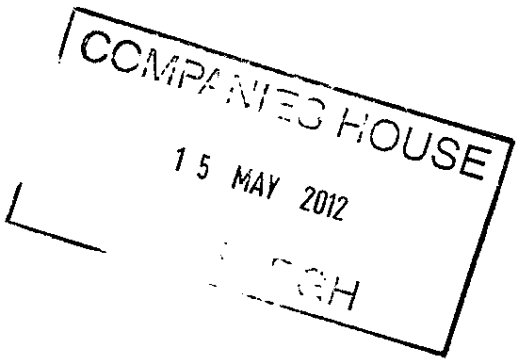
James Grant (East) Holdings Limited

Directors' report and financial statements

31 January 2012
Registered number SCO92822





Directors' report and financial statements

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Directors' report

The directors have pleasure in submitting their annual report and the audited financial statements for the year ended 31 January 2012.

Principal activity

The principal activity of the group is investment in property.

Results and dividends

The group profit on ordinary activities after tax amounted to £212,165 compared with £231,364 last year.

The directors propose that no final dividend be paid in respect of the year ended 31 January 2012. The total of ordinary dividends paid during the year amounted to £255,469 (2011: £479,004).

Principal risks and uncertainties

James Grant (East) Holdings Limited considers its key risks and uncertainties to be:
- commercial property values
- stability of tenants.

Future developments

The directors intend to continue the group's property investment activities and monitor any suitable opportunities to change the portfolio.

Key performance indicators (KPI)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who served the company during year are shown below. The directors and their families have no beneficial interest in the shares of the subsidiary undertaking. Their interest in the ordinary shares of the company as at 31 January 2012 and 31 January 2011 were as follows:

	31 January 2012		31 January 2011	
'A' ordinary shares	**Beneficial interest**	**No beneficial interest**	Beneficial interest	No beneficial interest
Mrs EM Oppenheim Sandelson	**802,680**	**-**	802,680	-
Mrs JP Prevezer	**221,334**	**18,572**	221,334	18,572
Mrs RS Bello	**221,333**	**18,572**	221,333	18,572
Mrs FL Arghebant	**221,333**	**18,572**	221,333	18,572
Mr RD Garland	-	-	-	-

	31 January 2012		31 January 2011	
'B' ordinary shares	**Beneficial interest**	**No beneficial interest**	Beneficial interest	No beneficial interest
Mrs EM Oppenheim Sandelson	-	-	-	-
Mrs JP Prevezer	**381,870**	**64,440**	381,870	64,440
Mrs RE Bello	**381,869**	**64,440**	381,869	64,440
Mrs FL Arghebant	**381,869**	**64,440**	381,869	64,440
Mr RD Garland	-	-	-	-

Certain of the holdings shown above include the same shares more than once in relation to the Trust created by Mrs EM Oppenheim Sandelson and of which three other directors are Trustees.

Political and charitable contributions

During the year the group made a payment of £nil (2011: £nil) for political purposes. Donations to UK charities amounted to £200 (2011: £200).

By order of the board

RD Garland
Director

16 Rutland Square
Edinburgh EH1 2BB
20 March 2012

Statement of directors' responsibilities

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 law). 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 the group and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and of the group 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 of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:-

- as far as they are aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Independent auditor's report to the shareholders of James Grant (East) Holdings Limited

We have audited the group and parent company financial statements of James Grant (East) Holdings Limited for the year ended 31 January 2012 set out on pages 6 to 19, which comprise the Group Profit and Loss Account, Group and Parent Company Balance Sheets, Group Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies, we consider the implications for the report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2012 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

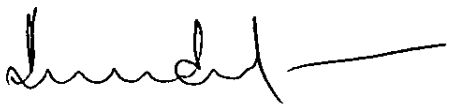
Opinion on other matters prescribed by the Companies Act 2006

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 no visited; 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 information and explanations we require for our audit.



KENNETH McDOWELL CA (Senior Statutory Auditor)
For and on behalf of
Chiene + Tait
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL
20 March 2012

Consolidated profit and loss account
for the year ended 31 January 2012

	Note	**2012** £	2011 £
Turnover	2	**972,886**	970,049
Administrative expenses		**(819,865)**	(837,009)
Operating profit	2	**153,021**	133,040
Interest receivable and other income	6	**115,916**	158,281
Profit on ordinary activities before tax		**268,937**	291,321
Tax on profit on ordinary activities	7	**(56,772)**	(59,957)
Profit for the financial year		**212,165**	231,364

All results relate to continuing operations.

The notes on pages 10 - 19 form part of the financial statements.

