

REGISTERED NUMBER: SC299786 (Scotland)

**Report of the Directors and
Financial Statements for the Period 1 January 2010 to 31 March 2011
for
Credential Lothian Limited**

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Credential Lothian Limited
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for the Period 1 January 2010 to 31 March 2011

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Credential Lothian Limited
Company Information
for the Period 1 January 2010 to 31 March 2011

DIRECTORS:

RB Clapham
D Porter
IL Duncan
P McGurn

REGISTERED OFFICE:

Venlaw Building
349 Bath Street
Glasgow
G2 4AA

REGISTERED NUMBER:

SC299786 (Scotland)

AUDITORS:

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

Credential Lothian Limited
Report of the Directors
for the Period 1 January 2010 to 31 March 2011

The directors present their report with the financial statements of the company for the period 1 January 2010 to 31 March 2011.

CHANGE OF NAME

On 27 August 2010 the company changed its name from Uberior Ventures Credential Limited to Credential Lothian Limited.

PRINCIPAL ACTIVITY

The company's principal activity during the period was that of an investment holding company.

REVIEW OF BUSINESS

The directors are satisfied with the results for the period.

On 29 September 2010 by special resolution the allotted share capital of the company was reduced to 1,000 ordinary shares of £1 each by the cancellation of 22,059,000 ordinary shares of £1 each. On 30 September 2010 the company paid a dividend in specie of certain assets to its immediate parent undertaking, Uberior Ventures Limited.

Thereafter, Uberior Ventures Limited disposed of its share interests in the company to RB Clapham.

Following the change in ownership of the company, the accounting reference date was extended to 31 March 2011 to align itself with related companies.

In the prior year, the company's financial statements were prepared under International Financial Reporting Standards. Following the change of ownership of the company, the financial statements are now prepared under United Kingdom Generally Accepted Accounting Principles, as explained in the accounting policies, note 1.

The directors intend to continue with the company's existing activities and have no plans for entering into new business opportunities.

DIVIDENDS

The profit for the period, after taxation, amounted to £81,859 (2009 year - loss £22,043,745). A dividend of £211,441 was paid on 30 September 2010. The directors recommend no final dividend for the period.

DIRECTORS

The directors who have held office during the period from 1 January 2010 to the date of this report are as follows:

RB Clapham - appointed 30 September 2010
D Porter - appointed 30 September 2010
IL Duncan - appointed 30 September 2010
P McGurn - appointed 30 September 2010
BS Anderson - resigned 30 September 2010
AJN Hewitt - resigned 30 September 2010

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Credential Lothian Limited

**Report of the Directors
for the Period 1 January 2010 to 31 March 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 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.

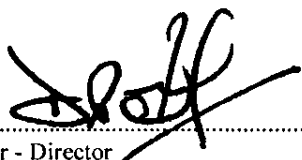
DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

During the year Baker Tilly UK Audit LLP were appointed auditors in place of PricewaterhouseCoopers LLP. Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue to act as auditors to the company.

ON BEHALF OF THE BOARD:


.....
D Porter - Director

Date: 27 January 2012

**Independent Auditors' Report to the Shareholders of
Credential Lothian Limited**

We have audited the financial statements of Credential Lothian Limited for on pages five to twelve. 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 auditors' 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 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 (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 2011 and of its profit for the period 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

Patrick Norris (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

Date: *17th February* 2012

Credential Lothian Limited
Profit and Loss Account
for the Period 1 January 2010 to 31 March 2011

	Notes	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
TURNOVER		79,918	74,000
Administrative expenses		<u>2,000</u>	<u>1,150</u>
OPERATING PROFIT	3	77,918	72,850
Interest receivable and similar income		<u>94,808</u>	<u>97,369</u>
		172,726	170,219
Amounts written off investments	4	<u>-</u>	<u>22,060,000</u>
		172,726	(21,889,781)
Interest payable and similar charges	5	<u>59,033</u>	<u>147,643</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		113,693	(22,037,424)
Tax on profit/(loss) on ordinary activities	6	<u>31,834</u>	<u>6,321</u>
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>81,859</u>	<u>(22,043,745)</u>

CONTINUING OPERATIONS

All amounts relate to continuing activities.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period and the loss for the previous year.

