REGISTERED NUMBER: SC199488 (Scotland)

Report of the Directors and

Consolidated Financial Statements

For The Year Ended 31 December 2011

for

Ashwood Scotland Limited

TUESDAY

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For The Year Ended 31 December 2011

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Ashwood Scotland Limited

Company Information
For The Year Ended 31 December 2011

DIRECTORS:	Archibald Grant Meikle David Scott Charman Brian Mackay
REGISTERED OFFICE:	Ashwood House Starlaw Road Bathgate West Lothian EH47 7BW
REGISTERED NUMBER:	SC199488 (Scotland)
AUDITORS:	Cahill Jack Associates Chartered Accountants and Statutory Auditors 91 Alexander Street Airdrie North Lanarkshire ML6 0BD
SOLICITORS:	Drummond Miller W.S. 64 South Bridge Street Bathgate EH48 1TL

Report of the Directors
For The Year Ended 31 December 2011

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2011.

PRINCIPAL ACTIVITY
The principal activity of the group in the year under review was that of construction based operations, the development and selling of real estate and renting of own property.

REVIEW OF BUSINESS
The directors are pleased to report on a very satisfactory result in what was another extremely difficult set of circumstances affecting the whole of the construction sector nationwide. Despite the continued difficulties encountered from the financial sector the core business has responded to the different market conditions which prevail. Gross profit was £461,409 representing an increase in percentage of turnover from 10.2% to 11.9%. The group achieved a healthy profit before tax and dividends of £55,039 which represented 1.4% of turnover.

The directors are confident that the business will continue to trade successfully and be able to respond to changing markets, source alternative procurement opportunities which will add value and implement the policies as set out within the Strategic Business Plan for 2012.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2011.

FIXED ASSETS
Details of movements in tangible assets and investment properties are given in the notes to the accounts.

There were no major movements in tangible assets during the year.

The decrease in value of one of the investment properties was considered permanent by the directors and as a consequence the property has been revalued in the accounts.The directors are of the opinion that there has been no material change to the long term values of the remaining investment properties.

FUTURE DEVELOPMENTS
The core business has set a turnover budget of £5.3 million for the coming year and currently has a secured order book of £3.2 million. Tendering opportunities continue to remain high brought about by the policies adopted within the strategic business plan and the company's excellent trading reputation.

Investment properties continue to perform well with a 100% fully let portfolio and no adverse rental arrears to report upon. Development sites, as reported in the previous year, have been land banked meantime however opportunities continue to be pursued with regards to potential operators.

The ongoing risks faced by the business and all other companies within the construction industry are minimised by the company's ongoing secured order book, strong balance sheet and extremely well managed operational and financial controls.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2011 to the date of this report.

Archibald Grant Meikle
David Scott Charman
Brian Mackay

POLITICAL AND CHARITABLE CONTRIBUTIONS
The board of directors have pledged 5% of the profit before tax and dividends of the holding company to a charitable trust set up by the company. The amount provided by the holding company during the year was £1,438 (2010: £7,295).

Report of the Directors
For The Year Ended 31 December 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

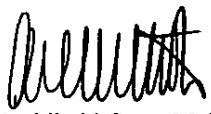
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that 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 auditors are aware of that information.

AUDITORS

The auditors, Cahill Jack Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Archibald Grant Meikle - Director

7 June 2012

Report of the Independent Auditors to the Members of
Ashwood Scotland Limited

We have audited the financial statements of Ashwood Scotland Limited Group for the year ended 31 December 2011 on pages five to twenty six. 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 a Report of the Auditors 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.

