

**Caledonian Scottish Developments Limited**

**Directors' report and financial statements**

**For the year ended 30 June 2012**

Registered number SC116895

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**Company information**

*Board of Directors*

ID Lowe  
MJ Baynham

*Secretary*

MJ Baynham

*Registered Office*

61a North Castle Street  
Edinburgh  
EH2 3LJ

*Auditor*

KPMG Audit Plc  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

*Bankers*

Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ



## Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2012.

### Activities and review of business

The principal activities of the company are the acquisition and development of property.

### Results

The profit for the year after taxation amounted to £17,732 (2011: loss £12,676). No dividends were paid or proposed (2011: £nil).

### Directors

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

ID Lowe  
MJ Baynham

### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office.

By order of the Board

  
MJ Baynham  
Secretary

61a North Castle Street  
Edinburgh  
EH2 3LJ

21 December 2012





## **Statement of directors' responsibilities in respect of the Directors' 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).

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 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.

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 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 Audit Plc**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

**Independent auditor's report to the members of Caledonian Scottish Developments Limited**

We have audited the financial statements of Caledonian Scottish Developments Limited for the year ended 30 June 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://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 30 June 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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.

**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.

**Hugh Harvie (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit PLC, Statutory Auditor  
Chartered Accountants

21 December 2012



**Profit and loss account**  
*for the year ended 30 June 2012*

	<i>Note</i>	2012 £	2011 £
<b>Income</b>			
Rents and service charges		12,488	13,599
Other trading income		12,567	18,270
		<hr/>	<hr/>
		25,055	31,869
Administrative costs		(21,123)	(48,999)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>		3,932	(17,130)
Interest receivable	3	19,400	-
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>	2	23,332	(17,130)
Tax on profit/(loss) on ordinary activities	5	(5,600)	4,454
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	13	17,732	(12,676)
		<hr/>	<hr/>

All activities are continuing.

The notes on pages 7 to 11 form part of these financial statements.



**Balance sheet**  
*at 30 June 2012*

	<i>Note</i>	<b>2012</b> £	2011 £
<b>Fixed assets</b>			
Investment properties	6	1,310,000	1,310,000
Investments	7	20	20
		<hr/>	<hr/>
		1,310,020	1,310,020
<b>Current assets</b>			
Stock	8	5,576,122	5,499,306
Debtors	9	1,541	7,057
Cash at bank and in hand		8,543	-
		<hr/>	<hr/>
		5,586,206	5,506,363
<b>Creditors: amounts falling due within one year</b>	10	(6,542,535)	(6,480,424)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(956,329)	(974,061)
		<hr/>	<hr/>
<b>Net assets</b>		353,691	335,959
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Revaluation reserve	12	(417,235)	(417,235)
Profit and loss account	13	770,924	753,192
		<hr/>	<hr/>
<b>Shareholders' funds</b>	14	353,691	335,959
		<hr/>	<hr/>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the Board of Directors on 21 December 2012 and were signed on its behalf by:



**I D Lowe**  
*Director*

**Registered number SC116895**





## 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.

#### (a) *Basis of presentation*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties, and in accordance with applicable accounting standards.

##### *Going concern*

The financial statements have been prepared on a going concern basis as the parent company has agreed to provide financial support as is required to ensure that the company continues to trade. This support has been confirmed in writing. As with any company placing reliance on a parent company for financial support, the directors acknowledge that there can be no guarantee that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

#### (b) *Properties* *Investment properties*

In accordance with Statement of Standard Accounting Practice No.19, investment properties are revalued annually at open market value. All surpluses and deficits on valuation are taken directly to revaluation reserve except that any permanent diminution in the value of the investment property is taken to the profit and loss account for the year. No depreciation or amortisation is provided in respect of freehold investment properties.

This treatment may be a departure from the Companies Act requirements concerning the depreciation of fixed assets. However, the properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

##### *Properties held as stock*

Properties held as trading stock are stated at the lower of cost or net realisable value.

For properties previously held as investment properties which are now held for development and reclassified as current assets, cost is considered to be the latest valuation prior to their reclassification. This is not in accordance with Schedule 4 to the Companies Act 1985, which requires current assets to be included at the lower of cost and net realisable value, and which would therefore require such properties to be restated on the basis of historical cost when they were reclassified. The directors consider that compliance with this requirement would fail to give a true and fair view of the profit and loss to the company on disposal of such properties from current assets, since such profit or loss would be dependent on the classification of the asset immediately prior to sale. The effect of this departure is to increase both the value of properties held for resale and the balance on the revaluation reserve by £36,249 at 30 June 2012. (2011 - £36,249)

#### (c) *Cash flow*

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.