The notes form part of these financial statements

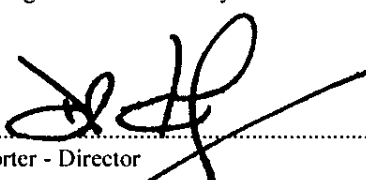
Credential Lothian Limited

**Balance Sheet
31 March 2011**

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	Notes	2011 £	2009 £
FIXED ASSETS			
Investments	8	-	-
CURRENT ASSETS			
Debtors	9	358	12,150,197
Cash at bank		<u>12,059,276</u>	<u>8,822</u>
		12,059,634	12,159,019
CREDITORS			
Amounts falling due within one year	10	<u>(12,039,156)</u>	<u>(12,008,959)</u>
NET CURRENT ASSETS		<u>20,478</u>	<u>150,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,478</u>	<u>150,060</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	22,060,000
Profit and loss account	12	<u>19,478</u>	<u>(21,909,940)</u>
SHAREHOLDERS' FUNDS	15	<u>20,478</u>	<u>150,060</u>

The financial statements were approved by the Board of Directors and authorised for issue on *27 January* 2012 and were signed on its behalf by:



 D Porter - Director
27 January 2012

The notes form part of these financial statements

Credential Lothian Limited
Notes to the Financial Statements
for the Period 1 January 2010 to 31 March 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

In the prior year, the group financial statements were prepared under International Financial Reporting Standards (IFRS). The company now meets the criteria as defined by section 395 of the Companies Act 2006 to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP).

All relevant UK GAAP standards have been adopted. The following have had a significant impact on the financial statements:

FRS 3 - Reporting Financial Performance. The effect of the change in the accounting policy to adopt FRS 3 'Reporting Financial Performance' is presentational only and has no impact on the profit for the period end 31 March 2011 or the loss for the year ended 31 December 2009. The headings for the prior year profit and loss account and balance sheet have been reclassified into the appropriate UK GAAP headings.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Turnover

Turnover represents fee income receivable during the year.

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

2. STAFF COSTS

There were no staff costs for the period ended 31 March 2011 nor for the year ended 31 December 2009.

Credential Lothian Limited

**Notes to the Financial Statements - continued
for the Period 1 January 2010 to 31 March 2011**

3. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
Auditors' remuneration	<u>2,000</u>	<u>1,150</u>
Directors' remuneration	<u>-</u>	<u>-</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
Provision against fixed asset investments	<u>-</u>	<u>22,060,000</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
Other interest payable	-	85
Loan notes	<u>59,033</u>	<u>147,558</u>
	<u>59,033</u>	<u>147,643</u>

6. TAXATION

Analysis of the tax charge

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

	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
Current tax:		
UK corporation tax	<u>31,834</u>	<u>6,321</u>
Tax on profit/(loss) on ordinary activities	<u>31,834</u>	<u>6,321</u>

UK corporation tax has been charged at 28%

Credential Lothian Limited

**Notes to the Financial Statements - continued
for the Period 1 January 2010 to 31 March 2011**

6. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the period is the same as the standard rate of corporation tax in the UK.

	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
Profit/(loss) on ordinary activities before tax	<u>113,693</u>	<u>(22,037,424)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	31,834	(6,170,479)
Effects of: Permanent diminution in value of fixed asset investments	<u>-</u>	<u>6,176,800</u>
Current tax charge	<u>31,834</u>	<u>6,321</u>

Factors that may affect future tax charges

Following the dividend in specie of the company's fixed asset investments, the capital losses brought forward from the prior year are no longer available to set off against future capital profits.

7. DIVIDENDS

	Period 1.1.10 to 31.3.11 £	Year Ended 31.12.09 £
Ordinary Shares shares of £1 each Dividends paid	<u>211,441</u>	<u>-</u>

On 30 September 2010 certain assets of the company were distributed to the shareholders of the company by way of a dividend in specie. In addition a cash dividend of £211,441 was paid.