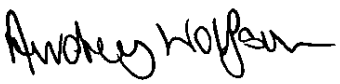
Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility 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 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 group's and the parent 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 Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our 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 of the parent company's affairs as at 31 December 2011 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 matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Audrey Wolfson (Senior Statutory Auditor)
for and on behalf of Cahill Jack Associates
Chartered Accountants and Statutory Auditors
91 Alexander Street
Airdrie
North Lanarkshire
ML6 0BD

7 June 2012

Consolidated Profit and Loss Account
For The Year Ended 31 December 2011

	Notes	31.12.11 £	31.12.10 £
TURNOVER		3,865,617	5,562,594
Cost of sales		3,404,208	4,994,188
GROSS PROFIT		461,409	568,406
Administrative expenses		495,998	503,987
		(34,589)	64,419
Other operating income		191,045	180,218
OPERATING PROFIT	3	156,456	244,637
Interest receivable and similar income		4	-
		156,460	244,637
Interest payable and similar charges	4	101,421	65,006
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		55,039	179,631
Tax on profit on ordinary activities	5	12,367	45,172
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		42,672	134,459

CONTINUING OPERATIONS
None of the group's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses
For The Year Ended 31 December 2011

	31.12.11 £	31.12.10 £
PROFIT FOR THE FINANCIAL YEAR	42,672	134,459
Revaluation adjustment on investment property	(190,000)	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	(147,328)	134,459

Note of Historical Cost Profits and Losses
For The Year Ended 31 December 2011

	31.12.11 £	31.12.10 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	55,039	179,631
Reversal of depreciation previously charged on property	-	10,350
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	55,039	189,981
HISTORICAL COST PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS	42,672	84,809

The notes form part of these financial statements

Ashwood Scotland Limited **(Registered number: SC199488)**

Consolidated Balance Sheet
31 December 2011

	Notes	31.12.11 £	£	31.12.10 £	£
FIXED ASSETS					
Tangible assets	8		18,176		29,471
Investments	9		-		-
Investment property	10		3,605,526		3,795,526
			3,623,702		3,824,997
CURRENT ASSETS					
Debtors	11	1,111,005		1,114,967	
Cash at bank and in hand		320,660		315,177	
		1,431,665		1,430,144	
CREDITORS					
Amounts falling due within one year	12	1,682,558		1,205,131	
NET CURRENT (LIABILITIES)/ASSETS			(250,893)		225,013
TOTAL ASSETS LESS CURRENT LIABILITIES			3,372,809		4,050,010
CREDITORS					
Amounts falling due after more than one year	13		(2,189,677)		(2,718,781)
PROVISIONS FOR LIABILITIES	17		-		(769)
NET ASSETS			1,183,132		1,330,460
CAPITAL AND RESERVES					
Called up share capital	18		200		200
Share premium	19		490		490
Revaluation reserve	19		341,119		531,119
Profit and loss account	19		841,323		798,651
SHAREHOLDERS' FUNDS	22		1,183,132		1,330,460

The financial statements were approved by the Board of Directors on 7 June 2012 and were signed on its behalf by:

Archibald Grant Meikle - Director

The notes form part of these financial statements

Company Balance Sheet
31 December 2011

	Notes	31.12.11 £	£	31.12.10 £	£
FIXED ASSETS					
Tangible assets	8		18,176		29,471
Investments	9		3		3
Investment property	10		1,106,000		1,296,000
			1,124,179		1,325,474
CURRENT ASSETS					
Debtors	11	751,720		936,530	
Cash at bank and in hand		320,657		129,251	
		1,072,377		1,065,781	
CREDITORS					
Amounts falling due within one year	12	1,175,077		1,185,237	
NET CURRENT LIABILITIES			(102,700)		(119,456)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,021,479		1,206,018
CREDITORS					
Amounts falling due after more than one year	13		(113,677)		(131,781)
PROVISIONS FOR LIABILITIES	17		-		(769)
NET ASSETS			907,802		1,073,468
CAPITAL AND RESERVES					
Called up share capital	18		200		200
Share premium	19		490		490
Revaluation reserve	19		60,091		250,091
Profit and loss account	19		847,021		822,687
SHAREHOLDERS' FUNDS	22		907,802		1,073,468

The financial statements were approved by the Board of Directors on 7 June 2012 and were signed on its behalf by:

Archibald Grant Meikle - Director

The notes form part of these financial statements

Consolidated Cash Flow Statement
For The Year Ended 31 December 2011

	Notes	31.12.11 £	£	31.12.10 £	£
Net cash inflow/(outflow) from operating activities	1		163,411		(117,607)
Returns on investments and servicing of finance	2		(101,417)		(65,006)
Taxation			(45,713)		(49,346)
Capital expenditure	2		(1)		(25,838)
Equity dividends paid			-		(60,000)
			16,280		(317,797)
Financing	2		(49,429)		(28,432)
Decrease in cash in the period			(33,149)		(346,229)
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(33,149)		(346,229)	
Cash outflow from decrease in debt and lease financing		31,468		28,432	
Change in net debt resulting from cash flows			(1,681)		(317,797)
Movement in net debt in the period			(1,681)		(317,797)
Net debt at 1 January			(2,437,774)		(2,119,977)
Net debt at 31 December			(2,439,455)		(2,437,774)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
For The Year Ended 31 December 2011

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.12.11	31.12.10
	£	£
Operating profit	156,456	244,637
Depreciation charges	11,295	15,790
Loss on disposal of fixed assets	-	2,581
Decrease in debtors	21,924	523,428
Decrease in creditors	(26,264)	(904,043)
Net cash inflow/(outflow) from operating activities	163,411	(117,607)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.11	31.12.10
	£	£
Returns on investments and servicing of finance		
Interest received	4	-
Interest paid	(100,794)	(63,022)
Interest element of hire purchase payments	(627)	(1,984)
Net cash outflow for returns on investments and servicing of finance	(101,417)	(65,006)
Capital expenditure		
Purchase of tangible fixed assets	-	(34,930)
Sale of tangible fixed assets	(1)	9,092
Net cash outflow for capital expenditure	(1)	(25,838)
Financing		
Loan repayments in year	(24,765)	(29,714)
Capital repayments in year	(6,702)	1,282
Amount withdrawn by directors	(17,962)	-
Net cash outflow from financing	(49,429)	(28,432)

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
For The Year Ended 31 December 2011

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.11 £	Cash flow £	At 31.12.11 £
Net cash:			
Cash at bank and in hand	315,177	5,483	320,660
Bank overdraft	-	(38,632)	(38,632)
	315,177	(33,149)	282,028
Debt:			
Hire purchase	(12,653)	6,702	(5,951)
Debts falling due within one year	(27,467)	(498,971)	(526,438)
Debts falling due after one year	(2,712,831)	523,737	(2,189,094)
	(2,752,951)	31,468	(2,721,483)
Total	(2,437,774)	(1,681)	(2,439,455)

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
For The Year Ended 31 December 2011

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation
The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 31st December 2010. The results of subsidiary undertakings acquired or disposed of during the year have been included from the date of acquisition to the date of disposal. Profit or losses on inter company transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. All inter company balances and trading are eliminated on consolidation. An amount is included in fixed asset investments for the holding company which represents it's investment in subsidiaries.

Turnover
Turnover represents income earned from contracts to provide construction services, excluding value added tax charged where applicable.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Motor vehicles	- 25% on cost
Computer equipment	- 25% on reducing balance

Investment property
In accordance with SSAP 19 "accounting for investment properties" the group's properties which are held for long-term investment are included in the balance sheet at the open market value and are not depreciated. The surplus or deficit on revaluation of the properties is transferred to a revaluation reserve. This policy represents a departure from the Companies Act 2006, which requires depreciation to be provided on all fixed assets. The directors consider this policy is necessary to give an overriding true and fair view as current values and changes in current values are considered more significant than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation and the amount which might otherwise have been charged cannot be separately identified or quantified.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. 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 underlying timing differences can be deducted. Deferred tax is measured at the rates that are expected to apply in the periods in which the timing differences reverse and is not discounted.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits
The group operates defined contribution pension schemes. Contributions payable for the year are charged in the profit and loss account.

continued...

