Company Registration No. SC214852 (Scotland)

DOVECOT STUDIOS LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011



DOVECOT STUDIOS LIMITED

COMPANY INFORMATION

Directors	A E H Salvesen E E Salvesen D W D Weir
Secretary	D W D Weir
Company number	SC214852
Registered office	10 Infirmary Street Edinburgh EH1 1LT
Accountants	Saffery Champness Edinburgh Quay 133 Fountainbridge Edinburgh EH3 9BA
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR

DOVECOT STUDIOS LIMITED

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DOVECOT STUDIOS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011

The directors present their report and financial statements for the year ended 30 June 2011.

Principal activities
The principal activity of the company is that of tapestry handweaving and rug tufting.

Directors
The following directors have held office since 1 July 2010:

A E H Salvesen
E E Salvesen
D W D Weir

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 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 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 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 are 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.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board

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D W D Weir
Secretary
23/1/2012

DOVECOT STUDIOS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 £	2010 £
Turnover		270,539	229,095
Cost of sales		(318,755)	(248,715)
Gross loss		(48,216)	(19,620)
Administrative expenses		(351,275)	(137,049)
Other operating income		520,000	-
Operating profit/(loss)	2	120,509	(156,669)
Other interest receivable and similar income	3	5	136
Interest payable and similar charges		(9,280)	-
Profit/(loss) on ordinary activities before taxation		111,234	(156,533)
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the year	12	111,234	(156,533)

The notes on pages 5 to 10 form part of these financial statements.

DOVECOT STUDIOS LIMITED

BALANCE SHEET
AS AT 30 JUNE 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	5		11,132		10,895
Investments	6		2		2
			11,134		10,897
Current assets					
Stocks	7	205,017		216,139	
Debtors	8	103,697		44,105	
Cash at bank and in hand		223,036		19,506	
		531,750		279,750	
Creditors: amounts falling due within one year	9	(798,945)		(657,942)	
Net current liabilities			(267,195)		(378,192)
Total assets less current liabilities			(256,061)		(367,295)
Capital and reserves					
Called up share capital	11		2,747		2,747
Share premium account	12		252,994		252,994
Profit and loss account	12		(511,802)		(623,036)
Shareholders' deficiency			(256,061)		(367,295)

DOVECOT STUDIOS LIMITED

BALANCE SHEET (continued)
AS AT 30 JUNE 2011

For the financial year ended 30 June 2011 the company was entitled to exemption from audit under section 477 Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 5 to 10 form part of these financial statements.

Approved by the Board for issue on 23/11/2011

D W D Weir
Director

Company Registration No. SC214852

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company has net liabilities of £256,061 (2010: £367,295). The company continues to be reliant on the continued support of A E H Salvesen to whom a net debt of £516,800 (2010: £516,800) is payable with no fixed repayment terms. The parent undertaking, Dovecot Foundation, has confirmed its intention to continue to support the company in the long-term.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% Straight Line
Computer equipment	25% Straight Line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. For work in progress the cost is calculated based on directly attributable wages, materials and other expenses.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Grants receivable

There are no conditions attached to the grant received from the parent entity during the year and so the full amount has been credited to the profit and loss account.

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group financial statements.

2 Operating profit/(loss)

	2011	2010
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	4,443	3,984
Directors' remuneration	45,000	45,000
and after crediting:		
Dovecot Foundation grant	520,000	-

3 Investment income

	2011	2010
	£	£
Bank interest	5	136
	5	136

4 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

5 Tangible fixed assets

	Plant & machinery	Computer equipment	Other tangible fixed assets
	£	£	£
Cost			
At 1 July 2010	17,612	11,356	28,968
Additions	3,053	1,627	4,680
At 30 June 2011	20,665	12,983	33,648
Depreciation			
At 1 July 2010	11,512	6,561	18,073
Charge for the year	2,066	2,377	4,443
At 30 June 2011	13,578	8,938	22,516
Net book value			
At 30 June 2011	7,087	4,045	11,132
At 30 June 2010	6,100	4,795	10,895

6 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 July 2010 & at 30 June 2011	2
Net book value	
At 30 June 2011	2
At 30 June 2010	2

Holdings of more than 20%
The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
The Edinburgh Tapestry Company Limited	Scotland	£1 Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
	£	
The Edinburgh Tapestry Company Limited	£2	-

7 Stocks and work in progress

	2011 £	2010 £
Finished Goods	176,718	194,278
Raw Materials	16,889	15,078
Work in Progress	11,410	6,783
	205,017	216,139

8 Debtors

	2011 £	2010 £
Trade debtors	51,713	32,229
Amounts owed by group undertakings and undertakings in which the company has a participating interest	5,627	2,639
Other debtors	46,357	9,237
	103,697	44,105

9 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	30,182	16,033
Other taxation and social security	6,861	12,671
Other creditors	61,171	67,772
Amounts due to related undertakings	700,731	561,466
	798,945	657,942

10 Pension costs

Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	2,244	2,724

11 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
2,747 Ordinary Shares of £1 each	2,747	2,747

12 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 July 2010	252,994	(623,036)
Profit for the year	-	111,234
Balance at 30 June 2011	252,994	(511,802)

13 Financial commitments

At 30 June 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2012:

	2011 £	2010 £
Operating leases which expire:		
In over five years	140,000	-

14 Control

The directors consider the ultimate controlling party to be Dovecot Foundation. The entire issued share capital of the company is held by Dovecot Foundation.

15 Related party transactions

Transactions entered into with related parties during the year can be summerised as follows:

	2011 £	2010 £
D Weir:		
Expenses to be recharged to D Weir	-	530
Expenses paid by the company	(541)	(182)
Dovecot Properties Limited:		
Expenses paid by company to be recharged	(603)	(1,714)
Studio rent and service charges charged to the company	214,709	-
Studio rent and service charges paid on account by the company	(80,000)	-
Other expenses charged to the company	4,749	-
Expenses recharged from	-	44,664
The Dovecot Foundation:		
Expenses paid by company to be recharged	(3,310)	(925)
Expenses advanced to the company during the year	1,210	-
Expenses charged to the company during the year	(285)	-
Grant paid to company	520,000	-

	2011 £	2010 £
The balances due to/ (from) related parties at the year end were as follows:		
The Edinburgh Tapestry Company Limited	2	2
A E H Salvesen's 1985 Charitable Trust	516,800	516,800
D Weir	(193)	348
Dovecot Properties Limited	181,805	42,950
The Dovecot Foundation	(3,310)	(925)

The Edinburgh Tapestry Company Limited is a group undertaking.
A E H Salvesen's 1985 Charitable Trust is the ultimate controlling party of the company.
D Weir, a director of the company, is also a director of Dovecot Properties Limited.
A E H Salvesen, a company director, is also a director of The Dovecot Foundation and Dovecot Properties Limited.