Restore A Stone (Scotland) Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2012



Company Registration No. SC68608

Restore A Stone (Scotland) Limited
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Mr A D McGregor

SECRETARY

Mrs K J McGregor

REGISTERED OFFICE

Garscube Mill
Killermont Bridge
Bearsden
Glasgow
G61 1QR

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

Restore A Stone (Scotland) Limited
DIRECTOR'S REPORT

The director submits his report and financial statements of Restore A Stone (Scotland) Limited for the year ended 31 March 2012.

PRINCIPAL ACTIVITIES

The principal activites of the company during the year were property restoration and development.

DIRECTOR

The director who served the company during the year was as follows:

Mr A D McGregor

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed, as far as he is aware, that there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

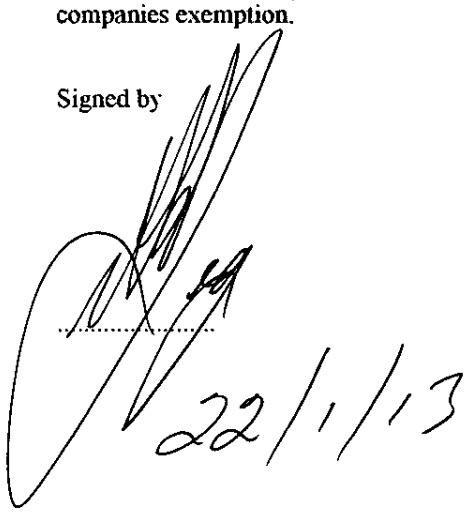
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by



A D McGregor

Director

Restore A Stone (Scotland) Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 those financial statements, the director is required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. The director is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RESTORE A STONE (SCOTLAND) LIMITED

We have audited the financial statements on pages 5 to 14. 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor
As more fully explained in the Director's Responsibilities Statement set out on page 3, the director is 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 website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the 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 March 2012 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the director's report.

Baker Tilly UK Audit LLP

ALAN AITCHISON (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

22/1/13

Restore A Stone (Scotland) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2012

	Notes	2012 £	2011 £
TURNOVER		1,274,517	735,000
Cost of sales		1,503,708	237,630
Gross (loss)/profit		(229,191)	497,370
Administrative expenses		183,161	177,879
Other operating income	1	(200,830)	(294,058)
OPERATING (LOSS)/PROFIT	2	(211,522)	613,549
Income from shares in group undertakings	3	1,972,161	–
Interest receivable		33	21
Amounts written off investments	4	(1,827,087)	–
		(66,415)	613,570
Interest payable and similar charges		(281,681)	(290,346)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(348,096)	323,224
Taxation	5	28,674	3,086
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	13	(376,770)	320,138

Restore A Stone (Scotland) Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 2012

	2012 £	2011 £
(Loss)/profit for the financial year	(376,770)	320,138
Unrealised deficit on revaluation Of tangible fixed assets: Investment properties	–	(112,225)
Total recognised gains and losses since the last financial statements	(376,770)	207,913

Restore A Stone (Scotland) Limited

BALANCE SHEET

31 March 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	6	4,156,188	4,156,879
Investments	7	–	1,827,087
		4,156,188	5,983,966
CURRENT ASSETS			
Stocks		1,740,241	2,979,417
Debtors	8	16,257	83,658
Cash at bank and in hand		300,000	29,382
		2,056,498	3,092,457
CREDITORS			
Amounts falling due within one year	9	6,431,384	8,918,351
NET CURRENT LIABILITIES		(4,374,886)	(5,825,894)
TOTAL ASSETS LESS CURRENT LIABILITIES		(218,698)	158,072
CAPITAL AND RESERVES			
Called up share capital	11	20,000	20,000
Revaluation reserve	12	(250,449)	(250,449)
Profit and loss account	13	11,751	388,521
(DEFICIT)/SHAREHOLDER'S FUNDS		(218,698)	158,072

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 5 to 14 were approved and signed by the director and authorised for issue on .....

Mr A D McGregor
Director

22/1/13

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Investment properties are accounted for in accordance with the Financial Reporting Standard for Smaller Entities, which provides that these should not be subject to periodic depreciation charges, but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price. Current cost accounting or the revaluation of specific assets to market value,as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act 2006 does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by the Financial Reporting Standard for Smaller Entities is considered appropriate for investment properties.

Details of the current value and historical cost information for investment properties are given in Note 5.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be ascertained with reasonable certainty.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost or revaluation of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	25% on cost
Fixtures & Fittings	-	25% on cost
Motor Vehicles	-	25% on cost
Equipment	-	25% on cost

Depreciation is not charged in respect of heritable properties which are considered to be investment properties.

INVESTMENT PROPERTIES

Investment properties are shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to a revaluation reserve.

