G2 5NJ

8 June 2010

Statement of directors' responsibilities in respect of the Director's Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.



KPMG LLP

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Independent auditors' report to the members of Strathclyde Park Lane (Braehead) Limited

We have audited the financial statements of Strathclyde Park Lane (Braehead) Limited for the period ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein. These financial statements have not been prepared on a going concern basis for the reason set out in note 1 to the financial statements.

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 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 Directors' 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 Directors' 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 judgments 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 Strathclyde Park Lane (Braehead) Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 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 Directors' Report is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor

18 June 2010

Profit and loss account
for the period ended 31 December 2008

| | <i>Notes</i> | 2008 £ |
|--|--------------|--------------------|
| Impairment charge in respect of work in progress | | (6,186,573) |
| Operating loss | | (6,186,573) |
| Interest payable and similar charges | | (432,187) |
| Loss on ordinary activities before taxation | 2 | (6,618,760) |
| Tax (charge)/credit on loss on ordinary activities | 3 | - |
| Loss on ordinary activities after taxation and for the financial period | | (6,618,760) |

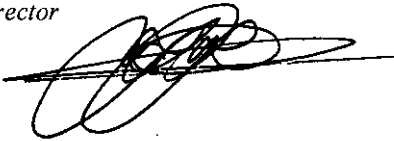
There are no recognised gains and losses other than the loss for the period set out above.

Balance sheet
 at 31 December 2008

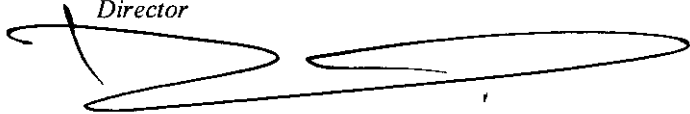
| | Notes | 2008 £ |
|---|-------|-------------|
| Current assets | | |
| Stocks | 4 | 3,000,000 |
| | | <hr/> |
| | | 3,000,000 |
| Creditors: amounts falling due within one year | 6 | (9,617,760) |
| | | <hr/> |
| Net current (liabilities) | | (6,617,760) |
| | | <hr/> |
| Net liabilities | | (6,617,760) |
| | | <hr/> |
| Capital and reserves | | |
| Called up share capital | 7 | 1,000 |
| Profit and loss account | | (6,618,760) |
| | | <hr/> |
| Shareholder's (deficit) | 8 | (6,617,760) |
| | | <hr/> |

The financial statements were approved by the board of directors on 8 June 2010 and signed on their behalf by:

John O'Neill
 Director



David S Robertson
 Director



Company registered number: 329824

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The directors have decided that due to a deterioration in the housing market they plan to seek buyers for the company's development site in its current condition rather than building properties for resale. Following disposal of the site the company will cease trading and as a result these financial statements have not been prepared on a going concern basis. As a result the adjustments have been made to the company's current assets to reduce these to an estimate of their realisable value.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads. The company has elected to charge interest costs to the profit and loss account as they arise rather than to work in progress as a production cost. In determining the net realisable value the directors have estimated the directly attributable selling costs likely to be incurred in order to sell the site.

2 Profit on ordinary activities before taxation

2008
£

Profit on ordinary activities before taxation is stated after charging:

| | |
|------------------------|-------|
| Director's emoluments | - |
| Auditors' remuneration | 2,500 |

3 Taxation

No charge or credit arises in the period due to the loss incurred and the fact that it is unlikely that the company will be able to utilise the taxable loss.

Factors affecting the tax charge for the current year

The current tax charge for the period is higher than the profit for the financial year multiplied by the standard rate of corporation tax in the UK (28%). The differences are explained below:

| | |
|--|-------------|
| | 2008 £ |
| <i>Current tax reconciliation</i> | |
| Loss on ordinary activities before tax | (6,618,760) |
| | <hr/> |
| Current tax at 28% | (1,853,253) |
| <i>Effects of:</i> | |
| Losses that cannot be utilised | 1,853,253 |
| | <hr/> |
| Total current tax charge (see above) | - |
| | <hr/> |

Notes (continued)

4 Stocks

| | 2008 £ |
|------------------|-----------|
| Work in progress | 3,000,000 |

The directors have written down the value of work in progress to their estimate of its net realisable value, after charging directly attributable selling costs. This estimate is based on an offer received from a third party for part of the site.

5 Creditors: amounts falling due within one year

| | 2008 £ |
|--|------------------|
| Bank loans and overdrafts | 7,342,690 |
| Amounts owed to Strathclyde Homes Limited | 1,249,070 |
| Amounts owed to Park Lane Developments Limited | 1,026,000 |
| | <u>9,617,760</u> |

The bank loans and overdrafts are secured by a number of standard securities over the company's properties.

The company has elected to charge interest costs to the profit and loss account as they arise, rather than include as a production cost in work in progress.

6 Called up share capital

| | 2008 £ |
|--|--------------|
| <i>Authorised, allotted, issued and fully paid</i> | |
| 500 'A' ordinary shares of £1 | 500 |
| 500 'B' ordinary shares of £1 | 500 |
| | <u>1,000</u> |

7 Reconciliation of movements in shareholders' funds

| | 2008 £ |
|--------------------------------------|--------------------|
| Loss for the financial period | (6,618,760) |
| Issued share | 1,000 |
| | <u>(6,617,760)</u> |
| Closing shareholders' deficit | <u>(6,617,760)</u> |

Notes *(continued)*

8 Related party transactions

Management fees of £75,000 were paid to Strathclyde Homes Limited and Park Lane Developments Limited, the company's shareholders. At the period end a balance of £1,249,070 was owed to Strathclyde Homes Limited and £1,026,000 was owed to Park Lane Developments Limited.

9 Ultimate parent undertakings

The company is jointly owned by Strathclyde Homes Limited and Park Lane Developments Limited. Copies of the accounts of these companies are available from The Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.