1. **ACCOUNTING POLICIES - continued**

Long-term contracts and work in progress
A significant amount of the group's activities are undertaken via long-term contracts. These contracts are accounted for in accordance with Amendment to FRS 5 "Reporting the substance of transactions: revenue recognition" which requires estimates to be made for contract costs and revenues.

The directors base their judgements of contract costs and revenues on the latest available information, which includes detailed contract valuations. In many cases the results reflect the expected outcome of long-term contractual obligations which span more than one reporting period. Contract costs and revenues are affected by a variety of uncertainties that depend on the outcome of future events and often need to be revised as events unfold and uncertainties are resolved. The estimates are updated regularly and significant changes are highlighted through established internal review procedures which ensure that there is no significant over or under statement of profits earned in any period.

Long-term work in progress is therefore calculated based on the excess of expected revenue less costs from each contract less appropriate payments received to date and is included within debtors in the balance sheet under the heading of amounts recoverable on contracts.

2. **STAFF COSTS**

	31.12.11	31.12.10
	£	£
Wages and salaries	316,546	315,578
Other pension costs	20,250	20,250
	336,796	335,828

The average monthly number of employees during the year was as follows:

	31.12.11	31.12.10
Management and administration	6	7
On site management	6	7
Direct labour	6	7
	18	21

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.11	31.12.10
	£	£
Depreciation - owned assets	3,857	8,998
Depreciation - assets on hire purchase contracts	7,439	6,791
Loss on disposal of fixed assets	-	2,581
Auditors' remuneration	5,000	9,000
Auditors' remuneration for non audit work	11,800	-
Staff pension costs	15,772	22,245
Directors' remuneration	254,211	256,158
Directors' pension contributions to money purchase schemes	20,250	20,250

continued...

3. OPERATING PROFIT - continued

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3

Information regarding the highest paid director is as follows:

	31.12.11	31.12.10
	£	£
Emoluments etc	87,254	86,367
Pension contributions to money purchase schemes	6,750	6,750

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.11	31.12.10
	£	£
Bank loan interest	100,794	63,022
Hire purchase	627	1,984
	101,421	65,006

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.11	31.12.10
	£	£
Current tax:		
UK corporation tax	13,136	45,713
Deferred tax	(769)	(541)
Tax on profit on ordinary activities	12,367	45,172

continued...

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.11	31.12.10
	£	£
Profit on ordinary activities before tax	55,039	179,631
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.246% (2010 - 28%)	11,143	50,297
Effects of:		
Capital allowances for period in excess of depreciation	1,479	547
Expenses not deductible for tax purposes	514	2,826
Small rate claimed	-	(3,799)
Marginal relief	-	(4,158)
Current tax charge	13,136	45,713

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £24,334 (2010 - £103,551).

7. DIVIDENDS

	31.12.11	31.12.10
	£	£
A Ordinary Shares shares of £1 each		
Interim	-	20,000
B Ordinary Shares shares of £1 each		
Interim	-	20,000
C Ordinary Shares shares of £1 each		
Interim	-	20,000
	-	60,000

continued...

8. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2011	12,463	44,725	29,921	87,109
Disposals	-	(13,879)	-	(13,879)
At 31 December 2011	12,463	30,846	29,921	73,230
DEPRECIATION				
At 1 January 2011	3,919	30,681	23,038	57,638
Charge for year	2,136	7,439	1,721	11,296
Eliminated on disposal	-	(13,880)	-	(13,880)
At 31 December 2011	6,055	24,240	24,759	55,054
NET BOOK VALUE				
At 31 December 2011	6,408	6,606	5,162	18,176
At 31 December 2010	8,544	14,044	6,883	29,471

Cost or valuation at 31 December 2011 is represented by:

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost	12,463	30,846	29,921	73,230

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1 January 2011 and 31 December 2011	22,318
DEPRECIATION	
At 1 January 2011	8,274
Charge for year	7,439
At 31 December 2011	15,713
NET BOOK VALUE	
At 31 December 2011	6,605
At 31 December 2010	14,044

continued...

8. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION				
At 1 January 2011	12,463	44,725	29,921	87,109
Disposals	-	(13,879)	-	(13,879)
At 31 December 2011	12,463	30,846	29,921	73,230
DEPRECIATION				
At 1 January 2011	3,919	30,681	23,038	57,638
Charge for year	2,136	7,439	1,721	11,296
Eliminated on disposal	-	(13,880)	-	(13,880)
At 31 December 2011	6,055	24,240	24,759	55,054
NET BOOK VALUE				
At 31 December 2011	6,408	6,606	5,162	18,176
At 31 December 2010	8,544	14,044	6,883	29,471

Cost or valuation at 31 December 2011 is represented by:

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost	12,463	30,846	29,921	73,230

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1 January 2011 and 31 December 2011	22,318
DEPRECIATION	
At 1 January 2011	8,274
Charge for year	7,439
At 31 December 2011	15,713
NET BOOK VALUE	
At 31 December 2011	6,605
At 31 December 2010	14,044

continued...

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2011 and 31 December 2011	3
NET BOOK VALUE	
At 31 December 2011	3
At 31 December 2010	3

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Ashwood Scotland Clydebank Limited
Nature of business: letting of owned property

Class of shares:	% holding
Ordinary	100.00

	31.12.11 £	31.12.10 £
Aggregate capital and reserves	88,822	56,045
Profit for the year	32,777	22,630

Ashwood Scotland Starlaw Limited
Nature of business: letting of owned property

Class of shares:	% holding
Ordinary	100.00

	31.12.11 £	31.12.10 £
Aggregate capital and reserves	240,198	236,048
Profit for the year	4,150	20,254

Ashwood Scotland MacIntosh Limited
Nature of business: building and development

Class of shares:	% holding
Ordinary	100.00

	31.12.11 £	31.12.10 £
Aggregate capital and reserves	(53,688)	(35,097)
Loss for the year	(18,591)	(11,975)

continued...

10. INVESTMENT PROPERTY

Group

	Total £
COST OR VALUATION	
At 1 January 2011	3,795,526
Revaluations	(190,000)
At 31 December 2011	3,605,526
NET BOOK VALUE	
At 31 December 2011	3,605,526
At 31 December 2010	3,795,526

Cost or valuation at 31 December 2011 is represented by:

	£
Valuation in 2004	120,815
Valuation in 2005	38,276
Valuation in 2006	6,000
Valuation in 2007	274,699
Valuation in 2008	91,324
Valuation in 2011	(190,000)
Cost	3,264,412
	3,605,526

If the investment properties had not been revalued they would have been included at the following historical cost:

	31.12.11 £	31.12.10 £
Cost	3,264,412	3,264,412

Property at Fleming Road, Livingston was valued during the year by Graham & Sibbald, Surveyors at a market value of £110,000. The directors are of the opinion that this is an accurate value and as such have reduced the value of that property in the accounts.

Desk top valuations were carried out during the year on all other investment properties held directly by the parent company which showed no change to previous valuations carried out and the Directors are therefore of the opinion that there was no change in the market value of these investment properties from the date of the last independent surveys to the balance sheet date.

The investment property held by Ashwood Clydebank Limited was valued at £800,000 on an open market value basis by Graham & Sibbald, surveyors during the year and the directors are satisfied that the value in the accounts is an accurate reflection of the current market value.

The investment property held by Ashwood Starlaw Limited was valued at £1,010,000 during the year by Graham & Sibbald, independent chartered surveyors. The Board does not consider the decrease in value to be a permanent diminution and as such the value of the property is unchanged in the accounts.

continued...