Credential Lothian Limited

**Notes to the Financial Statements - continued
for the Period 1 January 2010 to 31 March 2011**

8. FIXED ASSET INVESTMENTS

	Joint ventures £
COST:	
At 1 January 2010	22,060,000
Distribution in specie	<u>(22,060,000)</u>
At 31 March 2011	<u>-</u>
Provision for diminution in value	
At 1 January 2010	22,060,000
Distribution in specie	<u>(22,060,000)</u>
At 31 March 2011	<u>-</u>
NET BOOK VALUE:	
At 31 March 2011	<u><u>-</u></u>
At 31 December 2009	<u><u>22,060,000</u></u>

On 30 September 2010 the company's shareholdings in its joint ventures, Credential Investment Holdings Limited and Squeeze Newco 2 Limited, were distributed by way of a dividend in specie to its immediate parent undertaking, at their book value of £nil.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2009 £
Amounts owed by group undertakings	-	12,150,000
Other debtors	<u>358</u>	<u>197</u>
	<u><u>358</u></u>	<u><u>12,150,197</u></u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2009 £
Corporation tax payable	31,834	6,321
Other creditors	5,322	1,463
Loan notes	12,000,000	12,000,000
Accruals and deferred income	<u>2,000</u>	<u>1,175</u>
	<u><u>12,039,156</u></u>	<u><u>12,008,959</u></u>

The loan notes comprise unsecured loan stock issued in March 2006 with a redemption date of 31 March 2016. The company, or a majority of the loan note holders, may redeem on any of the interest payment dates as specified in the Loan Stock Instrument the whole or any part of the loan notes at par prior to the redemption date at any time following the first anniversary of the issue date on submission of one month's prior written notice. The loan notes bear interest at a rate of 0.3% below the 3 month London Interbank Offer Rate, payable quarterly in arrears.

Credential Lothian Limited

**Notes to the Financial Statements - continued
for the Period 1 January 2010 to 31 March 2011**

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2011	2009
Number:	Class:		£	£
1,000	Ordinary Shares	£1	<u>1,000</u>	<u>22,060,000</u>

On 29 September 2010 by special resolution the allotted share capital of the company was reduced to 1,000 ordinary shares of £1 each by the cancellation of £22,059,000 ordinary shares of £1 each.

12. RESERVES

	Profit and loss account £
At 1 January 2010	(21,909,940)
Profit for the period	81,859
Dividends paid	(211,441)
Reduction in share capital	<u>22,059,000</u>
At 31 March 2011	<u>19,478</u>

13. RELATED PARTY DISCLOSURES

Transactions with directors

During the period the company paid loan note interest to the undernoted directors, as follows:

	2011 £	2009 £
RB Clapham	54,729	136,798
IL Duncan	2,152	5,380
P McGurn	2,152	5,380

At 31 March 2011 the company owed the undernoted directors loans, as described in note 10, as follows:

	2011 £	2009 £
RB Clapham	11,125,000	11,125,000
IL Duncan	437,500	437,500
P McGurn	437,500	437,500

On 30 September 2010, RB Clapham acquired 1,000 ordinary shares of £1 each in the company from its former shareholder for a total consideration of £1,000.

14. ULTIMATE CONTROLLING PARTY

At 31 March 2011 the company was under the control of RB Clapham by virtue of his controlling interest in the share capital of the company.

Credential Lothian Limited

**Notes to the Financial Statements - continued
for the Period 1 January 2010 to 31 March 2011**

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2009 £
Profit/(Loss) for the financial period	81,859	(22,043,745)
Dividends paid	<u>(211,441)</u>	<u>-</u>
Net reduction of shareholders' funds	(129,582)	(22,043,745)
Opening shareholders' funds	<u>150,060</u>	<u>22,193,805</u>
Closing shareholders' funds	<u>20,478</u>	<u>150,060</u>