Consolidated balance sheet
at 31 January 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets					
Investment properties	9		**10,524,500**		10,800,950
Other assets	10		**566,947**		613,148
			11,091,447		11,414,098
Current assets					
Debtors	12	**88,398**		133,272	
Investments	13	**500,062**		3,470,949	
Cash at bank and in hand		**3,803,944**		792,396	
		4,392,404		4,396,617	
Creditors: amounts falling due within one year	14	**296,906**		297,188	
Net current assets			**4,095,498**		4,099,429
Total assets less current liabilities			**15,186,945**		15,513,527
Provision for liabilities and charges	15		**1,207**		8,035
Net assets			**15,185,738**		15,505,492
Capital and reserves					
Called up share capital	16		**798,340**		798,340
Revaluation reserve	17		**1,256,580**		1,533,030
Profit and loss account	18		**13,130,818**		13,174,122
Equity shareholders' funds			**15,185,738**		15,505,492

These financial statements were approved by the board of directors on 20 March 2012 and were signed on its behalf by:

EM Oppenheim Sandelson

EM Oppenheim Sandelson
Director

RD Garland

RD Garland
Director

Company number SCO92822

The notes on pages 10 to 19 form part of the financial statements.

Company balance sheet
at 31 January 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Investment in subsidiary undertaking	11		**15,224,225**		15,543,979
Current assets					
Cash at bank and in hand		**3,591**		3,607	
Creditors: amounts falling due within one year	14	**42,078**		42,094	
Net current liabilities			**(38,487)**		(38,487)
Net assets			**15,185,738**		15,505,492
Capital and reserves					
Called up share capital	16		**798,340**		798,340
Revaluation reserve	17		**11,308,405**		11,628,159
Profit and loss account	18		**3,078,993**		3,078,993
Equity shareholders' funds			**15,185,738**		15,505,492

These financial statements were approved by the board of directors on 20 March 2012 and were signed on its behalf by:

EM Oppenheim Sandelson

EM Oppenheim Sandelson
Director

RD Garland

RD Garland
Director

Company number SCO92822

The notes on pages 10 - 19 form part of the financial statements.

Consolidated statement of total recognised gains and losses
for the year ended 31 January 2012

	2012 £	2011 £
Profit for the financial year	**212,165**	231,364
Unrealised loss on revaluation of investment properties	**(276,450)**	(87,300)
Total recognised (losses)/ gains relating to the financial year	**(64,285)**	144,064

Reconciliation of movements in shareholders' funds
for the year ended 31 January 2012

	2012 £	2011 £
Profit for the financial year	**212,165**	231,364
Dividends	**(255,469)**	(479,004)
	(43,304)	(247,640)
Net movement on property valuation	**(276,450)**	(87,300)
	(319,754)	(334,940)
Opening equity shareholders' funds	**15,505,492**	15,840,432
Closing equity shareholders' funds	**15,185,738**	15,505,492

The notes on pages 10 - 19 form part of the financial statements.

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 are under historical cost accounting rules, modified to include the revaluation of certain fixed assets. The group is not required to present a cash flow statement as it is within the small companies exemption permitted under FRS 1.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the company and its subsidiary undertaking; such accounts are all made up to 31 January 2012. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

Turnover represents amounts receivable, exclusive of Valued Added Tax, where there is a right to consideration from trading activities. Rental income from operating leases is recognised on a straight-line basis over the term of the lease. The aggregate cost of any lease incentives given are recognised as a reduction in rental income and are allocated over the lease term or a shorter period ending on a date from which it is expected the prevailing market rental will be payable.

Investment properties

Investment properties are revalued periodically. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit, which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy, which represents a departure from the Companies Act 2006, is necessary to provide a true and fair view as required under SSAP 19 "Accounting for investment properties".

Revaluation of land and buildings

The group has taken advantage of the transitional provisions of FRS 15 and retained the book value of certain freehold and long leasehold properties which were revalued prior to the implementation of that standard.

Depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold properties	fifty years
Fixtures and fittings	five years
Motor vehicles	four years

Freehold buildings which have a high residual value and a useful economic life in excess of fifty years are reviewed for impairment at the end of each year.

Notes (continued)

1 Accounting policies (continued)

Investment in subsidiary undertaking

The investment in subsidiary undertaking is included at the directors' valuation, using the alternative valuation rules of Statutory Instrument 2008/410, schedule 1 paragraph 32, with regard to the net asset value of the underlying company such that the total reserves shown in the company's own balance sheet are identical to those shown in the consolidated balance sheet.

Leased assets

Rents payable under operating leases are charged to the profit and loss account as incurred.

Pensions

Contributions payable to money purchase pension schemes are charged to the profit and loss account in the period to which they relate.