10. **INVESTMENT PROPERTY - continued**

Company

	Total £
COST OR VALUATION	
At 1 January 2011	1,296,000
Revaluations	(190,000)
At 31 December 2011	1,106,000
NET BOOK VALUE	
At 31 December 2011	1,106,000
At 31 December 2010	1,296,000

Cost or valuation at 31 December 2011 is represented by:

	£
Valuation in 2004	120,815
Valuation in 2005	38,276
Valuation in 2006	6,000
Valuation in 2007	85,000
Valuation in 2011	(190,000)
Cost	1,045,909
	1,106,000

If the investment properties had not been revalued they would have been included at the following historical cost:

	31.12.11 £	31.12.10 £
Cost	1,045,909	1,045,909

Property at Fleming Road, Livingston was valued during the year by Graham & Sibbald, Surveyors at a market value of £110,000. The directors are of the opinion that this is an accurate value and as such have reduced the value of that property in the accounts.

Desk top valuations were carried out during the year on all other investment properties which showed no change to previous valuations carried out and the Directors are therefore of the opinion that there was no change in the market value of these investment properties from the date of the last independent surveys to the balance sheet date.

continued...

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
	£	£	£	£
Trade debtors	51,833	245,184	51,833	245,184
Amounts owed by group undertakings	-	-	300,171	472,491
Amounts recoverable on contract	1,009,905	753,583	368,254	111,932
Other debtors	5,100	3,423	5,100	423
Directors' current accounts	17,962	-	17,962	-
VAT	5,316	-	5,316	-
Prepayments and accrued income	17,805	6,277	-	-
Prepayments	3,084	106,500	3,084	106,500
	1,111,005	1,114,967	751,720	936,530

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
	£	£	£	£
Bank loans and overdrafts (see note 14)	565,070	27,467	79,676	27,467
Hire purchase contracts (see note 15)	5,368	6,703	5,368	6,703
Trade creditors	992,325	996,203	992,175	996,203
Tax	13,136	45,713	3,762	34,313
Social security and other taxes	30,458	27,563	30,458	27,563
VAT	-	51,755	-	51,442
Other creditors	16,191	-	16,191	-
Accruals and deferred income	11,133	-	-	-
Accrued expenses	48,877	49,727	47,447	41,546
	1,682,558	1,205,131	1,175,077	1,185,237

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
	£	£	£	£
Bank loans (see note 14)	2,189,094	2,712,831	113,094	125,831
Hire purchase contracts (see note 15)	583	5,950	583	5,950
	2,189,677	2,718,781	113,677	131,781

continued...

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	38,632	-	64,238	-
Bank loans	526,438	27,467	15,438	27,467
	565,070	27,467	79,676	27,467
Amounts falling due between one and two years:				
Bank loans - 1-2 years	775,438	1,842,438	15,438	15,438
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,362,313	806,313	46,313	46,313
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans > 5 yr by instalments	51,343	64,080	51,343	64,080
	51,343	64,080	51,343	64,080

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	31.12.11	31.12.10
	£	£
Net obligations repayable:		
Within one year	5,368	6,703
Between one and five years	583	5,950
	5,951	12,653

Company

	Hire purchase contracts	
	31.12.11	31.12.10
	£	£
Net obligations repayable:		
Within one year	5,368	6,703
Between one and five years	583	5,950
	5,951	12,653

continued...

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	31.12.11	31.12.10
	£	£
Expiring:		
Within one year	5,880	9,668
Between one and five years	15,180	11,520
	21,060	21,188

Company

	Other operating leases	
	31.12.11	31.12.10
	£	£
Expiring:		
Within one year	5,880	9,668
Between one and five years	15,180	11,520
	21,060	21,188

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
	£	£	£	£
Bank overdraft	38,632	-	64,238	-
Bank loans	2,715,532	2,740,298	128,532	153,298
Hire purchase contracts	5,951	12,653	5,951	12,653
	2,760,115	2,752,951	198,721	165,951

The Royal Bank of Scotland borrowings are secured by bond and floating charges and standard securities over the group's properties at; 159a West Main Street, Whitburn; Ashwood House, Starlaw Road, Bathgate; 100 South Clerk Street, Edinburgh; 44 Lindsay Gardens, Bathgate; 131 Howdenhall Drive, Edinburgh, Flat 3/1, 38 Pleasance Street, Glasgow, development land known as Starlaw Road, property known as Andrew Court, South Douglas Street, Clydebank, development site at Fleming Road, Livingston and site at MacIntosh Road, Livingston. The company has also provided cross guarantees to the bank at various levels and with limited securities in respect of certain projects undertaken by subsidiaries.