**Notes (continued)**

**1 Accounting policies (continued)**

**(d) Taxation**

The charge for taxation is based on the profit for the tax year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**(e) Turnover**

Turnover represents rent and service charges receivable without taking into account any expenditure borne by tenants. This income is recognised on an accruals basis. Income from the sale of development property is recognised when all the risks and rewards of the asset have transferred and cash consideration has been received or is certain.

**(f) Related party transactions**

As 100% of the Company's voting rights are controlled within the group headed by Caledonian Trust PLC, the Company has taken advantage of the exemptions contained within FRS8 and has therefore not disclosed transactions or balances which form part of the group.

**2 Profit/(loss) on ordinary activities before taxation**

Profit/(loss) on ordinary activities before taxation is stated after charging the following:

	2012 £	2011 £
Auditor's Remuneration – audit of these financial statements	2,000	2,000

**3 Other interest receivable and similar income**

	2012 £	2011 £
Other	19,400	-

**4 Employees**

There were no employees during the year (2011: nil). In addition the directors received no remuneration from the company. The remuneration for their services as directors of the parent undertaking is shown in the financial statements of Caledonian Trust PLC.



**Notes (continued)**

**5 Taxation**

Analysis of charge in period

	2012 £	2011 £
<i>UK corporation tax</i>		
Group relief payable/(receivable)	5,600	(4,454)
	<u>£</u>	<u>£</u>
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	23,332	(17,130)
	<u>£</u>	<u>£</u>
Current tax at 24.0% (2011: 26.0%)	5,600	(4,454)
	<u>£</u>	<u>£</u>

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

**6 Investment properties**

	£
Valuation at 30 June 2011 and 30 June 2012	1,310,000
	<u>£</u>

Valuations at the balance sheet date are based on independent external valuations as at 30 June 2010, updated by the Directors to 30 June 2012. The Executive Directors have respectively over 40 years and 30 years experience in commercial property. RJ Pearson, a non-executive director of the parent company, participated in the valuation process. He is a Fellow of the Royal Institution of Chartered Surveyors, and has practised as a surveyor in Scotland for 32 years during which time he has specialised in commercial property. The historical cost of the properties is £1,781,483 (2011: £1,781,483).

**7 Investments**

	£
At 30 June 2011 and 30 June 2012	20
	<u>£</u>

The company's investment in unlisted investments is as follows:

	% held	Activity
Bedrocks Limited	19.9%	Leisure activity operator

The company is registered in Scotland.



**Notes (continued)**

**8 Stock**

	2012 £	2011 £
Development land	5,576,122	5,499,306

**9 Debtors**

	2012 £	2011 £
Group relief receivable	-	4,454
Prepayments and accrued income	1,541	2,603
	1,541	7,057

**10 Creditors: amounts falling due within one year**

	2012 £	2011 £
Amount owed to parent undertaking	6,525,077	6,450,510
Bank overdraft	-	10,528
Other creditors and accruals	11,858	19,386
Group relief payable	5,600	-
	6,542,535	6,480,424

**11 Share capital**

	Authorised £	Allotted, called up and fully paid £
1,000 Ordinary shares of £1 each:		
At 30 June 2011 and 2012	1,000	2

**12 Revaluation reserve**

	£
Balance at 30 June 2011 and 30 June 2012	(417,235)





**Notes (continued)**

**13 Profit and loss account**

	£
At 30 June 2011	753,192
Profit for the year	17,732
	<hr/>
At 30 June 2012	770,924
	<hr/> <hr/>

**14 Reconciliation of movements in shareholders' funds**

	2012 £	2011 £
Profit/(loss) for the financial year	17,732	(12,676)
	<hr/>	<hr/>
Net movement in shareholders' funds	17,732	(12,676)
Opening shareholders' funds	335,959	348,635
	<hr/>	<hr/>
Closing shareholders' funds	353,691	335,959
	<hr/> <hr/>	<hr/> <hr/>

**15 Ultimate parent undertaking**

The ultimate parent undertaking is Caledonian Trust PLC, a company incorporated in Great Britain and registered in England and Wales. The financial statements of Caledonian Trust PLC are available at its registered office at St Ann's Wharf, 112 Quayside, Newcastle upon Tyne, NE99 1SB.