Taxation

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

2 Turnover and operating profit

Turnover consists of the rental income and premiums received from investment properties.

All turnover arose in the United Kingdom.

	2012	2011
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets	**59,082**	58,696
Auditors' remuneration - audit	**9,000**	9,000
- non-audit	**4,553**	3,842
Hire of other assets - operating leases	**31,200**	31,200
Gain on sale of other tangible fixed assets	**(4,100)**	(16,754)

Notes (continued)

3 Remuneration of directors

	2012	2011
	£	£
Fees	**5,000**	5,000
Emoluments	**356,405**	347,887
Contributions to pension schemes	**-**	-
	361,405	352,887

	Number of directors	
Retirement benefits under money purchase pension schemes are accruing to the following number of directors	**3**	3

The remuneration, excluding pension contributions, of the highest paid director was £162,523 (2011: £161,558). Pension contributions amounted to £nil (2011: £nil).

4 Staff costs and numbers (including directors)

	2012	2011
	£	£
Wages and salaries	**478,324**	460,426
Social security costs	**58,387**	53,821
Other pension costs	**10,965**	9,548
	547,676	523,795

	Number of employees	
Average number of persons employed by the group during the financial year	**8**	8

5 Pension costs

The group contributed to a money purchase pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £10,965 (2011: £9,548).

6 Interest receivable and other income

	2012	2011
	£	£
Income from short term deposits	**49,256**	4,815
Interest from Treasury stock	**37,327**	152,500
Other interest	**221**	966
Gain on sale of Treasury stock	**29,112**	-
	115,916	158,281

Notes (continued)

7 Taxation

a) Analysis of charge in period

	2012	2011
	£	£
UK corporation tax on profit for the period	62,200	52,000
Adjustments in respect of previous periods	1,400	(78)
Total current tax	63,600	51,922
Deferred tax (note 15)	(6,828)	8,035
Tax on profit on ordinary activities	56,772	59,957

b) Factors affecting tax charge for period

The tax assessed for the period is lower than the expected tax charge as explained below:

	2012	2011
	£	£
Profit on ordinary activities before tax	268,937	291,321
Profit on ordinary activities multiplied by standard rate of corporation tax of 26.32% (2011: 21%)	70,793	61,177
Non-taxable income	(710)	-
Expenses not deductible for tax purposes	103	1,942
Capital allowances in excess of depreciation	8,483	(8,843)
Permanent differences for industrial buildings	1,921	(2,276)
Marginal relief	(18,390)	-
Adjustments in respect of previous periods	1,400	(78)
Current tax charge for period	63,600	51,922

c) Factors that may affect future tax charges

Investment properties

If the group's properties were sold for their book value at the balance sheet date it is estimated that there would be no resultant tax liability (2011: £nil).

Land and buildings

No provision has been made in respect of the revaluation of the group's land and buildings to market value in 1988. Such tax would become payable if the properties were sold in excess of their market value at 31 January 1988, as increased by cost of additions as shown in note 10. The amount unprovided is £nil at current rates of taxation (2010: £nil). At present, it is not envisaged that the group's land and buildings will be sold.

Notes (continued)

8 Dividends paid

		2012	2011
		£	£
'A' and 'B' ordinary shares	- first interim	**159,668**	479,004
	- second interim	**95,801**	-
		255,469	479,004

9 Tangible fixed assets - investment properties

Group:	£
At 1 February 2011	10,800,950
Revaluation movement	(276,450)
At 31 January 2012	**10,524,500**

The historical cost of investment properties at 31 January 2012 was £9,516,859 (2011: £9,516,859).

The directors, who are not qualified valuers, have decreased the investment property values at 31 January 2012 to reflect their view of the present conditions in the UK commercial property market following professional advice.

In arriving at the valuation of investment properties at 31 January 2012 the directors have made allowance for the estimated expenses of realisation.

Notes (continued)

10 Tangible fixed assets - other

	Land and buildings £	Fixtures & fittings £	Motor vehicles £	Total £
Group:				
Cost or valuation				
At 1 February 2011	660,072	103,402	195,790	959,264
Additions	-	136	12,745	12,881
Disposals	-	(407)	(9,745)	(10,152)
At 31 January 2012	660,072	103,131	198,790	961,993
Depreciation				
At 1 February 2011	166,465	101,199	78,452	346,116
Charge for year	8,805	578	49,699	59,082
On disposals	-	(407)	(9,745)	(10,152)
At 31 January 2012	175,270	101,370	118,406	395,046
Net book value				
At 31 January 2012	**484,802**	**1,761**	**80,384**	**566,947**
At 31 January 2011	493,607	2,203	117,338	613,148