Investment properties are revalued annually by the director and periodically by independent Chartered Surveyors on an open market basis. Changes in market value are recognised in reserves other than deficits expected to be permanent, which are charged to the profit and loss account for the period. No depreciation is provided on freehold investment properties or on leasehold investment properties where the unexpired lease term exceeds 20 years.

WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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.

RENTS RECEIVABLE

Rents receivable represent net invoiced rental income, excluding value added tax, relating to the accounting period.

EXCEPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about Restore A Stone (Scotland) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 398 of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

GOING CONCERN

The company remains dependent upon the continuing support of it's bankers, Royal Bank of Scotland, in order to remain a going concern. The company is currently taking measures to reduce the level of debt funding and the Director believes the market value of the existing property portfolio is sufficient to allow repayment of the outstanding debts over time, even at current depressed market prices. The financial statements currently reflect provisions against the value of individual properties where the current net realisable value is below cost, however, in line with the company's accounting policies do not reflect any uplift above cost for properties where current market value is above the reported cost. As such, the Director considers it appropriate to continue to present the accounts on a Going Concern basis.

1 OTHER OPERATING INCOME

	2012	2011
	£	£
Rents receivable	200,830	294,058

2 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2012	2011
	£	£
Director's remuneration	–	–
Depreciation of owned fixed assets	691	11,152
Auditor's fees	6,730	4,460

3 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2012	2011
	£	£
Income from group undertakings	1,972,161	–

4 AMOUNTS WRITTEN OFF INVESTMENTS

	2012	2011
	£	£
Amount written off investments	1,827,087	–

5 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2012	2011
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2011 - 21%)	28,674	12,631
Over/under provision in prior year	-	(9,545)
Total current tax	28,674	3,086

6 TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Investment properties £	Total £
Cost or valuation						
At 1 April 2011 and 31 March 2012	74,430	37,416	11,250	1,177	4,155,000	4,279,273
Depreciation						
At 1 April 2011	72,647	37,416	11,249	1,082	–	122,394
Charge for the year	595	–	1	95	–	691
At 31 March 2012	73,242	37,416	11,250	1,177	–	123,085
Net book value						
At 31 March 2012	1,188	–	–	–	4,155,000	4,156,188
At 31 March 2011	1,783	–	1	95	4,155,000	4,156,879

Investment properties were valued on an open market basis in September 2011 by Graham & Sibbald (Chartered Surveyor).

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2012 £	2011 £
Net book value at end of year	4,155,000	4,155,000
Historical cost	4,405,449	4,405,449

7 INVESTMENTS

	Total £
Cost	
At 1 April 2011 and 31 March 2012	2,227,087
Amounts written off	
At 1 April 2011	400,000
Written off in year	1,827,087
At 31 March 2012	2,227,087
Net book value	
At 31 March 2012	-
At 31 March 2011	1,827,087

7 INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the companies listed below,

Cleveden Lodge Limited (dormant)

	2012	2011
	£	£
Aggregate capital and reserves	2	719,479
Profit for the year	1,252,684	-

8 DEBTORS

	2012	2011
	£	£
Amounts owed by group undertakings	1,322	21,000
Other debtors	14,935	62,658
	16,257	83,658

9 CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	5,873,590	8,428,863
Trade creditors	37,674	28,212
Corporation tax	41,078	12,631
Other taxation and social security costs	19,485	4,457
Other creditors	459,557	444,188
	6,431,384	8,918,351

The bank overdraft is secured by Restore A Stone Limited, on the sites being developed by the company and by a personal guarantee from the director.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2012	2011
	£	£
Bank loans and overdrafts	5,873,591	8,428,864

10 RELATED PARTY TRANSACTIONS

The company was under the control of Mr A D McGregor throughout the current and previous year. Mr A D McGregor is the managing director and majority shareholder.

The following balance owed to the director was outstanding at the year end:

	2012 £	2011 £
A McGregor		
Balance outstanding at start of year	419,115	24,518
Balance outstanding at end of year	445,111	419,115
Maximum balance outstanding during year	445,111	419,115

No interest is charged in respect of the balance.

During the period a management charge of £884,000 was paid by Cleveden Lodge Limited (2011: £nil)

During the period a dividend of £1,972,161 was paid by Cleveden Lodge Limited. This amount was outstanding at the year end and is included in debtors.

The balance owing by Cleveden Lodge Limited at the balance sheet date was £1,322 (2011:£21,000).

11 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid:		
20,000 Ordinary shares of £1 each	20,000	20,000

12 REVALUATION RESERVE

	2012 £	2011 £
At the beginning of the year	(250,449)	(138,224)
Revaluation of fixed assets	–	(112,225)
At the end of the year	(250,449)	(250,449)

13 PROFIT AND LOSS ACCOUNT

	2012 £	2011 £
At the beginning of the year	388,521	68,383
(Loss)/profit for the financial year	(376,770)	320,138
At the end of the year	11,751	388,521