Hire purchase and finance lease creditors hold security over the assets which are the subject of the relevant agreements.

continued...

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.11	31.12.10	31.12.11	31.12.10
	£	£	£	£
Deferred tax	-	769	-	769

Group

	Deferred tax £
Balance at 1 January 2011	769
Accelerated capital allowances	(769)
Balance at 31 December 2011	-

Company

	Deferred tax £
Balance at 1 January 2011	769
Accelerated capital allowances	(769)
Balance at 31 December 2011	-

Deferred taxation not provided for in the financial statements is set out below and calculated at rates as stated.

Unrealised gains on investment properties at 26% (2010: 28%) - £138,089 (2010: £148,712). No provision has been made for the unrealised gain on properties as no binding agreement has been made for the disposal of the properties.

On accelerated capital allowances at 20% - £843 (2010: nil). No provision has been made for the deferred tax asset on accelerated capital allowances as, in the opinion of the directors, there is insufficient evidence that there will be suitable taxable profits from which these amounts can be deducted.

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.11 £	31.12.10 £
150	A Ordinary Shares	£1	150	150
40	B Ordinary Shares	£1	40	40
10	C Ordinary Shares	£1	10	10
			200	200

continued...

19. RESERVES

Group

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2011	798,651	490	531,119	1,330,260
Profit for the year	42,672			42,672
Adjustment on revaluation	-	-	(190,000)	(190,000)
At 31 December 2011	841,323	490	341,119	1,182,932

Company

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2011	822,687	490	250,091	1,073,268
Profit for the year	24,334			24,334
Adjustment on revaluation	-	-	(190,000)	(190,000)
At 31 December 2011	847,021	490	60,091	907,602

20. TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 31 December 2011 and 31 December 2010:

	31.12.11 £	31.12.10 £
Archibald Grant Meikle		
Balance outstanding at start of year	-	-
Amounts advanced	6,787	-
Amounts repaid	-	-
Balance outstanding at end of year	6,787	-
David Scott Charman		
Balance outstanding at start of year	-	-
Amounts advanced	5,491	-
Amounts repaid	-	-
Balance outstanding at end of year	5,491	-
Brian Mackay		
Balance outstanding at start of year	-	-
Amounts advanced	5,684	-
Amounts repaid	-	-
Balance outstanding at end of year	5,684	-

The loans to directors will be repaid within 9 months of the year end.

continued...

21. ULTIMATE CONTROLLING PARTY

A G Meikle, as the majority shareholder of Ashwood Scotland Limited, is considered to be the controlling party of the company and the group.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31.12.11	31.12.10
	£	£
Profit for the financial year	42,672	134,459
Dividends	-	(60,000)
	42,672	74,459
Other recognised gains and losses relating to the year (net)	(190,000)	-
Reversal of depreciation previously charged on property	-	11,500
Net (reduction)/addition to shareholders' funds	(147,328)	85,959
Opening shareholders' funds	1,330,460	1,244,501
Closing shareholders' funds	1,183,132	1,330,460

Company

	31.12.11	31.12.10
	£	£
Profit for the financial year	24,334	103,551
Dividends	-	(60,000)
	24,334	43,551
Other recognised gains and losses relating to the year (net)	(190,000)	-
Reversal of depreciation previously charged on property	-	11,500
Net (reduction)/addition to shareholders' funds	(165,666)	55,051
Opening shareholders' funds	1,073,468	1,018,417
Closing shareholders' funds	907,802	1,073,468