Land and buildings

	Freehold £	Long leasehold £	Total £
Cost or revaluation			
At 1 February 2011	167,792	492,280	660,072
At 31 January 2012	167,792	492,280	660,072
Depreciation			
At 1 February 2011	-	166,465	166,465
Charge for year	-	8,805	8,805
At 31 January 2012	-	175,270	175,270
Net book value			
At 31 January 2012	**167,792**	**317,010**	**484,802**
At 31 January 2011	167,792	325,815	493,607

Notes (continued)

10 Tangible fixed assets - other (continued)

The valuation of land and buildings comprises:	£
Directors' open market valuation at 31 January 1988 - treated as cost under FRS 15	**575,692**
Addition at cost during year ended 31 January 1999	**84,380**
	660,072

The historical cost of land and buildings at 31 January 2012 was £419,449 (2011: 419,449).

11 Investment in subsidiary undertaking

Company:	£
At 1 February 2011	15,543,979
Net revaluation movement	(319,754)
At 31 January 2012	**15,224,225**

The cost of the investment at 31 January 2012 was £3,915,821 (2011: £3,915,821).

The company has one UK wholly owned subsidiary undertaking.

	Country of registration	Principal activity	%	Class of share held by the company
James Grant & Co (East) Ltd	Scotland	Property owning	100	Ordinary

12 Debtors

	Group		Company	
	2012	2011	**2012**	2011
	£	£	**£**	£
Amounts falling due within one year:				
Trade and other debtors	**43,662**	1,615	-	-
Prepayments and accrued income	**44,736**	131,657	-	-
	88,398	133,272	-	-

Notes (continued)

13 Investments

Group:

		2012	2011
		£	£
4 1/4%	Treasury stock 2011	-	2,970,887
5%	Treasury stock 2012	**500,062**	500,062
		500,062	3,470,949

The above investments are shown at cost. Their market value at 31 January 2012 was £502,250 (2011: £3,533,450).

14 Creditors: amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Corporation tax	**62,200**	52,000	-	-
PAYE and social security	**15,426**	15,084	-	-
Income received in advance	**103,487**	118,491	-	-
Other creditors and accruals	**115,793**	111,613	-	-
Amounts due to group undertaking	-	-	**42,078**	42,094
	296,906	297,188	**42,078**	42,094

15 Provision for liabilities and charges

	£
Deferred tax	
Accelerated capital allowances	**1,207**
At 1 February 2011	8,035
Deferred tax credit for period (note 7)	(6,828)
At 31 January 2012	**1,207**

Notes (continued)

16 Called up share capital

	2012 £	2011 £
Authorised		
2,000,000 'A' ordinary shares of 25p each	**500,000**	500,000
2,000,000 'B' ordinary shares of 25p each	**500,000**	500,000
	1,000,000	1,000,000
Allotted, called up and fully paid		
1,596,680 'A' ordinary shares of 25p each	**399,170**	399,170
1,596,680 'B' ordinary shares of 25p each	**399,170**	399,170
	798,340	798,340

The 'A' and 'B' ordinary shares rank pari passu in all respects, except that the 'B' ordinary shares carry no voting rights at any General Meeting of the company.

17 Revaluation reserve

Group:

	£
At 1 February 2011	1,533,030
Revaluation movement	(276,450)
At 31 January 2012	**1,256,580**

Company:

	£
At 1 February 2011	11,628,159
Net revaluation movement	(319,754)
At 31 January 2012	**11,308,405**

18 Profit and loss account

	Group £	Company £
At 1 February 2011	13,174,122	3,078,993
Dividends received	-	255,469
Dividends paid	(255,469)	(255,469)
Profit for year	212,165	-
At 31 January 2012	**13,130,818**	**3,078,993**

Notes (continued)

19 Related party transactions

Tax of £32,861 (2011: £30,917) has been paid by the group for the private use of group property by those directors who hold beneficial share interests in the company.

Included within other creditors is an interest free loan from Mrs EM Oppenheim Sandelson, a director of the company, £8,469.

20 Post balance sheet events

Dividend
A first interim dividend of 5p per share was paid to the holders of the A and B ordinary shares for the year ending 31 January 2013 on 8 February 2012, following receipt of a first interim dividend of £159,668 from it's wholly owned subsidiary James Grant & Co (East) Ltd.

Current asset investment
The group's holding of 5% treasury stock 2012 was redeemed at par on 7 March 2012. The proceeds of £500,000 have been placed on short term deposit.

21 Ultimate controlling party

The ultimate controlling party is Mrs EM Oppenheim Sandelson, a director of the company, by virtue of her interest in the share capital of the company.